

| | | |
|------------------------------------|---------------------------------------------------------|---------------|
| Title of Report: | Accommodation Strategy and Asset Management Plan | Item 5 |
| Report to be considered by: | Resource Management Select Committee | |
| Date of Meeting: | 22 September 2009 | |

Purpose of Report: To receive and consider the Strategy and Plan and give particular consideration to issues surrounding Council properties and accommodation moves.

Recommended Action: To note the documents and consider issues relating to Council properties and accommodation moves.

| Resource Management Select Committee Chairman | |
|------------------------------------------------------|--------------------------------------------|
| Name & Telephone No.: | Councillor Jeff Brooks – Tel (01635) 47391 |
| E-mail Address: | jeff.brooks@westberkslibdems.org.uk |
| Contact Officer Details | |
| Name: | Stephen Chard |
| Job Title: | Policy Officer (Scrutiny Support) |
| Tel. No.: | 01635 519462 |
| E-mail Address: | schard@westberks.gov.uk |

Supporting Information

1. Introduction

- 1.1 The Resource Management Select Committee inherited from the Resource Management Panel an item to consider the Asset Management Strategy. It was agreed by the Select Committee that the item would be widened to include the Office Accommodation Strategy. This was particularly requested to inform discussion surrounding Council properties and accommodation moves.
- 1.2 These documents are attached as appendices and both the Head of Property and the Asset Strategy Officer will be in attendance to provide further information and answer any questions.

Appendices

Appendix A – Office Accommodation Strategy 2006-2011

Appendix B – Asset Management Plan

| | | |
|------------------------------------|------------------------------------------------|----------------|
| Title of Report: | Office Accommodation Strategy 2006-2011 | Item 20 |
| Report to be considered by: | Executive | |
| Forward Plan Ref: | EX1242 | |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Plan Priority: | CP10 – Creating attractive and vibrant town centres D1 – Performance improvement D3 – Customer focus D4 – Stronger governance |
| <p>The proposals contained in this report will help to achieve the above Corporate Plan priority by: <i>contributing to the Priorities and Development themes outlined above.</i></p> | |

Purpose of Report:

To set out and approve the Council's new five year Accommodation Strategy.

Recommended Action:

The Strategy and underlying key principles be adopted by West Berkshire Council.

Reason for decision to be taken:

The Council faces a number of challenges over the next five years regarding the provision of its office accommodation in Newbury. This requires the preparation of a new strategy to replace the current document which expires next year.

List of other options considered:

As set out in the report

Key background documentation:

- Accommodation Strategy 2002 -2007

| | |
|--------------------------|------------------------------|
| Portfolio Member: | Councillor Anthony Stansfeld |
| Tel. No.: | (01488) 658238 |
| E-mail Address: | astansfeld@westberks.gov.uk |

Contact Officer Details

| | |
|------------------------|--------------------------|
| Name: | Nick Carter |
| Job Title: | Chief Executive |
| Tel. No.: | 01635 519101 |
| E-mail Address: | ncarter@westberks.gov.uk |

Implications

- Policy:** The policy implications for the Council are set out in the report and are primarily reflected in the principles set out in the Strategy.
- Financial:** See paragraph 2.3 of the report. The Strategy is currently based on funding the Council's future accommodation requirements within the framework of the current Medium Term Financial Strategy (MTFS). The financial implications will be considered in greater detail as part of the forthcoming options analysis.
- Personnel:** There are no direct personnel implications associated with this report.
- Legal:** There are no legal implications associated with the Strategy although these are likely to emerge as part of the implementation.
- Property:** A range of property implications are associated with this Strategy and some are highlighted within the Report. They will be considered in greater detail within the subsequent options analysis.
- Risk Management:** The Council needs to take action to ensure that it has sufficient and appropriate accommodation over the medium term. The Strategy seeks to set a framework within which future options can be considered and evaluated.

Supporting Information

1. Background

- 1.1 The proposed new Accommodation Strategy has been written as a self contained document and is set out in Appendix A.

Appendices

Appendix A - Accommodation Strategy 2007-2011

Consultation Responses

| | |
|----------------------------|-------------------------------------------------------------------------------------------------------------|
| Local Stakeholders: | None. |
| Officers Consulted: | Corporate Board, Mark Abinger, Iain Masters, Accommodation and Workstyle Group |
| Trade Union: | Not consulted at this stage. The Trade Unions will be consulted when specific options are being considered. |

OFFICE ACCOMMODATION STRATEGY 2007 - 2011

TABLE OF CONTENTS

- 1. Introduction**
- 2. Executive Summary**
- 3. Overview of the Current Position**
- 4. Future Trends and Issues**
- 5. A New Strategy for 2007-2011**
- 6. Guiding Principles and Objectives for the New Strategy**
- 7. Action Plan**

1. Introduction

- 1.1 The Council produced its first five-year Accommodation Strategy in 2002, a significant proportion of which has now been implemented. Inevitably, the Council's operating environment has changed since then, shaped not only by the changing needs of its customers, but also by new legislative requirements, the development of multi-agency Partnerships, changing work patterns amongst the workforce, and the nature of the Council's accommodation portfolio. It is, therefore, timely to take stock and prepare a new Strategy.
- 1.2 This new Strategy seeks to cover the period 2007-2011. During this time, the Council will need to actively consider its accommodation provision. Leases are set to expire with no security of renewal and the condition and future of the existing offices will need to be considered. This will all take place against the background of a changing workforce and ever changing expectations from customers and residents alike.
- 1.3 This Strategy cannot be considered in isolation. The Council is one of three major employers in West Berkshire and employs over 1,000 staff within Newbury alone. It, therefore, has an important role in supporting the Town Centre economy and this linkage needs to be understood before changes are considered. Some 77% of Council staff also journey to work by car and a significant proportion use public car parks within the Town Centre. Changes in the scale and location of Council offices are, therefore, significant issues in terms of Transport and Car Parking Strategies and Green Travel Plans and these linkages also need to be considered.
- 1.4 It is also important to define the scope of the Accommodation Strategy. It is primarily concerned about office accommodation not service delivery points. The latter are considered in more detail within the Council's new Customer Contact Strategy. There are however cross overs and these are discussed where appropriate within this document. The focus on office accommodation and workstyle practices inevitably puts the emphasis on Newbury where the majority of the Council's office based staff are located. Mention is however made of other locations where appropriate.
- 1.5 This Strategy starts with a review of the existing 2002-2007 document. It then moves on to look at the future trends that are set to shape the new Strategy. The final chapter sets out the Strategy itself highlighting key principles and objectives before proposing a way forward to meet the Council's accommodation needs up to 2011. A short Action Plan then follows.

2. Executive Summary

- 2.1 The Council published its first five year Accommodation Strategy in 2002. A significant proportion of that strategy has now been implemented including the co-location of most of the Council's Directorates into three offices, the construction of a new Contact Centre, co-location with the Berkshire West PCT and completion of a major refurbishment programme.
- 2.2 Over the next few years the Council will need, once again, to consider its future Accommodation stock, notably in Newbury. Key issues include the future of the Avonbank/Northcroft offices where the current lease will expire in 2009, and a possible replacement of the Council's temporary offices at Faraday Road which were constructed in 1996. Changing work patterns will also be important and the increased use of flexible working is also set to have a major influence on the Council's future use of its office accommodation.
- 2.3 In setting a new five year strategy for 2007-2011 twelve key principles are being adopted – some are a continuation of those agreed in 2002. In summary they are;
1. Promote co-location wherever possible. For Newbury based staff a single office base would be ideal although this may not be feasible. In any event there is a need to work towards all four of the Council's Directorates being co-located.
 2. Ensure that whatever option is selected it is affordable, cost effective and balances the short and medium term financial interests of the Authority. The Medium Term Financial Strategy (MTFS) has set aside resources to cover the potential costs associated with implementing the Strategy however this amount would not necessarily cover the options that may be under consideration. The financial implications would therefore require further consideration as part of the Options Analysis.
 3. Support the development of working practices to improve the delivery of services to West Berkshire citizens e.g. the extension of flexible working and the Contact Centre model.
 4. Continue to promote multi agency working where appropriate.
 5. Adopt modern working practices where it demonstrates improved effectiveness and efficiency of the Council's operations.
 6. Where practical, bring services to West Berkshire citizens through as many media as possible.
 7. Provide a modern, safe and 'fit for purpose' working environment.
 8. Where possible, promote flexibility in the way accommodation is provided, laid out and utilised.
 9. Help facilitate the provision of office based solutions in other parts of the District where these are seen to be cost effective, operationally appropriate, and to the benefit of the local community.
 10. Complement other Council Plans, most notably the People Strategy, Newbury 2025 and the Staff Green Travel Plan.
 11. Ensure options take into account the need for sustainable solutions.
 12. Continue to strive to improve the accessibility to services for all citizens of West Berkshire.

2.4 The report highlights how the Council's accommodation stock and associated working practices might develop by 2011 if these key principles are used to move the Strategy forward. The Strategy concludes with an Action Plan. This highlights the development of an Options Analysis to take key elements of the Strategy forward, along with the development of related strategies which will have an impact on the development and potential use of the Council's accommodation stock.

3. Overview of the current position

3.1 The Council approved an Office Accommodation Strategy in November 2001 for the period 2002-2007. The guiding principles behind that Strategy were that it must:

- promote the effective delivery of services to the people of West Berkshire;
- improve the working environment of Council employees and visitors to its offices;
- support the Council's Strategic Partnership with Amey aimed at improving the efficiency and effectiveness of the Council's Business Support Services;
- enable closer multi-agency working to provide 'joined-up services' particularly through co-location;
- take full advantage of computer technology to improve the delivery of services to the customer.

3.2 There has been significant progress with the implementation of the 2002 Accommodation Strategy. The current position is summarised in Table 1 and is set out in greater detail below;

1. The Authority has moved from four offices to three in Newbury, having disposed of Pelican House, the poorest element of the Council's inherited accommodation stock. A new integrated and upgraded office block has been created at Avonbank and Northcroft with improved public access and staff facilities. Co-location of two Directorates within the Council and with the Berkshire West Primary Care Trust (PCT) has been achieved. The Council has security of tenure within these offices until 2009. The new Strategy needs to articulate how the Council intends to move forward beyond this date.
2. There has been a significant investment programme at the Market Street offices. This includes a new Contact Centre, staff and Member facilities and ventilation systems. If the building is to remain part of the Council's accommodation stock, an ongoing maintenance and investment programme for Market Street will need to be agreed and funded as part of this Strategy.
3. Planning permission for the Faraday Road site has been extended to 2007 however the building, which was only erected as a short-term solution to the Council's needs following unitary status, is now beginning to deteriorate. The office building itself has little, if any asset value. It is timely to consider its future, particularly in light of the recent publication of Newbury 2025. This identifies the land upon which the building is situated as a strategic site which needs to be brought forward as part of the redevelopment of the London Road Industrial Estate.

4. Outside of Newbury proposals to develop an office in the East through the PFI initiative have not been successful. There is a need to review the Council's Strategy in this part of the District which needs to be linked to the Kennet and Thames Vision. The new Tilehurst Learning Campus is an important element to consider in this report. The Council has retained its office in Theale.
5. In the Western part of the District, a new integrated facility is being created at Hungerford Library bringing together the Cash Office, a Council and Tourist Information Point, a private meeting room and extended library. This is however a service delivery point not an accommodation base.
6. Significant progress has been made with introducing flexible working practices. At the time of writing a number of pilot exercises were underway to look in more detail at the costs and benefits associated with remote working. If these prove feasible then there may potentially be the opportunity to reduce the Council's requirement for office space in Newbury through rationalising our existing stock or letting it out.
7. Putting aside future considerations regarding flexible and remote working, the Council's Accommodation Strategy will inevitably be determined to a large extent by its future staffing Establishment. Since the original Strategy was written in 2001 the Council's Newbury based establishment has increased, a significant proportion of which has been funded from external sources. Future staffing numbers are one of the factors that will determine our future direction of travel and are considered in the following chapter.

| Table 1 – Accommodation Strategy 2002 – 2007 Progress to Date | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Action | Progress |
| Construct a new Contact Centre at Market St. Development to include new staff facilities, Members facilities, meeting rooms and improved access at Market St site. | Completed in 2002 as part of Phase 1 of the Strategy. |
| Improve IT infrastructure at Pelican House. | Completed in 2002 as part of Phase 1 of the Strategy. |
| Purchase Avonbank House and Northcroft House to provide second main office complex in Newbury. | Partially completed on a temporary lease basis as part of Phase 2 of the Strategy. Northcroft House acquired in 2003 on a leased basis. Avonbank House lease extended to 2009 along with Northcroft House . |
| Consolidate Amey Services on a Business Centre model at an appropriate site. | Not actioned. No longer relevant |
| Co-locate service units and service groupings as soon as possible. | Strategy & Commissioning completed as part of Phase 1 (2002). Children & Young People and Community Care & Housing completed as part of Phase 2 (2004). Community Care co-located with Newbury and Community PCT. (2004) |
| Vacate the Faraday Road offices at the end of the current temporary planning permission in 2007. | To be considered as part this new strategy. |
| Vacate Pelican House in the medium term if this proves financially viable and practicable. | Complete. |
| Consider the establishment of an Eastern Area facility for the Council through PFI. | PFI bid has not been successful. Project is being re-evaluated through the Kennet & Thames Vision and the new Tilehurst Learning Campus Project. |
| Undertake a review of office practices at service unit level to determine the potential for flexible working. | Council commissioned BT Lifestyle Group to evaluate potential for flexible working. Piloting some recommendations in 2006/7. Roll out in 2007 and beyond if pilots are successful. |
| Evaluate the potential for achieving a space utilisation improvement target of 10% on the September 2002 base line. | Will be considered as part of work on flexible working (see above). |
| Seek to establish future accommodation needs on 2 sites: <ul style="list-style-type: none"> • Avonbank / Northcroft • Market Street Carry out refurbishment of both office sites on a phased basis. | <p>The option of extending the Market Street site to include the Woodlands campus is no longer available. It is therefore currently not feasible to consider a two site option based on Market Street and Avonbank/Northcroft. There is insufficient capacity on both sites to accommodate the Council's Establishment even if a 10% reduction were achieved.</p> <p>Consolidation on the Avonbank/Northcroft site now completed on a temporary leasehold basis however a permanent solution may now be needed as the leases will expire in 2009. It could be renegotiated. The building has had some refurbishment but requires further investment. Ongoing refurbishment programme for Market Street included in Capital Programme. This has included: Heating/ventilation for 2004/05 - completed Lighting – 2006/7 - ongoing Refurbishment programme for Avonbank/Northcroft: New reception area/meeting rooms 2004/05 - completed New staff facilities – 2004/05 – completed</p> |
| Engage key statutory and voluntary sector partners in a discussion designed to explore the potential for co-location of staff and service delivery. | <p>Berkshire West PCT have co-located with WBC Community Services in Northcroft House.</p> <p>The Contact Centre model continues to be developed and opportunities explored for joint working.</p> <p>There are no specific proposals as yet for further co-location with external agencies during the life of the Strategy.</p> |

3.3 The successful implementation of the previous Strategy has changed the nature of the Council's accommodation stock. Table 2a provides a summary of the Council's current accommodation stock. The figures highlight the following;

- The Council's total office space in Newbury totals 12,356 sq m (gross internal area), 520sq m of this is occupied by the PCT. 10.2% is not occupied by staff but is used for meetings etc.
- the total annual cost for providing office accommodation in Newbury is £917,035 for 2005/06 (excluding maintenance and rates). The estimated figure in 2002 was £948,250 (2002/3).
- a rough breakdown of these costs shows that approximately 57.5% relates to rental charges (e.g. Avonbank/Northcroft).

Table 2a – Summary of Council's Accommodation Portfolio – 2005/06 – Size and Cost

| Building | Tenure | Sq.m(GIA) | Rent (£) | Rates(£) | Running Costs excluding rates & rent (£) | R&M Maintenance (£) |
|---------------------------------------------|-----------|-----------|--------------------|----------------|------------------------------------------|---------------------|
| Market Street | Freehold | 5566 | N/A | 186,190 | 178,290 | 103,000 |
| Avonbank | Leasehold | 2316 | 313,000 | 85,300 | 65,745 | 60,000 |
| Northcroft | Leasehold | 1900 | 215,000 | 48,300 | 54,940 | 41,000 |
| Faraday Road | Freehold | 2574 | N/A | 48,930 | 90,060 | 38,000 |
| Brewery Court Coopers House Units 1-2 | Leasehold | 326 | 32,500 / 45,000 | 24,897 | 35,780 | 8,000 |
| Total | | | 605,500 | 393,617 | 424,815 | 250,000 |

Table 2b – Changes in the Council's Accommodation Portfolio 2002-2006

| | 2002 | | | 2006 | | |
|-------------------|-------------------|------------------|----------------------|-------------------|------------------|-------------------------|
| | Sq m work station | Nos ¹ | Density ² | Sq m work station | Nos ¹ | Density ² ** |
| Market Street | 3000 | 345 | 8.69 | 3527 | 405 | 8.71 |
| Avonbank | 2019 | 216 | 9.4 | 2030 | 244 | 8.32 |
| Northcroft House* | 1540 | 0 | 0 | 1455 | 171 | 8.51 |
| Faraday Road | 2165 | 204 | 10.6 | 2278 | 238 | 9.36 |
| Pelican House | 600 | 97 | 66.7 | 0 | 0 | 0 |
| Theale | 248*** | 27 | 9.14 | 270**** | 38 | 7.10 |

Notes

- * Northcroft House also includes the Berkshire West PCT. They occupy 520m² of the building.
- ** The Council's corporate space standard is 8.5 sq. m. per person (taken from 2002 Accommodation Strategy document)
- *** Crown House
- **** Brewery Court
- ¹ Total number of staff (posts) occupying the building
- ² Shown as sq.m. per person

4. Future Trends and Issues

- 4.1 There are a number of factors to consider in determining the future accommodation stock that the Council is likely to require namely:

Changes in the Council's Workforce

- 4.2 In recent years the Council's establishment has increased, although the new establishment monitoring regime shows that much of this increase has come from externally and jointly funded posts. The original strategy, written in 2001 anticipated growth of 50 in the office based work force followed by a period of stability. Current figures show that this growth has been exceeded. Future trends are difficult to calculate but it seems appropriate for planning processes to assume that central government will continue to place extra responsibilities on the Council, which may necessitate a degree of expansion. If current trends continue the majority of any expansion will come from externally and jointly funded posts. However any expansion will be kept in check by the Council's desire to limit future growth in its establishment.

Future Co-Location Opportunities

- 4.3 Current planning assumptions assume that there will be no new co-location requirements with other external agencies over the life of this Strategy. The internal co-location of the Environment Directorate remains a key objective as it was in the 2002 Strategy. The accommodation requirements of the Berkshire West PCT over the life of the Strategy have yet to be quantified.

Consolidation of other Newbury offices

- 4.4 Staff currently located in the Granary building on the Wharf are now directly involved in the operation and management of the Museum and Tourist Information Centre or part of the wider Heritage Team. Other staff based there have recently been moved to Avonbank. No allowance has been made for the Youth Offending Team (YOT) staff or those from the Multi Agency Children's Team (MATCH) which are currently located in separate premises in Newbury. It is assumed that they will continue to be located outside of the main buildings.

Newtown Road Resource Centre (Phoenix Centre)

- 4.5 This capital project, due for completion in the first half of 2007, will provide a new facility for people with a learning disability. It will replace the current building on the same site. The current building also provides office accommodation for the staff working with Learning Disability day service users and for the Physical Disability Team. The new building will accommodate these same staff teams. As space is limited, the plans have maximised use of the building for operational use and minimised office space through use of modular desk arrangements and installing the IT to facilitate flexible working.

Shaw House

- 4.6 Work to restore Shaw House is scheduled for completion in November 2006. When completed the building will provide 10 rooms for conferences, seminars, workshops and other training events with a range of capacities from small rooms accommodating 8 people, to a large conference room capable of accommodating around 100 people. The House will provide the workbase for employees currently located at Peake House, the West Berkshire Education Centre and the Curriculum Centre at Fir Tree School.

Opportunities for higher office densities through improved space planning/'hot desking'

- 4.7 The Council has adopted a corporate space standard of 8.5m² per employee. This is the standard that has been used in all the accommodation moves since 2002 and Table 2b reveals that the Council is currently operating close to this standard.
- 4.8 The current standard is seen to be appropriate and in keeping with other similar agencies. However, this would be reviewed were extensive hot desking to be adopted following the flexible working pilots..

Existing Spare Capacity

- 4.9 The data in Table 2b suggests that there is some existing spare capacity within the Faraday Road Office. This is due to the desking layout. Investment will be required to renew furniture to improve the space utilisation. However, if this building is going to be replaced, investing such money is unlikely to be appropriate.

Future Costs

- 4.10 The cost base has been an important bearing on the Council's future Strategy and the issue is discussed later. Key issues include;
1. The rent for Avonbank/Northcroft is capitalised at £528,000 per annum. In 2009 there will be no capital left to effectively pay the rent. If the lease for this building is renewed then new capital will need to be found. If the lease is not renewed and a new building is leased or purchased then new capital or revenue funding will need to be found.
 2. Faraday Road – the Council has the freehold on the building and land however this is a temporary structure and there is now a need to consider a permanent replacement for this site or a refurbishment programme. This will have additional financial implications beyond the current cost base currently reflected in the MTFS.
 3. Market Street – if retained there is a need to consider a planned maintenance programme for this building which is likely to put further pressure on the Council's Capital Programme.
- 4.11 Taken together these three factors create significant financial pressures on the Council during the life of the proposed Strategy. Whilst of a lesser scale there are a number of potential cost savings that could be achieved through the implementation of the Strategy, namely;

- flexible working may reduce the quantum of accommodation needed, and thereby costs. These could however be offset by the costs associated with providing flexible working opportunities;
- any further consolidation of offices should reduce costs; potentially rent, but certainly running costs;
- redevelopment and/or the potential construction of new buildings to more modern standards also provides the opportunity to reduce running costs.

Newbury 2025

- 4.12 Finally, given the Council's main administrative base is in Newbury it is appropriate to bear in mind the implications of Newbury 2025. The Council's Market Street site will have been redeveloped by the end of this Strategy period. This will not have a significant impact on the offices themselves but the strategy for the Market Street site has an assumption that there will be a requirement on the developer to provide for the re-provision of the existing levels of car parking.
- 4.13 The level of capital receipt the Council will receive for the site will be influenced by the cost of the Council's required provision of the replacement car parking. As a consequence it is important to review staff car parking policies and to link this to developing car parking strategies and Green Travel Plans.
- 4.14 The Council's Faraday Road site sits within the London Road Industrial Estate (LRIE). Newbury 2025 identifies this area as the site for new higher quality office development. The Council's current offices on this site do not relate well to such a use. A phased but comprehensive redevelopment of the LRIE is the likely route for delivering the planned investment. A piecemeal approach to the redevelopment of the area or the sale of this single site within the Estate would appear be short term and a counter productive measure. Therefore, any future reuse of the Faraday Road site is likely to be for a temporary use. Such a temporary use is unlikely to produce a capital receipt during the plan period.

5. A New Strategy for 2006 - 2011

Overview

- 5.1 The Council's future Accommodation Strategy needs to balance future staffing and workstyle trends with available resources and opportunities for improving efficiency. Since 2002 the consolidation of the Council's Newbury based offices has resulted in a capital receipt of £950,000 to the Authority but has also been accompanied by increasing pressures on some running costs and maintenance. These have to some degree been offset by re-negotiated contracts and rental income, whilst pressures on the revenue budget have also been eased by being able to effectively capitalise the rent on Avonbank.
- 5.2 The main reasons for pressures on the accommodation revenue budgets are an increased quantum of accommodation to meet new operational requirements coupled with underlying 'above inflation' pressures on running costs such as power. In some cases, new, improved facilities such as comfort cooling have also led to increased costs.

- 5.3 Table 3a provides an indication of how the cost base has changed over the past two years.

| Table 3a – Running costs for the Council's main Newbury Offices 2002-2004. The figures show all running costs including rent but not maintenance (excluding Rates) | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------|------------------|----------------|
| | 2002/3 | 2003/4 | 2004/5 | 2005/6 |
| Market Street | 370,011 | 352,123 | 341,472 | 178,290* |
| Avonbank | 455,054 | 513,566 | 480,189 | 378,745 |
| Northcroft | n/a | 77,488 | 192,673 | 269,940 |
| Pelican | 57,139 | 49,649 | n/a | n/a |
| Faraday Road | 66,046 | 92,830 | 91,618 | 90,060 |
| TOTAL | 948,250 | 1,085,656 | 1,105,952 | 917,035 |

* This reduction has resulted from contractual renegotiations

- 5.4 In addition to these costs there are also the costs of maintenance. All external maintenance at the Avonbank/Northcroft offices is the responsibility of the landlord, however, maintenance liabilities at both the Market Street and Faraday Road offices are increasing as both buildings age. In the past this has been supported both by Amey (in terms of the Contact Centre) and by the Council's own Capital Programme. Faraday Road, which was only built as a short term temporary building is beginning to deteriorate and the Options Analysis needs to consider whether the financial and operational arguments for relocating to another site are now strong enough. Table 3b provides a summary of the maintenance costs for the main office sites in Newbury since 2002. These include both capital and revenue funding.

| Table 3b – Maintenance costs for the Council's main Newbury Offices 2002-2009. The figures include work funded by Amey and show both revenue and capital funding | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2002/03 | 2003/04 | 2004/05 | 2005/06 |
| Market Street | 49,516 | 67,506 | 64,283 | 86,990 |
| Avonbank | 17,779 | 8,059 | 26,664 | 88,574 |
| Northcroft | n/a | n/a | 12,338 | 31,901 |
| Pelican | 7,188 | 2,766 | n/a | n/a |
| Faraday Road | 23,579 | 33,491 | 23,672 | 25,000 |
| TOTAL | 98,062 | 111,818 | 126,957 | 243,298 |

- 5.5 There are a number of other important financial issues which need to be considered in formulating a new Accommodation Strategy. Firstly, the Council's security of tenure in respect of the Avonbank and Northcroft offices can only be guaranteed until December 2009. This new Strategy needs to consider the approach that the Council should adopt in respect of these offices beyond the end of this lease.
- 5.6 Secondly, there are opportunities provided by the new Prudential Framework for capital financing. The Council can now borrow more readily and therefore the opportunity to acquire its own accommodation stock is much greater. This brings with it costs both in terms of borrowing and buildings liabilities, however, these need to be considered alongside the benefits of acquiring new assets and future security. Overall, the view is that freehold is generally a preferred option to leasehold at least for a large majority of the Council's accommodation stock.

5.7 In addition to these financial constraints the Council also needs to consider how the demand for accommodation is likely to change. It has been assumed that the historical increase in the Establishment will slow and that most of any future growth, will come through an increase in externally and jointly funded posts. It would also seem appropriate to make an allowance for a reduction in the Council's accommodation needs through the use of flexible working practices. At this stage the precise level of reduction achievable over the life of the strategy cannot be confirmed until the flexible working pilots have been completed towards the end of 2006. However it seems likely that the potential for centrally driven increases in establishment and the reduction in office accommodation requirement through flexible working may be of a similar scale and potentially cancel each other out. Therefore the Council's main office space requirement in Newbury will remain based on an Establishment of around 1100. It is assumed that accommodation requirements outside Newbury will be met by existing offices. This would equate to a requirement for between 12,000-12,500 sq m of office space (gross internal area).

6. Guiding principles and objectives for the new Strategy

6.1 Many of the guiding principles behind the 2002 Strategy remain relevant, however, a number of new ones have been introduced to reflect the changing financial environment. As a result, the guiding principles behind the new Accommodation Strategy are summarised below:

1. Promote co-location where practical, by bringing the Council together into a single building. Where this is not possible, co-location of Directorates will be sought. *In reality a single office is unlikely to be affordable; a more realistic option is likely to be either a two site or three site solution. It is assumed that the Market Street Offices will be retained. There is still a need to co locate the Environment Directorate, an action that is outstanding from the Accommodation Strategy 2002-2007.*
2. Ensure solutions are affordable, cost effective and balance both the short and medium term financial interests of the Authority. *A sum has been factored into the Medium Term Financial Strategy (MTFS). However, it should be stressed that if the amount required exceeds this financial envelope then funding from other sources would need to be identified that could range from re-prioritising existing capital plans, disposing of more assets than assumed in capital financing requirement calculations and/or raising additional income from Council Tax.*
 - *the requirement to purchase a replacement for both the Avonbank / Northcroft and Faraday Road offices. Taken together this would require 6,500 sq m of office space; whilst it would be possible to continue to lease Avonbank/Northcroft more appropriate accommodation may be available and it is felt other options need to be considered.*
 - *financial resources (it is assumed through the Council's Capital Programme) need to be secured for an ongoing maintenance programme for the Market Street Offices. This has yet to be factored into the financial envelope set out in 2.*
 - *The future of the Faraday site needs to be considered. This could involve retention and refurbishment or alternatively the purchase of a new building with the opportunity to consider the Avonbank, Northcroft and Faraday offices.*

3. Support the development of working practices to improve delivery of services to West Berkshire citizens. *This supports the Council's desire to extend flexible working and in particular introduce extended opening hours and the provision of satellite service points. This is set out in greater detail within the Customer Contact Strategy*
4. Continue to promote multi-agency working where it is beneficial to the effectiveness and efficiency of the Council's operations and can be achieved within the financial framework (MTFS). *It has been assumed within the modelling shown in this Strategy that the PCT will remain co-located with the Council as at present. No other co-locations have been assumed within the modelling.*
5. Adopt modern working practices where it demonstrates improved effectiveness and efficiency of the Council's operations. *Once again flexible working will help drive this in the context of accommodation requirements. The expectation is that benefits to the employee will be accompanied by benefits to both the customer and the Council in terms of accommodation costs. The results of the pilot exercise are however required before this can be quantified with any confidence.*
6. Where practical, bring services to West Berkshire citizens through as many media as possible. *This is already in hand and will in effect be covered through the Council's 'Customer Contact' Strategy.*
7. Provide a modern, safe and 'fit for purpose' working environment. *The Strategy is suggesting the retention of the current office space standard. This needs to be developed into a broader accommodation standard that can be used to frame maintenance programmes and office relocations etc. The aim will be to adopt wherever possible common accommodation standards across all of the Council's buildings.*
8. Where possible, promote flexibility in the way accommodation is provided, laid out, and utilised. *This will be built into the standards referred to in 7 above. It also needs to be reflected in the nature of the buildings that the Council acquires. Greater flexibility can be achieved through the use of smaller modern desking units however this needs to be considered alongside the need to remain within the Council's affordability envelope.*
9. Help facilitate the provision of office based solutions in other parts of the District where these are seen to be cost effective, operationally appropriate, and to the benefit of the local community. *It should be noted that in some cases the sites mentioned are effectively service points and not office accommodation for staff*
10. Complement other Council Plans, most notably the People Strategy, Newbury 2025 and the Staff Green Travel Plan. *These have been reflected where appropriate within the Strategy. The most significant issues here are the collocation of Service Units and Directorates, the creation of 'fit for purpose' offices, the impact of Green Travel Plans on flexible working and the future need for office based accommodation, and the need to consider the redevelopment of the Faraday Road Offices alongside the wider redevelopment of the London Road Industrial Estate*
11. Ensure options take into account the need for sustainable solutions. *Energy efficiency and the need to reduce travel by car will be actively considered in the Options Analysis that follows on from this Strategy.*
12. Continue to strive to improve the accessibility to services for all citizens of West Berkshire.

6.2 If the Strategy has been successful then the following as a minimum will be in place by 2011:

- two or three main office bases in Newbury, with the Council having the security of freehold possession or long leasehold security of its premises. The Market Street site would be retained under this scenario;
- accommodation costs contained to a level that could be supported through the MTFS;
- co-location of the Council's four Directorates;
- the accommodation stock probably being of a similar size to that of today, capable of meeting the Council's medium-term requirements with some co-location on site with partners, notably the PCT;
- an improved standard of accommodation in terms of efficiency and environment for both staff, Members and public visitors, based around the existing corporate standard and backed up by an appropriate and funded maintenance programme. The accommodation would also be designed where appropriate to facilitate flexible working and be 'Cleaner and Greener';
- both a single point of contact based in the East and West of the District; these contact points may provide accommodation for staff but this would be very limited and potentially designed for flexible working purposes;
- office accommodation stock which aligns well to Newbury 2025, the Vision for Newbury Town Centre through the use of flexible working practices and an effective Green Travel Plan, a reduction in the number of staff utilising central office accommodation with a resulting reduction in the number of staff travelling to work by car.

6.3 **Affordability**

Inevitably the Council's accommodation aspirations will be tempered by what it can afford. This is perhaps best articulated by looking at what must be done and what could be considered optional. The following are considered essential;

1. A replacement for Avonbank and Northcroft from January 2010. If the lease were retained then a capital sum would be required to cover the costs of the lease of the period of that lease. This would need to be found from within the Council's Capital Programme. If a new building were to be purchased then the cost would be financed from borrowing. Alternatively a new building could be leased. These latter options would create revenue pressures and a provision has been made in the current MTFS for these which will need to be revisited once the Option Analysis has been completed.
2. An ongoing maintenance programme for Market Street, taken over the period of the Strategy. Costs have yet to be confirmed and will emerge through the Options Analysis. The maintenance would need to be funded through the Capital Programme.
3. If Faraday Road were to be retained (potentially the cheaper option), then again an annual maintenance programme would be required. This would form part of the Options Analysis and be funded through the Capital Programme. Alternatively Faraday Road could be disposed of and an alternative site sought. A range of options could be considered but many of these are likely to be beyond the current envelope of the MTFS.



4. Invest in flexible working to reduce the future need for accommodation and help deliver a range of other policy objectives. At present this is seen as a cost containment proposal but it could potentially deliver real savings.

7. Action Plan

Table 5 sets out the proposed actions which need to be taken to ensure that the Strategy is implemented and the key principles and objectives delivered. It is proposed that this Action Plan is reviewed on a biannual basis.

Table 5 – Action Plan Summary for the delivery of the Accommodation Strategy 2006-2001

| | Objective | Action | Responsible | Time |
|----|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|------------------------------------|--------------------|
| 1. | Agree Accommodation Strategy | Seek Executive Approval | Nick Carter | November 2006 |
| 2. | Prepare Options Analysis based on Strategy | Initial Draft | Mark Abinger | January-April 2007 |
| | | Second Draft | Mark Abinger | May-June 2007 |
| | | Assess implications for MTFS | Andy Walker | January-June 2007 |
| | | Final draft of Option Analysis with recommendation for preferred option (to Executive) | Mark Abinger / Andy Walker | July 2007 |
| 3. | Implement Green Travel Plan (likely to be phased over 2 years) | Seek Executive Approval | Gary Lugg | January 2007 |
| | | Implementation | Gary Lugg | From March 2007 |
| 4 | Implement the Transitional Car Parking Strategy for Newbury Town Centre 2006-2010 | Seek Executive Approval | Nick Carter | July 2006 |
| | | Implementation | Various | From April 2007 |
| 5. | Assess implications of the Flexible Working Pilots on the Accommodation Strategy | Report considered | Sue Curtis Davison / Rob o' Reilly | December 2006 |
| | | Revise Strategy and Implementation Plan as required | Various | From January 2006 |
| 6. | Develop detailed implementation plan for preferred option | To follow once options have been agreed in 2007. | Mark Abinger / Andy Walker | From March 2007 |

Asset Management Plan

1.0 Section 1 - INTRODUCTION

1.1 This Asset Management Plan has been compiled to the guidelines commissioned by Communities and Local Government (CLG). These aim to assist and support the continued development of asset management in local government. They supplement previous guidance produced particularly by Office of the Deputy Prime Minister and the Department for Education and Skills (DfES).

1.2 Whereas previous guidance focused on encouraging the development of the necessary processes for asset management within local government, these guidelines now seek to foster a greater emphasis on achievements, in terms of outputs, e.g. improved property assets, and outcomes, e.g. better achievement of corporate objectives and more efficient and effective services to the public resulting from improved property assets

1.3 Property assets are essential to the Authority's functions and their best use and management are crucial in the delivery of efficient and effective services. Managing these assets is a structured process that relates to both operational and strategic need. It seeks to ensure that the appropriate quantity and quality of land and buildings are available at any given time to provide efficient and effective service delivery and represent good value for money.

1.4 Property assets have three features that place primacy on their proper management:

- they are expensive – in terms of both their capital value and annual costs of upkeep;
- they need to be carefully managed over their lives to ensure best value, e.g. use, maintenance and generation of income; and,
- it takes time to determine carefully new property needs and to procure and provide them.

1.5 CONTEXT

1.5.1 The District

1.5.1.1 West Berkshire Council is situated in the south of England. It is a large, predominantly rural area, covering 70,500 hectares and taking in half of the County of Berkshire. Seventy four per cent of the land is designated as an Area of Outstanding Natural Beauty. The population of the district is 144,500, living within 57,360 households. It is a diverse area, rural in the West and suburban in the East. Most of the population lives in small to medium sized towns, the largest of which are Newbury and Thatcham. There is a relatively young population, with a significant proportion being in the 30 to 50 year age group which means that there are many couples either with or without children. According to the 2001 census 2.6% of the population is from black and ethnic minority communities. The area has a record for low unemployment and is the 25th least deprived council out of 354 district and unitary authorities, but has areas of deprivation.

1.5.2 Organisational Framework

1.5.2.1 The Council is a unitary authority created in 1998 comprising 52 councillors and is controlled by the Conservatives. The business of the Council is governed by a Leader and Cabinet system adopted in May 2001. Under the Leader and Cabinet system the role of the Councillors is enhanced to enable them to be the champions of their communities and scrutinise Council Services. The management structure of officers comprises the Chief Executive and three Corporate Directors.

1.5.3 Corporate Planning Framework

1.5.3.1 There are several plans and strategic documents prepared by the Council but the Sustainable Community Strategy, entitled, 'A Breath of Fresh Air', is the one which sets out a long term vision for the District up until 2026. It was developed by the West Berkshire Partnership, the District's Local Strategic Partnership. As well as consulting with local organisations and networks of organisations, the Strategy has been informed by the priorities identified within Parish Plans and recognises the factors influencing West Berkshire at both a national and local level.

1.5.3.2 The Sustainable Community Strategy is based on five themes prosperity, accessibility, green issues, safety and health. The aim is to protect areas of strength within the district but t also recognise areas where improvement is needed.

1.5.3.3 The Council also has a 5 year Council Plan which supports the Community Strategy and demonstrates the Council's role in helping to make it a reality. Other plans developed by the Council have asset management planning implications such as the Housing Strategy, individual Service Plans and Capital Strategy

1.5.4 Corporate Goals and Objectives

1.5.4.1 The Council's 5 year Council Plan, mentioned above was rewritten in 2007 and refreshed in 2008. The purpose of the Council Plan is to give the Council a clear direction in the medium term. The Council Plan has four themes which are promoting the economic, social and environmental well being of West Berkshire and having organisational effectiveness.

1.5.4.2 The four themes in the corporate plan are developed into 16 outcomes which in turn have specific outputs and measurable targets.

1.5.4.3 These objectives and drivers are central to the Council's vision and are to be included in all strategic documents produced by the Council including the asset management plan.

2.0 **Section 2 – CORPORATE ASSET POLICY**

2.1 Corporate Asset Objectives

2.1.1 The Asset Management Plan is intended to provide a picture of the current position of the

Council in relation to the management of its property. The principal aims and objectives of the Council in relation to its property assets are:

- 2.1.2
- Treat property as a valuable resource and to ensure that the value of the assets is protected, by optimising rental and capital return and effective expenditure control to ensure that value for money is obtained.
 - Ensure efficient, effective and sustainable use of land and buildings.
 - Use assets to contribute to the process of improvement, with the creation of new ideas to help solve service issues.
 - Ensure that the Council complies with its statutory obligations pertaining to property.
 - Rationalise the use of land and buildings and establish criteria for retaining, disposing of and acquiring property using the asset challenge methodology described later.
 - Keep proper records, thus enabling reliable data to be produced quickly and accurately.
 - Utilise property in support of the Council Plan.
 - Support the Capital Programme through targeted asset disposal.
 - Pursue Private Public Partnership opportunities to further the asset strategies through Private Finance Initiatives, sale and leaseback.
 - Effective and efficient management of the property assets.
 - Enable easy public access to the Council's buildings and services.

2.1.3 The Council has responsibility for enabling the provision of new affordable housing. This includes properties to rent from housing associations, low cost or shared ownership options including schemes to assist Key Workers as well as the provision of supported housing for the more vulnerable members of the community. The Council has a Housing Strategy document which outlines in full matters pertaining to its housing strategy which will have implications for the corporate asset management plan, particularly in respect of the Council releasing its own land for social housing development.

2.2 Existing Asset Management arrangements

2.2.1 The management of property assets is currently split between the operational service areas and the Property Service. Generally the service departments are responsible for the day to day and strategic management of their own operational property – e.g. schools, libraries, care homes and leisure centres. The Property Service takes responsibility for the Council's administrative office buildings and the non-operational leased and vacant property. However, repair, maintenance and building projects for all properties are routed through the Property Service.

2.2.2 The Council's arrangements for management of all corporate property assets are steered by the Capital and Assets Strategy Group, which is a cross service, senior management forum to discuss property and capital matters. Recommendations from the Capital and Assets Strategy Group are referred where appropriate, on to the Corporate Board, Management Board and the Executive. The Executive member who has specific responsibility for the Council's property resource is the Portfolio member for Strategy and Performance.

2.2.3 The Council has strategies for managing its portfolio and improving asset use details of which are given below.

2.2.4 *Operational Portfolio Strategy*

2.2.4.1 Operational property is the property occupied by or on behalf of the Council for the direct delivery of its services. For example, the Council occupies office buildings and community schools and provides the services itself. Outsourced functions such as sports centres, waste collection and some community care buildings are occupied by companies providing services on the Council's behalf.

2.2.4.2 *Property Reviews*

2.2.4.3 The Council's office portfolio was reviewed in 2001, resulting in the surrendering of some leasehold properties, taking on other leasehold properties and identifying other underperforming properties for disposal. The main offices were subsequently reviewed whilst formulating the Council's Office Accommodation Strategy 2006 - 2011. This was approved by Executive on the 20th November 2006. The strategy takes into account the changing needs of its customers, new legislative requirements, the development of multi-agency partnerships and the adoption of new working practices. The strategy incorporates its own Action Plan.

2.2.4.4 The Community Services Directorate utilises a significant and varied property portfolio which, in common with all portfolios, requires a co-ordinated and strategic approach. To this end a programme of property reviews has been implemented in consultation with the relevant Heads of Service. It is anticipated that this review programme will be extended to embrace property occupied by other services during the forthcoming financial year and beyond.

2.2.4.5 The purpose of a property review is to assess a building's suitability to provide the services that currently operate from it. Suitability covers factors such as access, location, condition, running costs, ease of use, security and health and safety. The reviews represent a link between asset management planning and service delivery. This exercise will involve the adoption of objective and consistent "asset challenge criteria". Further details of the process to be used are covered in section 7.

2.2.4.6 *Running costs*

2.2.4.7 The cost of running buildings includes energy costs, water charges, maintenance and repair of the building and plant, national non-domestic rates and insurance. The Council is reducing these costs in the following ways:

- For many of the operational properties, the gas and electricity are on a single tariff which reduces costs. The tariffs used are reconsidered each year to see if they still present the best value. The possibility of using solar energy is being considered in properties which attract government grants, although the Council would have to

meet some of the cost;

- New approaches to maintenance issues are considered as they arise, for example putting compensators in heating systems when they are refurbished;
- The 2005 rating assessments are being appealed to secure reductions in the assessments. The appeals against the 2000 assessments resulted in savings in excess of around £1.4 million over the five years 2000 to 2005. Additional cumulative savings of £617,000 have already been achieved for the period 2005 to 2010.
- Insurance reinstatement costs of buildings are reassessed on a regular basis. This may lead to an increase in premiums where rebuilding costs have increased, but in the event of a claim, the financial liability of an underinsured property would be greater than the increase in premium.

2.2.4.8 *Maintenance Programme*

2.2.4.9 The planned maintenance programme for each service area is generated annually from the database that holds information on the condition of assets. Condition Surveys are updated on a rolling basis to produce a programme of works for major items. The programme will be based on the needs of the property and will be interlaced with any routine requirements due in the next 5 years, e.g. electrical testing and statutory tests.

2.2.4.10 Currently the planned maintenance budget is split on a pro-rata basis based on the number of outstanding "Priority 1" works within each service unit. The grading criteria of condition and priority are the main tools for the selection and ranking of such work. The extent of the maintenance programme is entirely dependent on the amount of financial resource available. Historically, this funding has been insufficient and there is currently a large maintenance backlog which is increasing every year. It is anticipated that the outcome of the "Asset Challenge" will assist in the allocation of scarce resources.

2.2.4.11 Maintenance works will be monitored closely throughout the term of the new measured term contract under the direct supervision of the Contracts Manager. A number of methods have been deployed in this respect, including; weekly and monthly meetings and monthly analysis of KPIs. In addition, where the measured term contractor is used it is expected that the service user and contractor will work more closely together to prioritise work within the needs of the site.

2.2.4.12 *Capital Projects*

2.2.4.13 As part of the management of any property portfolio the need to spend money on capital improvement schemes (rather than routine maintenance) will arise from time to time. Carrying out alterations to buildings to provide for additional occupier needs will often be a more cost effective alternative than acquiring a new building, especially in the case of large or specialist buildings such as schools.

2.2.4.14 Unfortunately money is not available to carry out all the schemes which service users would like, so a Capital Project Cycle is in place which assists in the decision making for which

schemes to undertake.

- 2.2.4.15 A project management team with clear roles and responsibilities oversees each project. Whilst the make up of the team can vary to suit the particular project it will normally include a Project Sponsor, technical support and external advice.

2.2.5 Non-operational Portfolio Strategy

- 2.2.5.1 Non-operational property is that property in which the Authority has legitimate ownership or user rights, either freehold or leasehold, but is not being used to meet service needs, i.e. is not being used for operational reasons and is either let to third parties or is surplus to requirements. Examples of non-operational investment properties are the London Road Industrial Estate (LRIE) in Newbury and the Kennet Enterprise Centre, Hungerford (KEC). The former provides a rental income of well in excess of £300,000 which represents over 50% of the Council's gross rental income. The LRIE is currently the subject of a strategic review to explore opportunities for value enhancement and use to forward the Newbury Vision proposals for the area. Most of the remaining properties in this Tenanted Non Residential Portfolio (TNRP) produce negligible income.

2.2.5.2 *Rent Collection*

- 2.2.5.3 Much of the non-operational properties are let on commercial leases at market value and generate a total income of around £600,000 per year for the Council. It is therefore important that the rent is collected efficiently and on time. Property Services provides support to Revenue and Benefits Service so that Revenues and Benefits can reach its target of billing rent on time and ensure that arrears are not permitted to accrue.

2.2.5.4 *Under performing properties*

- 2.2.5.5 Disposal of under performing income-producing properties may be an option but is not always the solution. Ways of improving the income could also be considered, for example renegotiating the terms of the lease to give the tenant more freedom in return for a higher rent. However, if income improvement involves a significant capital outlay by the Council then the presumption may be in favour of a disposal.

- 2.2.5.6 Under performance in itself is not always a reason to consider a disposal because not all non-operational property is held for its income only, for example lettings to the voluntary sector at a concessionary rent to enable the tenant to provide a community benefit. Property might also be retained in order to obtain a future substantial receipt even though it is producing little or no income.

2.2.5.7 *Rent Reviews and Lease Renewals*

- 2.2.5.8 Most commercial leases contain a provision to review the rent during the life of the lease at regular intervals, typically 5 or 7 years. Some leases also provide for annual changes in line with the movement of the Retail Price index. It is therefore important that where the rent is likely to increase at a rent review then the review is actioned in a good time to enable the

new rent to be agreed as close to the review date as possible so that the higher rent can be collected from that date.

2.2.5.9 *Lettings to the Voluntary Sector*

2.2.5.10 As a general rule lettings to third parties will be at market rent. However, in the case of lettings to organisations working in the voluntary sector on a 'not for profit' basis, consideration will be given to allow such organisations to occupy Council property at a discount. The organisation will be expected to demonstrate that it is providing a community service to local residents. Properties occupied under this concession will be monitored regularly to ensure that the original objectives are still being met.

2.2.5.11 Technically, such lettings will appear to be underperforming in terms of rental income, but this will be tolerated by the Council as long as the needs of the community are being met by the organisation.

2.2.6 *Disposals Strategy*

2.2.6.1 The Council will seek to minimise vacant and non-productive property within its portfolio and will consider options for other uses, usually an alternative use by another service or partner organisation or a sale or lease to a third party. A three year Disposals Programme has been prepared and is included as an appendix.

2.2.6.2 Generally, property will not be sold if it:

- is required for operational purposes; or,
- provides a significant community or environmental benefit; or
- provides a large rental income with a reasonable prospect of achieving growth.

2.2.6.3 A property may become surplus either because an occupying service no longer needs it or because the Corporate Property Officer has identified it as no longer being suitable for its use following a suitability survey. Once a property is identified as being surplus a recommendation is made to the Capital and Assets Strategy Group that the property is either retained for another use or that it is to be sold. Depending on the value of the property a further recommendation may be made to the Executive.

2.2.6.4 The Council makes use of its land and property to help other developments take place that are in support of the Corporate Plan, for example the Newbury Vision projects. Where possible, properties on the Asset Disposal Programme will be used for redevelopment as housing, sometimes by way of a sale direct to a Housing Association, for example the Fountain House scheme at Greenham House Gardens.

2.2.6.5 Sales will normally be by private treaty or auction. Prior to disposal the Council may seek to maximise value, for example, by obtaining planning consent, endeavouring to remove any adverse restrictive covenants or other third party rights. Where appropriate, overage and clawback provisions will be sought in case the purchaser is able to obtain a more

advantageous planning consent than that obtained by the Council.

2.2.6.6 Under changes to Section 123 of the Local Government Act 1972 councils are now permitted to sell property (without government consent) at less than market value if it is for the promotion or improvement of the social, economic or environmental well being of the area, provided that the undervalue is not more than £2 million. This is a useful power to have and although, in general, it will be the Council's aim to sell surplus property at market value there will be occasions where a significant community benefit can be achieved by selling at below market value particularly if it corresponds with the Council's corporate priorities.

2.2.6.7 As the Disposal Programme progresses the amount of land and buildings available for disposal will decline. Sales are also becoming more complex. For example, relocations or an alternative planning use may be required before a building can be put on the market. Already there are few surplus properties of high value left to sell and the situation is only likely to change if a property with a lot of associated land is declared redundant, e.g. a school, leisure centre or open space. In any event, the value of any such property would be dependant upon an alternative planning use. The need to satisfy the requirements of Sport England and the Department for Children, Schools and Families (DCSF) make the development of school property assets for alternative uses a potentially complex task. The maturity of the Disposal Programme is reflected in the increased time and resource required to resolve pre-marketing issues.

2.2.7 Acquisitions Strategy

2.2.7.1 Despite the fact that the Council owns a significant number of properties there will be occasions where the Council owns no property which is suitable for a particular use and so property will need to be acquired. However, property acquisition will only be considered where it addresses a corporate objective. Property will not be acquired solely for rental income generation purposes.

2.2.7.2 The decision as to whether property will be acquired on a freehold or leasehold basis will depend upon the specific property requirement. If the need is short term, less than 10 years, then a leasehold option may be the most cost-effective option. Leases in excess of 10 years have capital control implications and so for longer-term requirements a freehold may be the better alternative.

2.2.7.3 Whenever possible property will be acquired by negotiation. The use of compulsory purchase powers will be used in appropriate circumstances, e.g. large road schemes, major redevelopments that are to the benefit of the community and where the council has an interest.

2.3 Performance Measurement

2.3.1 Performance measurement is the mechanism by which audit, review and improvement are achieved. These are essential elements of asset management and the Best Value framework, which require continuous improvement and measurement and comparison of performance.

2.3.2 An essential element in measuring performance is the availability of reliable and readily accessible information. Property Services has a database, Premise, which records the core information about the Council's properties – for example, its address, size, legal status, leasehold information where appropriate. The database also contains information relating to condition and the results of the condition surveys can be downloaded direct into the database from handheld devices.

2.3.3 In previous asset management plans the National Property Performance Indicators (PPIs) prepared by the (then) ODPM were used. There is no requirement to submit the PPIs to the Government Offices but good practice dictates that data should continue to be collected. The indicators have now been replaced by a set of performance indicators which have been devised by COPROP (The Association of Chief Corporate Property Officers in Local Government). Those indicators are not compulsory and a Council may use only the indicators which are relevant to its particular circumstances. Several of the indicators are similar to the old PPIs.

2.3.4 The COPROP PPIs are in the table in Table 3.

2.4 Stakeholder Views

2.4.1 The stakeholders for property assets can be many and varied. The end-users are often the public at large, but the primary stakeholders for property assets are the service units, since property supports the service functions. At a corporate level the Council has a consultation strategy with stakeholders and consultation takes place both internally and externally.

2.4.2 The Council has developed the West Berkshire Strategic Partnership, which has brought together leaders from the statutory, voluntary and business communities to identify and set out the Sustainable Community Strategy. Extensive consultation with the public and business leaders was undertaken prior to the publication of the Community Strategy and continues as part of the ongoing implementation of the document.

2.4.3 Likewise in developing the Council Plan, the Council has sought the views of local people across the District on particular aspects of the Plan to ensure that the Council has identified the priorities of the community and the Plan is amended to take account of their comments.

2.4.4 A number of services consult their users on a regular basis, for example the users of leisure facilities where property matters feature strongly

2.4.5 Property Services consults with its users and customers, both internal and external to assess their opinion of the service provided, such as satisfaction with maintenance and capital projects. The results are used to improve and strengthen performance in the future.

2.5 Resource Context

2.5.1 In managing its assets the Council ensures that the capital programme is effective in terms

of its contribution to corporate and service objectives. The Capital Strategy provides strategic guidance on objectives, priorities and spending plans and is supported by the Medium Term Financial Strategy (MTFS). The MTFS also outlines the Council's approach to the Gershon Review and the means by which efficiency savings will be delivered in the medium term. This includes the identification of 'Invest to Save' projects through the new five year Capital Programme.

2.5.2 The Council's capital resources are insufficient to meet the growing demand for capital investment and so clear prioritisation and careful management are essential elements in the Capital Strategy. The Council manages its capital finance within the Prudential Framework which puts the emphasis on affordability. The Council supports some of the capital programme from its own resources but this is supplemented by prudential borrowing, capital receipts, carrying forward any underspend from previous years and seeking monies from external sources such as

- Ring fenced Government Grants
- Developer contributions
- Partnerships – e.g. with the Primary Care Trust and Registered Social Landlords
- External funds such as the Heritage Lottery Fund and European Social Fund.

2.5.3 Since the Council is now borrowing to support its Capital Programme it needs to support that borrowing through its Revenue Budget.

3.0 Section 3 – EXTERNAL ENVIRONMENT AND IMPLICATIONS FOR PROPERTY

3.1 E Government

3.1.1 The council has redeveloped its website in recent months to provide several new interactive services, in particular the use of an interactive map to let users know a wealth of information relating to their property. The web site also provides links to several on line services such as library services, reporting street defects, abandoned vehicles, complaints, change of address and general enquiries. There is also a facility to pay council tax and business rates on line.

3.1.2 There is a property database which contains details of ownership and condition of all the Council's properties. In due course, the system will be upgraded and will be available on the intranet on a read only basis to enable the service departments to access information about the properties they occupy.

3.1.3 The Council is currently in the process of implementing an Electronic Document and Records Management System which will speed up the retrieval of information and increase efficiency. As part of its e-government agenda the Council is also progressing a Customer Relationship Management System to assist in improving the service provided to customer when they contact the contact centre.

3.2 The Market for Property Services Consultancy Provision

3.2.1 In 2002 the Council entered into a partnership with Amey to provide property and support services on behalf of the Council. The partnership was terminated by agreement between the parties in 2005 and there are no plans to enter into a similar arrangement in the near future.

3.2.1 The Council has recently introduced the use of framework agreements to reduce time and cost in procuring services, including services pertaining to property matters.

3.3 The Property Market

3.3.1 West Berkshire is within the Thames Valley region which is one of the most economically successful regions in Britain outside of London. The Thames Valley in general was left with an oversupply of offices following the dot.com crash in the late 1990s. Newbury was also left with a large amount of office space when Vodafone relocated to its new headquarters building. The buildings vacated by Vodafone have provided the opportunity for several smaller companies and SME's to take advantage of the competitive rents available. This has had a positive effect upon the local economy.

3.3.2 The industrial and warehousing sector is well catered for in the Newbury area when compared to the Thames Valley towns nearer to London where supply is sometimes more limited.

3.3.3 In terms of retail provision Newbury is overshadowed by the larger retail areas in Reading, Swindon and Basingstoke. However, the Park Way redevelopment scheme will improve the retail offer and should help to keep shoppers in Newbury.

3.3.4 Residential property in West Berkshire is expensive, partly due to the fact that West Berkshire has a larger proportion of detached houses than the national average, but also because wages are not as high as in some other areas of the Thames Valley.

3.3.5 The UK economy is probably now in recession and this has had an effect on the property market. Property transactions are still occurring but at a lower level than in previous years in terms of both demand and value.

4.0 **Section 4 – SERVICE DELIVERY AND ACCOMMODATION NEEDS**

4.1 Overview

4.1.1 In line with national trends there are falling numbers of school age children and a projected increase in the number of older people. These demographic changes will have implications on the services provided by the council in the future and the need for property solutions.

4.1.2 The Council's office accommodation requirements are under review, prompted by the expiry of the leases of Avonbank and Northcroft Houses. An accommodation strategy has been written which outlines the Council's requirements and flexible working policies.

4.2 Council Services

4.2.1 The Council has four directorates all of which are property holding to a great or lesser degree.

4.2.2 *Children's Services Directorate*

4.2.3 Children's Services includes Education and this directorate holds the majority of the buildings owned by the Council. There is an Education Asset Management Plan so the schools aspect of property management is not covered to a great extent within the Corporate Asset Management Plan. However there are some major projects currently under consideration which are should be mentioned.

- 4.2.4
- Tilehurst Learning Centre. A major project involving the co-location of up to 3 schools onto one site into new purpose built premises and the surplus school sites will be sold to contribute towards the funding of the project.
 - Rebuilding of St Bartholomew's School under the Building Schools for the Future one-off pathfinder programme.
 - Provision of six children's centres by 2010.

4.2.5 *Community Services Directorate*

4.2.6 The Community Services directorate is responsible for care of the elderly, adults with learning or physical disabilities, with mental health problems or adults vulnerable in any other way. This directorate is also responsible for housing strategy and finding accommodation for homeless people.

4.2.7 The general way forward for care for adults is that the care should be provided in a way that supports independence and uses local community services. Partnerships should be forged with other service providers such as health, housing and organisations in the voluntary and private sectors. Clearly, this approach will have implications for property assets.

- 4.2.8
- Extra care sheltered housing for elderly people will be needed rather than residential care homes.
 - The provision of a specialist residential care for people suffering from dementia at Birchwood, Gaywood Drive.
 - Supported living for people with learning difficulties or mental health issues, for example at Chesterfield Road, Craven Dene and the recently completed Fountain Gardens at Greenham House Gardens – all of which are in partnership with registered social landlords.
 - A move away from building based day services to a needs led approach in local communities. The Phoenix Centre which replaced Newbury Day Centre has resulted in a resource centre acting as a hub for day service opportunities.

4.2.9 In relation to general housing the Council is not a provider but acts in partnership with registered social landlords. The Council does, however, provide temporary accommodation

for homeless families.

4.2.10 The Council does not own a significant amount of land suitable for residential development therefore its role for increasing the supply of affordable housing is mainly as an enabler by way of promoting effective partnerships to ensure that people have access to affordable homes, be they rented or owned. The numbers of affordable homes has been increased through developer contributions as part of the planning permission process.

4.2.11 *Environment Directorate*

4.2.12 The Environment Directorate does hold a large amount of property but the majority of it is common land, parks and public open space. The public highway network is also the responsibility of Environment. These land holdings are largely unsuitable for or protected from development. However, they play an important part in the quality of life for local residents as the public have access for recreational purposes. At Thatcham Nature Discovery Centre an eco-friendly extension to the visitor information building has recently been completed.

4.2.13 The Environment Directorate also has responsibility for waste strategy and collection. The current arrangements for waste processing and disposal will not fulfil the government's recycling targets in the future and so a potential solution has been found which involves the acquisition of additional land on which to provide an integrated waste facility. A new recycling centre has recently been provided in Newtown Road as part of a developer's section 106 contribution. The existing sites will be sold if they are found to be surplus to requirements once the new facility is up and running.

4.2.14 *Chief Executive's Directorate*

4.2.15 The Chief Executive's Directorate is the holding service for the corporate offices which were reviewed in the accommodation strategy. The accommodation strategy sought a long term solution to the Council's office needs which are currently met in several offices with a short life expectancy either due to the temporary construction of the buildings or because they are held on leases due to expire in the short term.

4.2.16 The non-operational property is held by the Chief Executive's Directorate. Details of the strategy relating to the management of the non-operational portfolio is given in section 2.

4.2.17 The Executive Directorate is responsible for the maintenance of the Council's buildings and also for co-ordinating any major building works or improvements.

4.3 New Working Practices within the Council

4.3.1 The need to assess and deliver current and future accommodation requirements in order to deliver high quality services is not just a property issue but should include the service department, human resources, ICT, finance and property. The Council recognises the need to increase the use of mobile and home working, "hot desking" and flexible working patterns in order to better utilise the available office space. Project Timelord has been announced

which sets out the Council's approach to flexible working. These matters are covered in the Accommodation Strategy and also in the document relating to flexible working.

4.3.2 Some departments are currently undertaking trials of more flexible work practices to assess the impact on service delivery, staff morale and work life balance. For example, in Property Services, the school and corporate maintenance surveyors are making increased use of mobile working and hot desking. The number of desks has been reduced from 5 dedicated workstations to 2 hot desks.

4.4 Other Relevant Agencies and their possible Joint accommodation requirements

4.5 The Council currently shares space with the Primary Care Trust at the Council's offices in Northcroft House and at the PCT's offices at Hilltop adjacent to the local hospital. The PCT has expressed a desire to vacate from the former but is legally bound until the end of 2009. Other services with share property with partner agencies are the Youth Offending Team.

4.6 The establishment of Children's centres is recently started project where the sharing of accommodation with partner organisations relating to health and family support is central to the philosophy behind the centres.

5.0 **Section 5 - LIKELY FUTURE REQUIREMENTS**

5.1 There are several areas of property need that are currently required by the Council for future service delivery.

5.2 *Administrative Office Accommodation.* The Council currently has its administrative base in three buildings in Newbury. These are Market Street offices, Faraday Road offices, Avonbank and Northcroft Houses. All three properties have shortcomings for one reason or another. Market Street provides outdated office space, Faraday Road is a temporary building towards the end of its life, Avonbank and Northcroft Houses are also outdated but have the added difficulty that they are leased properties which will expire in the near future. An accommodation strategy has been compiled which goes into greater detail about the problems and possible solutions. There is also a need for an Eastern Area office to provide services for families and older people in the East of the District and a suitable property has been identified and it is hoped to complete the purchase soon.

5.3 *Waste Management.* As a unitary authority West Berkshire Council is responsible for the collection and recycling of waste from households and businesses. A successful bid for PFI credits of £28.24 million was achieved in 2004 to assist in securing up to date facilities. The implications of this from an asset management planning view point is to secure a suitable sites for the provision of the service and the subsequent disposal of any land released by the acquisition of additional land.

5.4 *Tilehurst Learning Centre.* The Council has successfully obtained Government funding to pay towards a co-location of three schools in Tilehurst, Denefield Secondary School, Long Lane Primary School and Brookfields Special School. The aim is that all three schools will be re-provided on the Denefield site using shared facilities and possibly some community

and sports facilities can be provided as well. The project will be partly funded by the sale of the Long Lane and Brookfields sites. The project offers an exciting opportunity to provide state of the art facilities but the funding and procurement of the project will be crucial to its success.

5.5 *Building Schools for Future.* As part of the government programme to rebuild all secondary school by 2020. West Berkshire Council has been given the opportunity to bring forward one school to be rebuilt ahead of the programme. The school selected is St Bartholomew's which is a school with Foundation status.

5.6 *Children's Centres.* The Government plans that by 2010, all families will have access to a Sure Start Children's Centre offering a range of children's activities (including day care), information for parents about childcare options, access to other children and families' services, and support to other childcare providers. West Berkshire Council has received government funding for the initial set up of three such centres but in the long term 6 will be needed. Whilst it is hoped that the Children's Centres can be provided at schools there may be a need for additional land or partnership agreements to be entered into to provide the centres.

5.7 *Affordable Housing.* As part of its Housing Strategy the Council is required to facilitate the provision of affordable housing in the district. Much of this is provided for by way of developer contributions in the planning process. The RSL's are also encouraged to make provision out of their own reserves. There may be occasions where the Council can make its own land available for development for social and affordable housing but the reduced land values obtained by doing this would have an impact on the Council's ability to fund other schemes through disposal receipts which contribute to the capital programme. It should also be noted that the Council does not have a large land bank of properties which could be sold.

6.0 Section 6 – THE EXISTING PORTFOLIO AND ITS CURRENT PERFORMANCE

6.1 As at 31.3. 2008 the Council's property holdings, by department, were as follows.

| Service Department | Number of Properties | Value |
|---------------------------------------------------|----------------------|------------------------|
| Community Services | 94 | £14.11 million |
| Children and Young People (includes Education) | 142 | £211 million |
| Environment | 145 | £12.26 million |
| Chief Executive's Directorate | 80 | £17.99 million |
| Grand Total | 461 | £255.36 million |

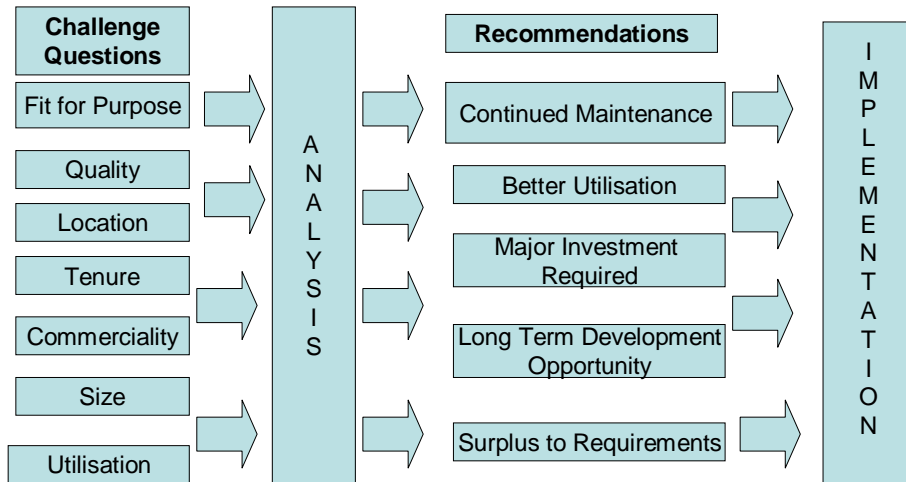
6.3 The performance of the properties and whether they are fit for purpose are reviewed and measured on a regular basis. Performance as measured by the COPROP PPIs are covered in section 2 and the fit for purpose test is covered in section 7.

7.0 Section 7 – REVIEW AND CHALLENGE

- 7.1 The Council's office portfolio was reviewed in 2001 and in 2006, resulting in the surrendering of some leasehold properties, taking on other leasehold properties and identifying other underperforming properties for disposal. The reviews also assisted in formulating the office accommodation strategy.
- 7.2 Regular review of the property portfolio is essential because it ensures the effective use and management of assets and anticipates changes in future needs. The purpose of a property review is to assess a building's suitability to provide the services that currently operate from it. The reviews represent a link between asset management planning and service delivery. In order to assess if properties are still suitable for their use, fit for purpose and that they still represent value for money it is intended to assess all properties in the portfolio as part of a rolling programme of property reviews, including operational assets used by service departments.
- 7.3 *Asset Challenge Methodology*
- 7.3.1 Central Government expects Councils to challenge why they own or occupy a particular property. In order to do this the Council has developed its Asset Challenge Methodology whereby the ownership and occupation of each asset is challenged on a number of grounds including, fitness for purpose, quality, location, tenure, commerciality/cost, size and utilisation. The purpose of the Asset Challenge Methodology is to provide a systematic approach to the identification of assets for more efficient usage, by undertaking a thorough review of all of the Council's assets it will be possible to identify what function each performs and whether this function is being carried out efficiently and effectively.
- 7.3.2 The asset challenge methodology can be represented in the following diagram:-

7.3.3

Challenge Methodology



7.3.4 In the analysis section, each property is scored using the following scoring matrix.

7.3.5

Scoring Matrix

| Area | Scores | Reasons for Decisions | Score | Weighting | Weighted score | Liabile allocation | Date of Survey |
|---------------------------------------------------------|--------|-----------------------|-------|-----------|----------------|--------------------|----------------|
| Operationally fit for Purpose | | | | 30% | | | |
| Quality of the physical building | | | | 30% | | | |
| Location of the building | | | | 15% | | | |
| Tenure of the building (leasehold, freehold, temporary) | | | | 10% | | | |
| Cost & viability of building | | | | 5% | | | |
| Size | | | | 5% | | | |
| Utilisation | | | | 5% | | | |

7.3.6 The process of subjecting each property to the Asset Challenge determines if the asset:-

- (i) is appropriate for current and future service needs

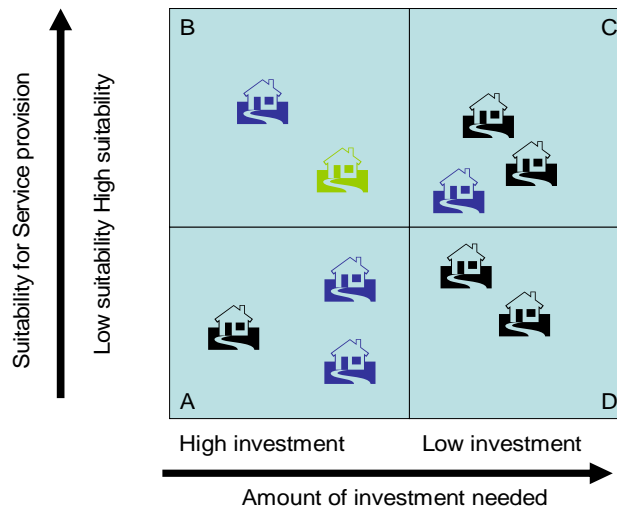
- (ii) can be better utilised
- (iii) requires major investment
- (iv) can be held for long term development
- (v) is surplus to requirements

7.3.7 Following analysis each asset can be assigned a recommendation or “label”. This indicates how the property should be considered in the long term. These recommendations are as follows:-

- **Continued Maintenance:** These properties are basically appropriate for current and foreseeable future service needs. Some improvements may be required.
- **Better Utilisation:** These properties have issues arising which require further consideration probably through option appraisal.
- **Major Investment Required:** Major work necessary e.g. refurbishment, extension or even relocation.
- **Long Term Development Opportunity:** Retain pending future sale for redevelopment in long term.
- **Surplus to Requirements:** Disposal Programme

7.3.8 The ultimate objective of the exercise is to facilitate the allocation of scarce capital resources to those target properties identified by the review. This is illustrated in the graph below.

7.3.9



7.3.10 The graph shows diagrammatically how various elements combine and contribute to the decision making process. The vertical axis measures suitability for service provision. The higher up the axis - the more suitable the property. This is compared against the horizontal axis which measures the amount of capital investment necessary. The further along the axis the less investment required. So,

- Property positioned in Box A would have low suitability and require heavy investment to bring up to an acceptable standard and so would be seriously considered for disposal.
- Property positioned in Box B would have high suitability so would, generally, be targeted for investment to bring up to a suitable condition.
- Property positioned in Box C would be both suitable and have little maintenance requirement so would be a lower priority for immediate action.
- Property positioned in Box D would be in a good condition but not suitable for the service provision so would either be considered for re-use for another service or disposal if the council could not fully utilise it.

7.3.11 The process is driven by Service property need and substantial input and feedback from each Service is required. The proposal is intended to support the capital process and provide property solutions to enhance future service delivery. It is anticipated that the adoption of this proposal will enable the targeting of scarce capital resources towards those properties likely to provide the best outcomes.

7.3.12 The Asset Challenge Methodology described above is intended for use with occupied operation properties. However, a review process similar to it can also be adopted for the Tenanted Non- Residential Properties. In practical terms the performance of the TNRP can be considered as a simple decision framework which employs 4 tests as follows:-

- **Financial** – Does the asset generate sufficient minimum revenue or capital return?
- **Potential** – Does the asset have any latent development potential?
- **Regeneration** – Is the asset situated within a “special” or “vision” area which may give the ability to facilitate or control development?
- **Valued Outputs** – Does the asset help deliver other valued outcomes such as strategic aims or community benefits?

7.3.13 The aim of the above is to promote value for money from property assets.

8.0 Section 8 – OPTIONS APPRAISAL

8.1 The review and challenge methodology described in section 7 will result in a recommended course of action for a particular property. However, implementing that course of action may involve a choice of solutions and in that context an options appraisal may be required, for example if continued use with major investment is recommended. The options appraisal will involve data and cost information in more detail than the asset challenge methodology and it

may well be that the asset challenge recommendation needs to be revisited.

8.2 The options appraisal process is as follows:

8.3 Step 1. A project is identified as part of the review process described in section 7.

Step 2. The objectives are defined.

Step 3. The options are developed.

Step 4. Any information required is collected.

Step 5. The options are assessed and analysed.

Step 6. The preferred option is chosen.

Step 7. Report on progress as the preferred option is implemented.

8.4 Throughout the process the funding options are considered and appropriate consultation takes place with the stakeholders.

8.5 By way of example assume a property has been identified as both unsuitable for use and in need of maintenance, so it would fall into box A in the review process in section 7.

8.6 Step 1. The project is defined as a property in Box A.

8.7 Step 2. Defining the objectives. These might be:

- Reduce maintenance backlog
- Improve suitability of the property for the user.
- Improve staff morale by improving the suitability.

8.8 Step 3. Develop the options. For example,

- Change the use and find alternative accommodation for the users.
- Seek funding to refurbish the property to improve suitability and reduce maintenance backlog.
- Dispose of the property and find alternative accommodation for the users.
- Maintain the status quo.

8.9 Step 4. Information gathering. This might include:

- Seeking the views of users and managers.
- Cost and availability of alternative accommodation.
- Cost of refurbishment and likely sources of funding.
- Amount of capital receipt if the property is sold.

8.10 Step 5. Assess and analyse the options. Perhaps by way of:

- Financial appraisal.
- Contribution to future service delivery.
- Contribution to staff morale.
- Contribution to corporate and service objectives.

8.11 Step 6. Choose preferred option. Make recommendation and prepare report for circulation and consultation.

8.12 Step 7. Reporting. The reporting process depends upon the scheme and option chosen. A disposal would need to be approved by the Executive and a solution with significant refurbishment or maintenance costs would have to be considered by Capital and Asset Strategy Group and budget holding managers.

9.0 Section 9 – ASSET MANAGEMENT PROGRAMME

9.1 The progress on the 2007/8 asset management programme is contained in table 1 below. The programme for 2008/9 is in table 2.

Table 1 - Asset Management Programme – Update for progress on Action Plan for 2007/08

| No. | SUBJECT | ACTIVITY | TARGET DATE | Progress |
|-----|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------|
| 1 | Asset Disposals | To ensure that the disposal programme is achieved and to move to a 3 year disposal programme | End of each financial year. | |
| 2 | Property Reviews | To undertake property reviews to challenge the reasons for service units holding assets. The exact programme to be agreed at Capital and Asset Strategy Group but will be on a percentage of properties each year. | March 2008 for first tranche | Care Homes completed as agreed with Community Services |
| 3 | Office Accommodation Strategy | In view of the short term nature of some of the Council's main administrative buildings, consider medium to long term solutions to secure suitable office space. | December 2008 | Negotiations in progress for lease of alternative building. |
| 4 | Newbury Town Centre Vision | | | |
| 4a | <ul style="list-style-type: none"> • Market Street Development | Housing and transport scheme to be provided jointly by WBC, Network Rail and developer. | December 2009 | Preferred developer agreed. |
| 4b | <ul style="list-style-type: none"> • Cinema | New cinema to be provided by developer | December 2007 | Construction works started. |
| 4c | <ul style="list-style-type: none"> • Park Way | Retail development incorporating car park and bus terminal. Joint project between WBC and developer. | December 2009 | CPO confirmed. Development started October 2008. |
| 5 | Library Space | <ul style="list-style-type: none"> • Hungerford Library re-provision. • Replacement of Wash Common Library. | Dec 2007 | Completed Completed |
| 6 | London Road Industrial Estate | Develop a strategy for the future development of the site. | March 2008 | In progress. |
| 7 | Waste Management Strategy | Site to be acquired and planning consent obtained for waste management facilities. | To be agreed with acquiring service | Negotiations ongoing with landowner of preferred site. |

| | | | | |
|---|------------------------------|---------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------|
| 8 | East of Area Learning Campus | Complete feasibility study for the creation of an east of area learning campus based around Denefield School. | May 2007 | Study completed and scheme to be revised to see if can be made affordable. |
|---|------------------------------|---------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------|

Table 2 - Asset Management Programme - Action Plan for 2008/09

| No. | SUBJECT | ACTIVITY | TARGET DATE | Responsibility for implementation |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------|
| 1 | Asset Disposals | To ensure that the 3 year disposal programme is achieved. | End of each financial year. | Property Service |
| 2 | Property Reviews | To undertake property reviews to challenge the reasons for service units holding assets. | March 2009 | Property in conjunction with occupying service unit. |
| 3 | Office Accommodation Strategy | In view of the short term nature of some of the Council's main administrative buildings, consider medium to long term solutions to secure suitable office space. | December 2009 | Property with input from all services and member approval. |
| 4 | Newbury Town Centre Vision <ul style="list-style-type: none"> • Market Street Development • Cinema • Park Way | Housing and transport scheme to be provided jointly by WBC, Network Rail and developer. | December 2010 | Developer – the target date is largely out of WBC's control |
| 4a | | New cinema to be provided by developer | December 2008 | |
| 4b | | Retail development incorporating car park and bus terminal. Joint project between WBC and developer. | December 2009 | |
| 4c | | | | |
| 5 | London Road Industrial Estate | Develop a strategy for the future development of the site. | December 2008 | |
| 6 | Waste Management Strategy | Site to be acquired (possibly through use of CPO procedure) and planning consent obtained for waste management facilities. | To be agreed with acquiring service | |

| | | | | |
|--|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--|
| | East of Area Learning Campus | Consider alternatives for the creation of an east of area learning campus based around Denefield School following on from the results of the feasibility study. | December 2008 | |
|--|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|--|

Table 3 Property Performance Indicators for the year 2007/2008
(The 2006/07 figures are given for information)

| Ref no | Performance Indicator | Schools 2007/08 | Other property 2007/08 | Schools 2006/07 | Other property 2006/07 |
|---------------|-----------------------------------------------------------------------------------|------------------------|-------------------------------|------------------------|-------------------------------|
| 1A | % gross internal floor space in condition category A ^{*1} | 1% | 6% | 1% | 6% |
| | % gross internal floor space in condition category B ^{*1} | 99% | 80% | 99% | 93% |
| | % gross internal floor space in condition category C ^{*1} | 0% | 14% | 0% | 1% |
| | % gross internal floor space in condition category D ^{*1} | 0% | 0% | 0% | 0% |
| 1Bi | Required maintenance expressed as a total cost in priority level 1 ^{*2} | £5.9 m | £2.15m | £6m | £2.58m |
| | Required maintenance expressed as a total cost in priority level 2 ^{*2} | £5.61m | £2.32m | £5.23m | £2.21m |
| | Required maintenance expressed as a total cost in priority level 3 ^{*2} | £5.96m | £2.96m | £5.94m | £3.14m |
| 1Bii | Required maintenance by cost as % in priority level 1 ^{*2} | 34% | 29% | 35% | 32% |
| | Required maintenance by cost as % in priority level 2 ^{*2} | 32% | 31% | 30% | 28% |
| | Required maintenance by cost as % in priority level 3 ^{*2} | 34% | 40% | 35% | 40% |
| 1Biii | Required maintenance as an overall cost per square metre GIA | £103 | £133.21 | £100.33 | £141.11 |
| 1C | Annual percentage change to total required maintenance figure over previous year. | 2% increase | 6% decrease | 39% decrease | 6.5% increase |

| Ref no | Performance Indicator | Schools 2007/08 | Other property 2007/08 | Schools 2006/07 | Other property 2006/07 |
|---------------|--------------------------------------------------------------------------------------------|----------------------------------|-------------------------------|----------------------------------|-------------------------------|
| 1Di | Total spend on maintenance | £1.419m | £420,500 | £1,299,000 | £489,500 |
| 1Dii | Total spend on maintenance per square metre GIA | £10.12 | £11.23 | £8.75 psm | £13.90 |
| 1Diii | Percentage split of total spend on maintenance between planned and responsive maintenance. | Split not defined in data source | 12% planned 88% reactive | Split not defined in data source | 17% planned 83% responsive |
| 2A | Energy consumption:- £ per square metre GIA | £8.10 | £10.93 | £7.52 | £13.94 |
| 2B | Water costs:- £ per square metre GIA | £1.29 | £1.53 | £1.29 | £1.29 |
| 3A | % of portfolio by GIA sq m for which a suitability survey has been undertaken | Not required for schools | 24% | Not required for schools | 22.5% |
| 3B | Number of properties for which a suitability survey has been undertaken | Not required for schools | 11 | Not required for schools | 10 |

Definitions used in National Property Performance Indicators

*1 1A Condition A Good. – Performing as intended and operating efficiently.

Condition B Satisfactory. – Performing as intended but showing minor deterioration.

Condition C Poor. – Showing major defects and/or not operating as intended.

Condition D Bad. – Life expired and/or serious risk of imminent failure.

- ² 1B
- | | |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Priority level 1 | Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation. |
| Priority level 2 | Essential work required within 2 years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of the occupants and/or remedy a minor breach of legislation. |
| Priority level 3 | Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants and/or remedy a minor breach of legislation. |

| | | |
|------------------------------------|--------------------------------------|---------------|
| Title of Report: | Care Home Payments | Item 6 |
| Report to be considered by: | Resource Management Select Committee | |
| Date of Meeting: | 22 September 2009 | |

Purpose of Report: To receive and comment on the draft Deferred Payments Scheme Policy.

Recommended Action: To provide comment to help develop the Deferred Payments Scheme Policy.

| Resource Management Select Committee Chairman | |
|------------------------------------------------------|--------------------------------------------|
| Name & Telephone No.: | Councillor Jeff Brooks – Tel (01635) 47391 |
| E-mail Address: | jeff.brooks@westberkslibdems.org.uk |
| Contact Officer Details | |
| Name: | Stephen Chard |
| Job Title: | Policy Officer (Scrutiny Support) |
| Tel. No.: | 01635 519462 |
| E-mail Address: | schard@westberks.gov.uk |

Supporting Information

1. Introduction

- 1.1 At the Resource Management Select Committee held on 30 June 2009, members received a report on the arrangements in place for residents to defer care home payments by not selling their home and placing a charge against their property.
- 1.2 At that meeting members were informed that the policy was due for review. As a result it was agreed that the Select Committee would assist in the review work before the policy reached the Executive.
- 1.3 Briefing notes providing an update on the latest situation and the draft policy are attached as appendices. The Client Financial Services Manager will be in attendance at the meeting to provide further information and answer any questions.

Appendices

Appendix A – Deferred payments – briefing notes

Appendix B – The Deferred Payments Scheme Policy

Appendix A

Deferred Payments – briefing notes for 22 September 2009

NUMBER OF USERS

- In January 2008 we had 8 individuals on Deferred Payments.
- In June 2009 we had 16 individuals on Deferred Payments.
- Currently we have 13 individuals on Deferred Payments. Three clients since June have cleared their deferred payment accounts.

LEVEL OF DEBT

The current amount accrued in Deferred Payments against these 13 individuals is £185869.59. £121563.08 of this debt relates to 4 individuals who have been on deferred payments for over a year.

WHAT HAS HAPPENED SINCE THE MEETING IN JUNE

We have agreed with Finance to transfer 0.5FTE over to the Welfare Benefit Team to employ a Residential Debt Recovery Assistant.

The Residential Debt Recovery Assistant will be responsible for monitoring and chasing residential bad debts and the monthly monitoring of deferred payments.

This post has been graded as an E and is due to go out in the internal recruitment bulletin in the coming weeks.

The Deferred Payment Policy has been rewritten to reflect these changes.

THINGS TO CONSIDER

- Property valuations –who does them i.e. District Valuation Office, our own Property Team
- How often do we get a property valuation – at the beginning and/or when the equity nears the capital threshold
- Resource issue of getting property – we have to pay for the valuations and currently I have no budget for this
- Interest charged – this is one of the few areas where we have discretion. Do we want to alter the interest payable for future clients? If so what to.

Appendix B



THE DEFERRED PAYMENTS SCHEME POLICY

COMMUNITY CARE AND HOUSING

[Contents](#)

Approved: 2002
Next Review Date: March 2010
Document owner: Jo England
Version: 1.4

Document History:

Version 1.0 2002
Version 1.1: July 2006 amended capital limits (set by Dept of Health), confirmed policy current up to date
Version 1.2 August 2008 amended capital limits
Version 1.3 April 2009 increased capital limits
Version 1.4 September 2009 revision

Contents

| | | |
|-----|------------------------------------------------------|---|
| 1. | BACKGROUND | 3 |
| 2. | ABBREVIATIONS AND DEFINITIONS | 3 |
| 3. | ELIGIBILITY CRITERIA | 3 |
| 4. | INFORMATION FOR SERVICE USERS | 4 |
| 5. | OPTIONS WHERE A SERVICE USER HAS A PROPERTY | 4 |
| 5.1 | Deciding to sell and use the DPS | 4 |
| 5.2 | Deciding not to sell and use the DPS | 4 |
| 5.3 | Deciding not to sell and not to access the DPS | 4 |
| 5.4 | Explaining Legal Charges..... | 5 |
| 6. | VALUATION OF PROPERTY | 5 |
| 7. | LEGAL STEPS TO BE TAKEN | 5 |
| 8. | THIRD PARTY AND SERVICE USER TOP-UPS | 6 |
| 8.1 | Formal Agreements/Contracts..... | 6 |
| 8.2 | Service Users Making Top-Ups | 6 |
| 8.3 | Failure to Make Top-Ups:- | 7 |
| 8.4 | Free Nursing Care:- | 7 |
| 9. | LETTING THE PROPERTY | 7 |
| 10. | ONGOING ADMINISTRATION | 8 |
| 11. | ONGOING MAINTENANCE OF THE PROPERTY | 8 |
| 12. | SALE OF PROPERTY BEFORE DEATH | 9 |
| 13. | SALE OF PROPERTY AFTER DEATH | 9 |

INTRODUCTION

This Policy is based on the Good Practice Guide produced by the National Association of Financial Assessment Officers and outlines the departmental policy and procedures regarding the Deferred Payments Scheme (DPS).

1. BACKGROUND

- 1.1 Regulations made under the Health and Social Care Act 2001 (Section 55) enable local authorities to operate a Deferred Payments Scheme to allow people to defer the sale of their home where it is needed to fund care home fees.
- 1.2 It also allows the Deferred Payment Scheme to be offered to people who decide to sell their home but it is unlikely that the home will be sold quickly enough to meet the full cost of the care home fees.

2. ABBREVIATIONS AND DEFINITIONS

D.P.S. – Deferred Payment Scheme

CRAG – Charging for Residential Accommodation Guide

HASSASSA – Health and Social Services and Social Security Adjudication Act 1983.

Relevant Contribution – The sum deferred.

3. ELIGIBILITY CRITERIA

- 3.1 That the individual has received an assessment under the NHS and Community Care Act 1990 with the outcome being that the individual has needs that can only be met by permanent placement within a residential/nursing care home.
- 3.2 None of the mandatory or discretionary disregards stated in CRAG apply and the service user becomes responsible for full fees under CRAG on or after 1 October 2001, and
- 3.3 The service user has insufficient income and other assets, other than the value of their house, to meet the full costs of their care, and
- 3.4 The service user, for whatever reason, does not wish to sell the property or is unable to sell it quickly enough to meet the full cost of their care, and

- 3.5 The service user owns a property, either all or part, and
- 3.6 EITHER, the value of the property is sufficient, together with other income and assets, to meet the criteria for self-funding and there is no outstanding mortgage.
- 3.7 OR, there is an outstanding mortgage on the property and the outstanding amount leaves sufficient value to meet the criteria for self-funding and the service user has sufficient resources to meet the mortgage payments as they fall due.
- 3.8 Care Managers should take advice on the above, where necessary, from the Welfare Benefit or Legal Teams.

4. INFORMATION FOR SERVICE USERS

- 4.1 Local authorities are required to ensure that people considering entering residential/nursing home care are made aware of the DPS.
- 4.2 People wishing to take advantage of the scheme should be advised **in writing** to seek independent financial advice.

5. OPTIONS WHERE A SERVICE USER HAS A PROPERTY

5.1 Deciding to sell and use the DPS

- 5.1.1 If the service user meets the eligibility criteria in Section 3 above refer to Section 7 of this guide. At this stage of the process a valuation of the property will be obtained.

5.2 Deciding not to sell and use the DPS

- 5.2.1 If the service user meets the eligibility criteria in Section 3 above refer to Section 7 of this guide. A valuation of the property will be obtained at this stage.

5.3 Deciding not to sell and not to access the DPS

- 5.3.1 If the service user does not want to sell, but chooses not to take advantage of the scheme, then consideration should be given to placing either a legal charge or a caution on the property under existing statutory provisions (i.e. HASSASSA). Refer case to the Legal Department.

- 5.3.2 If the service user does not meet the eligibility criteria (e.g. because they have other capital resources over the maximum savings) for the scheme then the normal criteria for admission to residential/nursing home care must be applied.

5.4 Explaining Legal Charges

A legal charge is applied to a property when someone other than the registered owner has a financial interest in the property. The most common form of charge is a mortgage. The legal charge prevents the property being sold without that financial interest being repaid. In each case where the Council agrees to a DPS, a legal charge on the property will be required as security for the period of the interest free loan.

Responsibility for preparing and registering a legal charge will be as stated in paragraph 7 below (Legal steps to be taken).

6. VALUATION OF PROPERTY

- 6.1 There are a number of ways of establishing the approximate value of a property, i.e.:-
- From an Estate Agent if it has been put on the market
 - Ask the service user or their family for an approximate value
 - The local authority's own Valuation Team
 - Local knowledge of property values
- 6.2 The Welfare Benefit Team will ensure that an appropriate valuation is obtained. In the event that this valuation appears to be incorrect, it will be the responsibility of the Welfare Benefit Team to pursue a correct valuation.
- 6.3 The Welfare Benefit Team will be responsible for writing to the service user confirming the approximate value that is being taken into account in their financial assessment.
- 6.4 If the value of the property is minimal or the outstanding equity value after the remaining mortgage is taken into account is minimal, consideration should still be given to a request to access the DPS.

7. LEGAL STEPS TO BE TAKEN

Care Manager should provide Legal Section with the full address of the property, the full name of the Owner(s), details (from Owner) of where Title Deeds are held and contact person for accessing Deeds.

- 7.1 Legal Section will then carry out an ownership search and report back to the Welfare Benefit Team.
- 7.2 Subject to the satisfactory outcome of the ownership search, the Welfare Benefit Team will instruct Legal Section to prepare the DPA and Legal Charge and supply any outstanding information, including the date when it is desired that the DPA should commence.
- 7.3 The Legal Department will notify the service user that a charge has been placed.
- 7.4 The Welfare Benefit Team will be responsible for notifying the service user of the assessed contributions (previously notified) and the weekly rate that the debt will grow at (the Relevant Contribution) and any other costs that will be added to the eventual total.
- 7.5 The service user will be notified by the Welfare Benefit Team of the intervals at which they will be informed of the current outstanding debt. (See 10.2 below).
- 7.6 It is the responsibility of the Service User (as a Party to the DPA) to ensure that they fully understand the terms of the DPA which they are entering into.
- 7.7 Guidance on the mandatory 12 week disregard is separately available and this should also be referred to.

8. THIRD PARTY AND SERVICE USER TOP-UPS

Third party contributions are additional payments over and above the amount the Council considers appropriate to pay.

8.1 Formal Agreements/Contracts

Third Party contributions are allowed, provided the person making that contribution enters into a formal agreement/contract with the Home. It must be made clear to the Provider that the Third Party contribution and any change to that level of that contribution must be agreed with West Berkshire Council. The agreement will include a clause to the effect that West Berkshire Council may determine to move the Service User in the event the additional contribution is discontinued.

8.2 Service Users Making Top-Ups

- 8.2.1 From 1 October 2001, Service Users themselves are able to make top-up contributions if they have accessed the 12 week property disregard period or if they have entered into a DPA. This is so someone who would

previously have been self-funding and therefore have been able to exercise personal choice, may continue to use their own resources to pay for a place which would otherwise be above the Council's ceiling. The level of this contribution is limited to the funds the Service User has available which are disregarded under CRAG. These include the disregarded capital amount (currently £23000). It should be noted, however, that this does NOT affect the capital tariff calculation. In other words the capital tariff on capital between £14000 and £23000 will not be reduced even though this capital amount diminishes through making top-ups.

- 8.2.2 These additional payments can be made in one of two ways. The service user can use other capital resources, e.g. savings in a building society and pay the top-up directly. Alternatively it can be added to the DPS and the Council will recover this amount along with the Council's cost of placement.

8.3 Failure to Make Top-Ups:-

Service users making their own top-up and any person making a third party contribution must be advised by the Social Worker/Care Manager that failure to maintain these additional contributions is likely to result in the Service User being moved to a placement at the appropriate ceiling cost.

8.4 Free Nursing Care:-

Service Users who are responsible for meeting the full cost of their care, but have opted to enter the Deferred Payments Scheme will not be responsible for any part of the cost which is assessed as being in respect of NHS funded nursing care. Finance will be responsible for notifying the Primary Care Trust of any DPS Service Users for whom they are responsible for meeting the nursing cost.

9. LETTING THE PROPERTY

- 9.1 The circumstances in which this might be considered are, if the Service User does not want the property sold during their lifetime and the property would otherwise be empty. The rental income which is generated (along with any other income) must be paid to the Council in order to reduce the accruing debt.
- 9.2 Service Users should be advised that no letting agreement should be entered into or keys given to a prospective Tenant, before the DPA and legal charge has been entered into.

- 9.3 A copy of any proposed Tenancy Agreement must, in all cases, be approved by the Council's Legal Department.
- 9.4 If the property is already let, legal advice should be sought before proceeding any further with the DPA.

10. ONGOING ADMINISTRATION

- 10.1 The Welfare Benefit Team will be responsible for recording DPA legal charges and the amount of debt covered by the charges on a monthly basis.
- 10.2 The service user will be informed at annual intervals of the current level of the outstanding debt, reminded of the rate at which it is growing and given an estimate of the length of time their remaining assets will be sufficient to fund the full cost of their care.
- 10.3 When the remaining equity value reduces to the upper capital limit for self-funding a re-assessment of the Service User contribution will be carried out under CRAG. The Service User will be informed of this revised contribution and be advised that this charge must be settled on an on-going basis.
- 10.4 When the remaining equity falls to the Income Support/Pension Credit upper limit, then a claim for Income Support/Pension Credit should be made. The Welfare Benefit Team will support the Service User/Representative to make the appropriate claims.

In the event of an Income Support/Pension Credit claim being rejected on the grounds that the property is not being marked for sale a request for reconsideration should be made immediately that the refusal of benefit notification is received.

11. ONGOING MAINTENANCE OF THE PROPERTY

- 11.1 Increased Personal Needs Allowance – the costs involved in maintaining the property, e.g. insurance and repairs must be met by the service user. This could be achieved by an increase in the personal needs allowance though this could lead to a financial loss to the authority. In circumstances where the property needs to be maintained to avoid depreciation of the asset, it will be appropriate to make an allowance to cover basic costs of maintenance, including insurance of property.

12. SALE OF PROPERTY BEFORE DEATH

If the service user has placed the property for sale on admission to long-term care, or chooses to sell at a subsequent date the accrued debt will be repaid upon the sale in order to remove the charge. The removal of the charge will be arranged by the Legal Department. If the debt is not repaid immediately then interest will be payable at 0.5% for the first 6 months and after 6 months interest will be charged at the Bank of England base rate. **Do we wish to increase the rate of interest?**

In this event the DPS Agreement will be terminated and the service user may become self-funding, depending on balance of funds available after clearing the charge. If the Service User is not able to make their own arrangements, then it may be necessary to arrange Deputyship.

13. SALE OF PROPERTY AFTER DEATH

- 13.1 Calculating the Debt – the Welfare Benefit Team will be responsible for calculating the accrued debt.
- 13.2 Lodging a Claim – the Executor of the estate should be notified, no later than 28 days after the death is notified to the Welfare Benefit and Legal Teams, with the actual or provisional debt. At this stage it would be reasonable to seek information on the approximate value of the estate to confirm previous financial assessment declarations. It would also be good practice to explain the requirement to charge interest on the debt and the 56 day period. The opportunity should be taken to express condolences for the bereavement.
- 13.3 Notifying Final Debt – If it has not already been notified, the Legal Team will confirm the final debt in writing no later than 6 weeks after death. Failure to do so could lead to a challenge should interest be charged after 56 days.
- 13.4 Debt Collection – If the debt has not been cleared within 4 weeks of the expiry of the 56 day period, a reminder should be sent by the Income Team confirming the rate of growth of the debt and requesting a progress report.
- 13.5 Calculating the Interest – the rate to be charged after the 56 days will be the 0.5% interest rate for the first 6 months and after 6 months the interest will be charged at the Bank of England base rate. **Again do we want to increase this?**

| | | |
|------------------------------------|-----------------------------------------------------|---------------|
| Title of Report: | Month 4 Revenue Budget Monitoring Report | Item 8 |
| Report to be considered by: | Resource Management Select Committee | |
| Date of Meeting: | 22 September 2009 | |

Purpose of Report: To receive the revenue budget monitoring report for month 4 and consider any areas of concern.

Recommended Action: To note the report and recommend further action as appropriate.

| Resource Management Select Committee Chairman | |
|------------------------------------------------------|--------------------------------------------|
| Name & Telephone No.: | Councillor Jeff Brooks – Tel (01635) 47391 |
| E-mail Address: | jeff.brooks@westberkslibdems.org.uk |
| Contact Officer Details | |
| Name: | Stephen Chard |
| Job Title: | Policy Officer (Scrutiny Support) |
| Tel. No.: | 01635 519462 |
| E-mail Address: | schard@westberks.gov.uk |

Supporting Information

1. Introduction

- 1.1 This report sets out the 2009/10 month 4 revenue budget monitoring which has been considered by Management Board. The Management Board report and appendices are included within Appendix A. These detail the summary of forecasts by service and directorate, directorate commentary, trend analysis and monitoring of savings.
- 1.2 The Finance Manager will attend the Resource Management Select Committee to provide further information and answer any questions.

Appendices

Appendix A – Financial Performance report – month 4

| | | |
|------------------------------------|---------------------------------------------------|-----------------------|
| Title of Report: | Financial Performance report - Month 4 | Appendix A |
| Report to be considered by: | Management Board | |
| Date of Meeting: | 03 September 2009 | |
| Forward Plan Ref: | N/a | |

Purpose of Report: To make Management Board aware of the latest financial position of the Council.

Recommended Action: To note the report.

Reason for decision to be taken: To ensure that Board is aware of the financial and performance issues facing the Council.

Other options considered: None

Key background documentation: Budget monitoring returns held in Accountancy

The proposals will also help achieve the following Council Plan Theme:

CPT13 - Value for Money

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:

| Portfolio Member Details | |
|---------------------------------------------|---------------------------------------------|
| Name & Telephone No.: | Councillor Keith Chopping - (0118) 983 2057 |
| E-mail Address: | kchopping@westberks.gov.uk |
| Date Portfolio Member agreed report: | 20 August 2009 |

| Contact Officer Details | |
|-------------------------|--------------------------|
| Name: | Joseph Holmes |
| Job Title: | Accountancy Manager |
| Tel. No.: | 01635 519474 |
| E-mail Address: | jholmes@westberks.gov.uk |

Implications

Policy: None

Financial: None

Personnel: None

Legal/Procurement: None
Property: None
Risk Management: None
Equalities Impact Assessment: None

Executive Summary

1. Introduction

- 1.1 This is the second report brought to Board as part of the 2009/10 budget monitoring programme. Reports will be presented to Board on a monthly basis throughout the 2009/10 financial year.
- 1.2 The budget monitoring timetable is designed to give Board financial information as quickly as practicably possible after the end of the month, whilst ensuring that the financial information is robust. Every month, budget holders are asked to report their forecast for their individual cost centre for the end of the financial year, taking into account known changes to their service, and using historical financial information where useful. The Accountancy section and Senior Management then review these predictions before they are finalised in this report.
- 1.3 As at the end month 4, the Council is forecasting an overspend of £826k for the 2009/10 financial year. Further detail is provided in appendix 1. Appendices 2a to 2d highlight reasons for significant variances from budget by each directorate. Appendix 3 presents the forecast prediction, and compares this against previous years to look at trends. Appendix 4 highlights the savings in the 2009-10 budget and the risks attached against achieving these.

2. Proposals

- 2.1 For Board to note this report

3. Conclusion

- 3.1 The current position is a forecast overspend of £826k at the end of the 2009/10 financial year.
- 3.2 The savings areas for the 2009-10 financial year of £4,070k have been reviewed by Heads of Service and £1,641k (40%) are being reported as green, £1,677k (41%) as amber and £752k (19%) as red.

Executive Report

1. Introduction

- 1.1 The budget monitoring timetable has been designed to ensure that decision makers receive robust financial information as soon as practicably possible after the end of each month. Budget holders are asked to forecast their year end position on a monthly basis, and these forecasts are then reviewed by senior management before being presented to board.

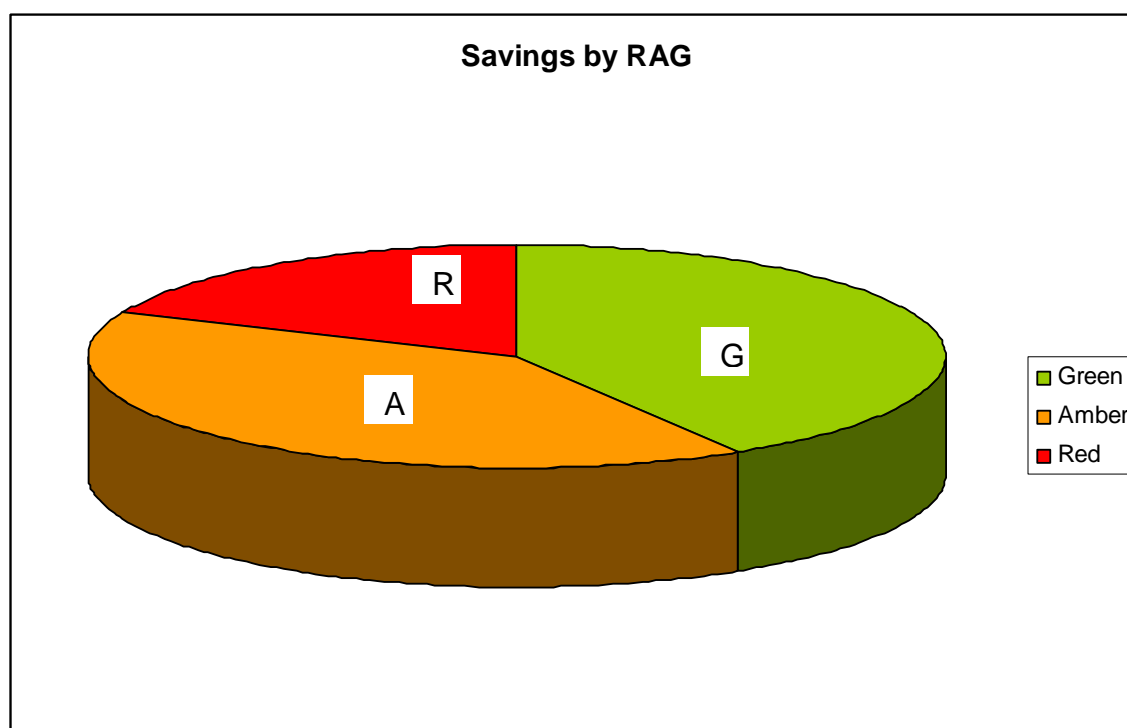
2. The current forecast position

- 2.1 At present, the Council is forecasting an overspend of £826k.
- 2.2 The directorate with the most significant overspend prediction is Community Services, with a prediction of £519k overspent by the end of the financial year. Further analysis of this is provided in appendix 2b. The Environment directorate is forecasting an overspend of £422k, and commentary on this is presented in appendix 2c.
- 2.3 As can be seen from appendix 3, based on past financial performance over the previous three years, the Council could potentially be close to a break even position at the end of the financial year. As noted above, this analysis is based on past financial performance, and reflects the way that budget holders have forecast in the past. This is not a 100% accurate way of predicting how they will forecast in the future due to any emerging pressures occurring in 2009-10; however, it is another tool for decision makers to consider when reviewing financial performance.
- 2.4 Current difficult economic factors are contributing towards a higher overspend being reported very early in the financial year, and this includes the CYP directorate forecasting an underspend and the Chief Executive's directorate forecasting a break even position.

3. Savings monitoring

- 3.1 As per the 2009-10 budget monitoring process, Head of Service and directors have been asked to put a RAG response against the savings proposals in the 2009-10 budget. The current position of these is highlighted below. Appendix 5 provides further detail.
- 3.2 There has been a significant change since month 3. Reflecting the fact that as the financial year progresses, budget holders have a greater idea of whether savings will be achieved or not, the savings predictions have become increasingly polarised. There has been 4% rise in the number of savings predicted as green. However, there has been a 13% increase in those savings reported as red. If these all these 'red' savings materialise, with no compensating savings, the Council will be overspent by £752k on existing savings alone at the end of the financial year.
- 3.3 The savings position broadly matches that of the overall budget monitoring position. Those directorates, Community Services and Environment, where there are still significant percentages of savings as amber and green are predicting the more significant overspends.

| RAG | Amount (change on the previous month) / £k | Amount as a percentage of savings |
|--------------|--------------------------------------------|-----------------------------------|
| Green | 1641 (+132) | 40% |
| Amber | 1677 (-677) | 41% |
| Red | 752 (+545) | 19% |
| Total | 4070 | |



This analysis can also be broken down per type of savings, as per below. Value for Money and disinvestment savings have continued to improve. However, since month 3, there has been a deterioration in ASCT and efficiency savings, both of which are from the Community Services directorate.

| Theme | Green (%) | Amber (%) | Red (%) | Total |
|-------------------|-------------|-------------|------------|-------------|
| VfM | 135 (73%) | 50 (27%) | | 185 |
| Efficiency | 600 (61%) | 266 (27%) | 120 (12%) | 986 |
| Income generation | 95 (13%) | 498 (66%) | 167 (22%) | 760 |
| ASCT* | 45 (4%) | 755 (64%) | 385 (32%) | 1185 |
| Disinvestment | 766 (80%) | 108 (12%) | 80 (8%) | 954 |
| | 1641 | 1677 | 752 | 4070 |

*Adult Social Care Transformation

3.4 And per directorate

| Directorate | Green (%) | Amber (%) | Red (%) | Total |
|--------------|-------------|-------------|------------|-------------|
| CYP | 401 (77%) | 119 (27%) | - | 520 |
| CS | 310 (17%) | 920 (46%) | 565 (31%) | 1795 |
| ENV | 521 (51%) | 350 (34%) | 157 (15%) | 1028 |
| CEX | 397 (56%) | 288 (40%) | 30 (4%) | 715 |
| Total | 1629 | 1677 | 752 | 4058 |

3.5 These figures show £12k less than the overall figures as the staff car leasing saving of £12k is a corporate saving.

Appendices

Appendix 1 – Summary of forecasts by service and directorate

Appendix 2a to 2d – Directorate commentary

Appendix 3 – Trend analysis

Appendix 4 – Monitoring of savings 2009-10

Consultees

Local Stakeholders: Not consulted

Officers Consulted: Corporate Board

Trade Union: Not consulted

2009/10 Budget Monitoring Period 04

Amended Consolidated Replies

| Description | Cum. Budget to 31/07/2009 £ | Cum Exp/Inc to 31/07/2009 £ | Actual Variance to date £ | Outstanding Commitment for the year £ | Expenditure Budget for 2009/10 £ | Under/Over £ | Forecast Expenditure £ |
|----------------------------------------------|-----------------------------------|-----------------------------------|---------------------------------|------------------------------------------------|-------------------------------------------|-----------------|------------------------------|
| DEDICATED SCHOOLS GRANT | 61,825,791 | 59,322,187 | -2,503,605 | 685,268 | -571,550 | 0 | -571,550 |
| CORPORATE DIRECTOR - CYP | 85,887 | 63,385 | -22,502 | 3,107 | 294,710 | 0 | 294,710 |
| CHILDREN'S COMMISSIONING & QUALITY | 345,795 | 123,911 | -221,883 | 7,188 | 1,227,120 | -16,110 | 1,211,010 |
| EDUCATION SERVICES | 4,971,889 | -3,868,178 | -8,840,067 | 3,198,156 | 13,831,220 | 3,942 | 13,835,162 |
| CHILDREN'S SERVICES | 3,083,508 | 3,147,685 | 64,177 | 651,104 | 11,589,140 | -138,560 | 11,450,580 |
| CUSTOMER SERVICES | 296,862 | 325,486 | 28,624 | 2,522 | 994,570 | 35,500 | 1,030,070 |
| CHILDREN AND YOUNG PEOPLE DIRECTORATE | 70,609,732 | 59,114,475 | -11,495,256 | 4,547,346 | 27,365,210 | -115,228 | 27,249,982 |
| CORPORATE DIRECTOR - CS | 145,163 | 33,207 | -111,956 | 2,496 | 421,080 | -399,690 | 21,390 |
| HOUSING & PERFORMANCE | 1,325,598 | 746,600 | -578,998 | 130,854 | 2,342,770 | 101,416 | 2,444,186 |
| OLDER PEOPLES SERVICES | 4,958,323 | 6,778,367 | 1,820,044 | 474,079 | 19,726,840 | 508,624 | 20,235,464 |
| COMMUNITY CARE & WELL BEING | 3,155,345 | 6,232,569 | 3,077,224 | 84,395 | 13,410,990 | 281,285 | 13,692,275 |
| CULTURAL SERVICES | 1,506,534 | 1,445,104 | -61,430 | 548,318 | 4,502,730 | 26,985 | 4,529,715 |
| SYSTEM TRANSFORMATION | -14,376 | -328,372 | -313,995 | 19,935 | 18,400 | 0 | 18,400 |
| COMMUNITY SERVICES DIRECTORATE | 11,076,587 | 14,907,475 | 3,830,888 | 1,260,077 | 40,422,810 | 518,620 | 40,941,430 |
| CORPORATE DIRECTOR - ENV | -185,128 | 50,279 | 235,406 | 18 | -68,440 | 360 | -68,080 |
| COUNTRYSIDE & ENVIRONMENT | 4,218,464 | 4,526,046 | 307,582 | 296,610 | 16,863,950 | 10,540 | 16,874,490 |
| HIGHWAYS & TRANSPORT | 2,442,300 | 2,801,507 | 359,207 | 3,144,116 | 10,150,560 | 150,730 | 10,301,290 |
| PLANNING AND TRADING STANDARDS | 478,659 | 843,039 | 364,381 | 58,399 | 2,213,360 | 259,910 | 2,473,270 |
| ENVIRONMENT DIRECTORATE | 6,954,295 | 8,220,871 | 1,266,576 | 3,499,143 | 29,159,430 | 421,540 | 29,580,970 |
| CHIEF EXECUTIVE | 205,216 | 182,828 | -22,387 | 1,578 | 648,700 | -9,700 | 639,000 |
| HUMAN RESOURCES | 395,197 | 232,046 | -163,151 | 68,423 | 1,204,580 | -11,158 | 1,193,422 |
| ICT | 772,662 | 1,044,039 | 271,378 | 214,059 | 2,870,220 | 20,400 | 2,890,620 |
| LEGAL & ELECTORAL | 247,147 | 306,154 | 59,007 | 25,833 | 891,820 | 40,000 | 931,820 |
| POLICY AND COMMUNICATION | 1,109,127 | 1,190,974 | 81,847 | 183,973 | 3,803,850 | -28,370 | 3,775,480 |
| PROPERTY | 281,276 | 623,906 | 342,630 | 246,015 | 1,385,900 | 0 | 1,385,900 |
| BENEFITS AND EXCHEQUER | -3,516,417 | -2,565,257 | 951,160 | 161,191 | 1,278,880 | 0 | 1,278,880 |
| FINANCE | 728,627 | 373,714 | -354,913 | 130,815 | 2,785,790 | -9,740 | 2,776,050 |
| CHIEF EXECUTIVE'S DEPARTMENT | 222,834 | 1,388,404 | 1,165,570 | 1,031,887 | 14,869,740 | 1,432 | 14,871,172 |
| LEVIES AND INTEREST | -2,356,319 | -3,273,130 | -916,811 | 0 | 1,069,370 | 0 | 1,069,370 |
| GRAND TOTAL | 86,507,128 | 80,358,096 | -6,149,032 | 10,338,453 | 112,886,560 | 826,364 | 113,712,924 |

MONTH 4 2009/10 - BUDGET MONITORING FOR THE CHILDREN AND YOUNG PEOPLE SERVICE GROUPING

The month 4 forecasting is predicting a Directorate underspend of £115k at year end. Savings of £139k are identified in Children's Services, and savings of £16k in Children's Commissioning and Quality but against these there is an overspend of £36k forecasted in Customer Services.

Children's Services

Savings have been identified in In-house Fostering Services due to there being fewer children in foster care than budgeted at the start of this financial year. However, approximately 7 to 8 "new" children have come into care in June / July. The predicted saving does include some flexibility for further new placements later in the year. There are also some savings on adoption placements, special guardianship, additional placement costs and care leavers identified. However Youth Activities are forecasting a £20k overspend due to income levels dropping in 2009.10.

Education

It is expected that there will be a pressure on Home to School Transport costs but currently it is too early to quantify this.

Customer Services

An overspend of £36k is predicted because the establishment is currently stable and therefore does not allow for the achievement of the Managed Vacancy target.

Children's Commissioning and Quality

The underspend is likely to reduce as outstanding invoices from Family Group conferencing Co-ordinators are received. It also includes an underspend for serious case reviews which will be used should any such reviews become necessary following death or significant harm to a child.

Proposed Action

Limitations have been placed on staff recruitment and other expenditure, with all commitments having to be agreed at Head of Service level as part of the Directorate Budget Action Plan.

The main high risk or volatile budgets are being closely monitored in the following areas:

Children's Placements (in both Education and Social Care)

Recoupment

Early Years funding to the Private, Voluntary & Independent Sector

School Meals

Home to School Transport costs

Most of the high risk areas are within the Dedicated Schools Grant (DSG). This is a ring fenced grant, and any under or over spends against this grant are carried forward and are not against Council Funds. The DSG is monitored through the School's Funding Forum.

COMMUNITY SERVICES DIRECTORATE DIRECTOR'S REPORT BUDGET MONITORING: MONTH 4 2009/10

The Directorate is reporting an overall position of £519k projected overspend at Month 4

Emerging Issues

Monthly budget monitoring processes are aligned with savings monitoring, which is particularly important in relation to progress of the adult social care system transformation programme:

- Changing in-house home care to focus on reablement will realise long term benefits, but has been slower to achieve initial efficiency targets. This is largely due to the need to ensure a well managed transition of clients to external providers to minimise disruption to individuals. This process is being carefully overseen by managers and our specialist contracts team. In the past couple of weeks we have needed to terminate a block contract with one provider who failed to achieve the standards of care which the Council requires.
- As demand on resources increase across the whole health and social care economy, pressures are emerging in learning disability services as a result of NHS reviews of existing clients. Across Berkshire, the impact of 'continuing care' reviews are reducing the allocation of NHS contributions and increasing the social care funded elements of individual care packages.
- There has been a significant drop in income from clients and this is emerging as a new pressure in year, as well as next.
- A number of very high cost care packages have recently been agreed as more people come into the system with complex needs.
- A further new issue is imminent closure of a care home where we have a large number of clients. This will impact as pressures on budgets, as we will need to relocate people in an already over-stretched market, at a higher cost.

In addition to the issues in adult social care, an overspend has emerged in Housing services as a result of a combination of loss of income, loss of a grant, unfunded building maintenance requirements and difficulty in achieving MVF.

Emerging budget pressures

As outlined above.

Proposed action

An action plan to address overspending is being developed. In adult social care this will include:

- A revised approach to Resource Panel, where care packages are agreed. The improved system will enable closer scrutiny and challenge through the introduction of a monthly monitoring meeting of budget managers with the Corporate Director, Portfolio Lead, Head of Service and Accountancy to oversee decisions on care packages.
- We are working with accountancy colleagues to ensure that data is as accurate as possible, as there is some evidence to suggest that current figures are not as robust as is required to make appropriate management decisions
- A programme of training is in place for budget managers.
- Intensive negotiations continue to ensure good value replacement care packages for those we are needing to reprovide as a result of recent contract terminations.
- The impact of continuing care reviews is a problem for adult social care across the whole of Berkshire and is being discussed with the PCTs.
- Adult social care system transformation is a formally managed programme, through which risks can be identified, highlighted and managed at an early stage.

The Head of Housing & Performance is developing an action plan to reduce overspending in Housing and believes this will be reduced by at least half of the current projection.

The Directorate will continue with stringent monitoring and continuous review of existing spending commitments.

**ENVIRONMENT SERVICE GROUPING
DIRECTOR'S REPORT
BUDGET MONITORING: MONTH 4 2009/10**

Emerging Budget Pressures

The forecast outturn for the Directorate at the end of month 4 is £29.6 million, a forecast overspend of £422,000 an increase in forecast overspend of £31,000 from period 3.

Income from development control and building control is now forecast to be approximately £260,000 below budget. Vacancies are being actively managed and some staffing savings have been achieved. However these are only just sufficient to meet the managed vacancy target and a pressure on the cost of consultants to support planning appeals. The reduction in income is not because of an overall reduction in the number of applications, but as a result of fewer major applications and more minor ones. The reduction in workload is not therefore in line with the reduction in income.

As in period 3, parking income is also forecast to be £150,000 below target because of lower than expected income from on street parking enforcement.

Proposed actions

In the light of the forecast overspend, all service managers continue closely to monitor and manage their budgets.

CHIEF EXECUTIVE SERVICE GROUPING
DIRECTOR'S REPORT
BUDGET MONITORING: MONTH 4 - 2009/10

Emerging issues

The recession is continuing to suppress Land Charges income and this has worsened slightly since Month 3. Redundancy costs emanating from the Property and Legal and Electoral Services Reviews will place increased pressure on this year's revenue budgets over the next two months. No provision was made in the budget for these costs and careful monitoring will be required.

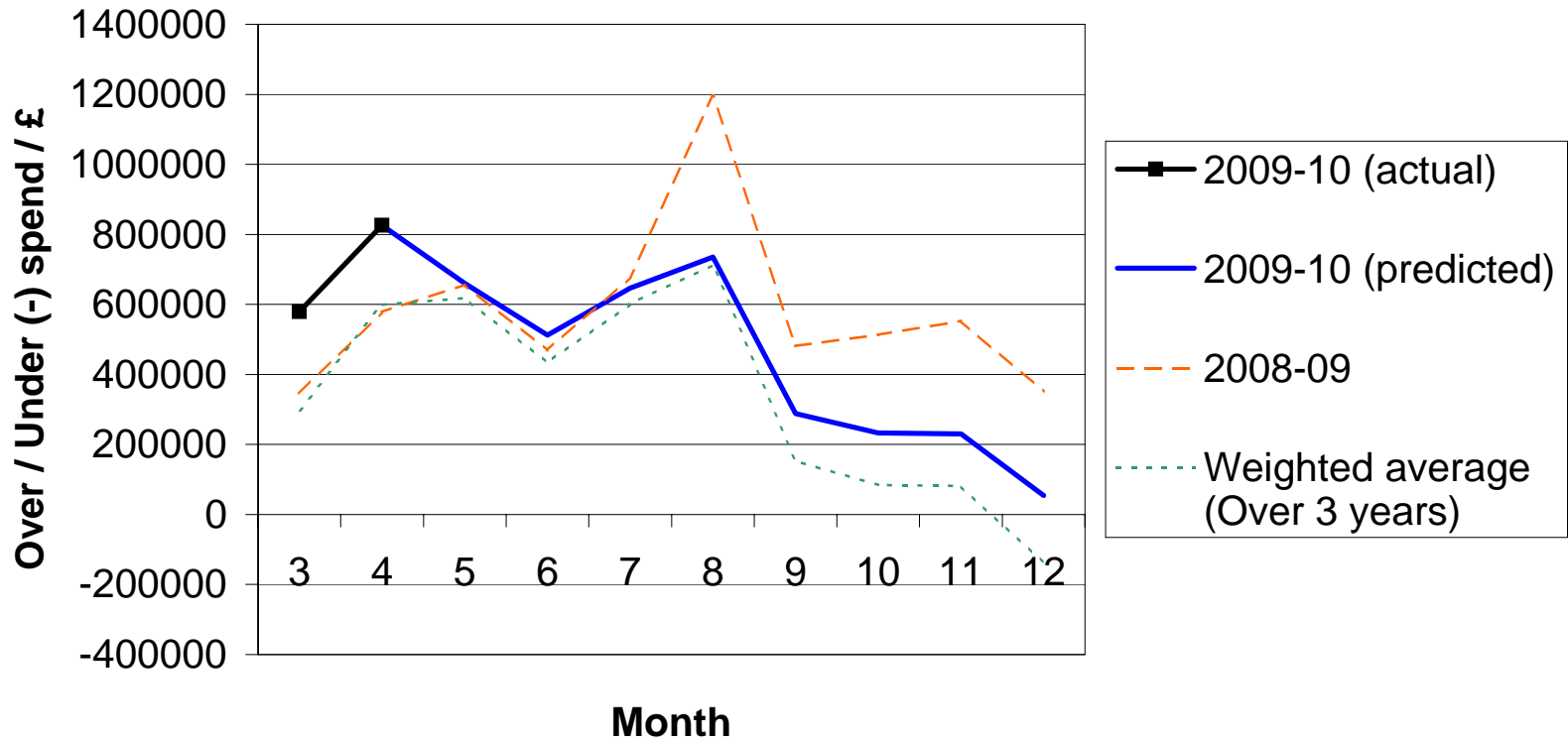
Emerging budget pressures

None other than the redundancy and Land Charges issues mentioned above. The overall position has actually improved at Month 4. A predicted overspend of £40k at outturn forecast at Month 3 has now all but disappeared following the implementation of a range of management actions. Good progress is being made in delivering the Managed Vacancy Factor and securing the required savings for 2009/10.

Proposed action

Nothing specific other than continued monitoring and ongoing rigour regarding spending and income generation.

Forecast outturn 2009-10 M4



Resource Management Select Committee 2009-09-22 - Reports

Red
Amber
Green

| Saving | Amount / £k | Directorate | Service | Director / HoS | Theme | Progress | Comments |
|-----------------------------------------------------------------------------------------|-------------|-------------|-------------------------------------|----------------|-------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Libraries VfM review | 50 | CS | Cultural servi | DA | VfM | Amber | VfM review is underway with limited savings identified at this stage. Contingency arrangements in place to balance the overall budget if further savings not identified by the end of quarter 2 |
| General efficiency – efficiency target of 3% on all non-staffing, non-placement budgets | 86 | CYP | Education Service | IP | Eff | Amber | £49k is green as service disinvestments were included in base budget. £14,470 to be met by reduction in Council funded element re Behaviour Support, along with £9,830 cut in Education training budget. Plan re achieving remaining £12,500 still to be identified. |
| Increased MVF (Managed Vacancy Factor) | 20 | CEx | Legal | DH | Eff | Amber | Post will be left vacant as part of restructure to meet target |
| Staff restructuring | 60 | CEx | Legal | DH | Eff | Amber | Restructure now in place, majority of target now met |
| Staff restructuring | 30 | CEx | Property | SB | Eff | Amber | Effective from 13th July 09 - most of this target has now been achieved |
| Increased IT efficiencies | 30 | CEx | ICT | KG | Eff | Amber | aiming to spend within this reduced budget |
| General Efficiency (CS) | 40 | CS | Corporate Director - Comm. Services | TB | Eff | Amber | new emerging issues may impact on our ability to achieve this target (ie drop in income) |
| Car Park charges | 350 | ENV | Highways & T | ME | Inc | Amber | This estimated increase in income arises from the increase in charges across all West Berkshire car parks effective from 6 April 2009. The income target for 2009/10 was reduced back down by £360,000 to reflect the continuing effects of the economic downturn. However income to date indicates that parking income is likely to be below target by approximately £150,000 because income from on street parking enforcement was lower than expected in the first quarter. |
| Registrar fees and non refundable deposits | 16 | CEx | Legal | DH | Inc | Amber | P1 showed less income than last year |
| Additional Sponsorship | 20 | CEx | Policy &Comm. | AD | Inc | Amber | additional advertising sponsorship uncertain in recession, considering boundary signage sponsorship |
| Benefits – DWP subsidy | 50 | CEx | Benefits & exch. | SD | Inc | Amber | will 40% recovery of overpayments be realised? Previous years show a positive trend, not realised as yet. |
| - Administration penalties | 5 | CEx | Benefits & exch. | SD | Inc | Amber | |
| Additional income from client disbursements | 32 | CEx | Legal | DH | Inc | Amber | The money is not in budget will not overspend big cases will highlighted in advance |
| ICT 'pay as you go' services | 20 | CEx | ICT | KG | Inc | Amber | additional schools' income usually achieved by year end/will go 'green' later in year |
| Other (CE) - S278 agreements | 2 | CEx | Legal | DH | Inc | Amber | More than 25% of income budget received in P1 |
| Other (CE) - charging parishes | 2 | CEx | Legal | DH | Inc | Amber | Work hasn't commenced yet as have been focussed on Euro election |
| Other (CE) - register of electors | 1 | CEx | Legal | DH | Inc | Amber | Majority of expense happens in periods 8-11 |
| Re-ablement | 410 | CS | System Transformati on | AJ | ASCT | Amber | £60k of this is green and is being taken out of budgets. Further monitoring is in place and is predicting that the majority of the residual saving will be achieved, though as this is month 3, it is difficult to predict the full year effect. |
| Efficiencies: Older People's/Physical Disability | 30 | CS | Older People service | JE | ASCT | Amber | Details of actions to meet this target tba |

Resource Management Select Committee 2009-09-22 - Reports

| | | | | | | | |
|------------------------------------------------------------------------|-----|-----|-----------------------------|----|------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Preparing for the future Phase 2 | 315 | CS | Community Care & Well-being | JE | ASCT | Amber | £92k green - deleted posts. £70k green - effective commissioning; £153k amber - further commissioning efficiencies, supported living development and reduction in uplift. |
| Reduce staffing costs – post deleted | 16 | CYP | Education Service | IP | Dis | Amber | Combination of various employees choosing to move to term time only and vacant posts moving to term-time only contracts. |
| Withdrawing CLIVE service | 30 | CS | Cultural services | DA | Dis | Amber | Employee successfully redeployed. Vehicle now retained for use by other service areas with a single one off termination contribution of £10k from the library service |
| Reduce PRC (Premature Retirement Costs for school based staff) funding | 12 | CYP | Education Service | IP | Dis | Amber | Budget reduced - saving at risk of not being achieved due to external factors |
| Modernise IT support | 5 | CYP | Education Service | IP | Dis | Amber | Exploring replacing saving with external grant funding |
| Reduce Learning Disability commissioning budget | 45 | CS | Older People service | JE | Dis | Amber | Already adjusted for in the 2009-10 budget. However, new pressures emerging due to recent continuing care decisions impacting unfavourably. |

1677

| | | | | | | | |
|--------------------------------------------------|-----|-----|----------------------|----|-----|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improved staffing efficiencies - desktop analyst | 20 | CEx | ICT | KG | Eff | Red | The potential to reduce the number of Desktop Analysts we employ by 1FTE is to be reviewed once the Desktop rebuild Project is completed (currently projected to finish in August). Before reducing headcount here we need to consider the impact of Timelord on the ICT Service |
| Agency to in-house | 100 | CS | Older People service | JE | Eff | Red | Approximately 10 staff now in post on casual basis. This saving is under pressure as staff sickness figures are high. Action plan being developed to address. |
| Planning Fees | 100 | ENV | Planning & TS | GL | Inc | Red | The saving target was introduced before the economic downturn. This target has been flagged as "at risk" since September 2008. Income continues to be below budget to this point in the year. This is mainly due to a change in the mix of types of planning applications, and as a result the Planning and Trading Standards service is currently forecasting an overspend of £147,000. |
| New charges (developers fees) | 57 | ENV | Planning & TS | GL | Inc | Red | The saving target was introduced before the economic downturn. This target has been flagged as "at risk" since September 2008. Income continues to be below budget to this point in the year and this pressure also forms part of the overall forecast overspend for Planning and Trading Standards |
| Rent reviews | 10 | CEx | Property | SB | Inc | Red | £10k target should be met subject to economic climate however £26k efficiency target also on this cost centre. Both cannot be met unless we can divert underspends from other areas |
| External Home Care Contract | 385 | CS | | | | | |
| | | | | | | | |

| | | |
|------------------------------------|--------------------------------------------------------|---------------|
| Title of Report: | Month 4 Capital Programme Monitoring Report | Item 9 |
| Report to be considered by: | Resource Management Select Committee | |
| Date of Meeting: | 22 September 2009 | |

Purpose of Report: To receive the capital programme monitoring report for month 4 and consider any areas of concern.

Recommended Action: To note the report and recommend further action as appropriate.

| Resource Management Select Committee Chairman | |
|------------------------------------------------------|--------------------------------------------|
| Name & Telephone No.: | Councillor Jeff Brooks – Tel (01635) 47391 |
| E-mail Address: | jeff.brooks@westberkslibdems.org.uk |
| Contact Officer Details | |
| Name: | Stephen Chard |
| Job Title: | Policy Officer (Scrutiny Support) |
| Tel. No.: | 01635 519462 |
| E-mail Address: | schard@westberks.gov.uk |

Supporting Information

1. Introduction

- 1.1 This report sets out the 2009/10 month 4 capital programme report which has been considered by Management Board. The Management Board report and appendices are included within Appendix A. These detail capital budget monitoring as summarised by service area, directorate reports, and the asset disposal and acquisition summary.
- 1.2 The Finance Manager will attend the Resource Management Select Committee to provide further information and answer any questions.

Appendices

Appendix A – Capital Programme monitoring report – month 4

| | | |
|------------------------------------|--------------------------------------------|-----------------|
| Title of Report: | Capital Programme Monitoring Report | Item 7.2 |
| | Month 4 - Financial Year 2009/10 | |
| Report to be considered by: | Management Board | |
| Date of Meeting: | 03 September 2009 | |
| Forward Plan Ref: | N/a | |

Purpose of Report: To report the progress on the Capital Programme for the first four months of Financial Year 2009/10.

Recommended Action: To note the report and any remedial action that is being taken.

Reason for decision to be taken: NA - Information report

Other options considered: None

Key background documentation: Capital Strategy and Programme 2009/10 – 2013/14

The proposals contained in this report will help to achieve the following Council Plan Priorities:

- CPP1 – Support our communities through the economic recession** – to alleviate the impact on different communities and individuals who find themselves out of work and/or disadvantaged
- CPP2 – Raise levels of educational achievement** – improving school performance levels
- CPP3 – Reduce West Berkshire’s carbon footprint** – to reduce CO₂ emissions in West Berkshire and contribute to waste management, green travel, transportation and energy efficiency

The proposals will also help achieve the following Council Plan Theme:

- CPT1 - Better Roads and Transport**
- CPT2 - Thriving Town Centres**
- CPT3 - Affordable Housing**
- CPT5 - Cleaner and Greener**
- CPT6 - Vibrant Villages**
- CPT7 - Safer and Stronger Communities**
- CPT9 - Successful Schools and Learning**
- CPT10 - Promoting Independence**
- CPT13 - Value for Money**

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:
 Ensuring the Council's available Capital Financing is utilised in the most efficient manner in order to maximise the benefit to the West Berkshire community and in line with the agreed Council Themes and Outcomes.

| Portfolio Member Details | |
|---------------------------------------------|---------------------------------------------|
| Name & Telephone No.: | Councillor Keith Chopping - (0118) 983 2057 |
| E-mail Address: | kchopping@westberks.gov.uk |
| Date Portfolio Member agreed report: | 26 August 2009 |

| Contact Officer Details | |
|-------------------------|---------------------------|
| Name: | Simon Freeman |
| Job Title: | Finance Manager |
| Tel. No.: | 01635 519249 |
| E-mail Address: | sfreeman@westberks.gov.uk |

Implications

| | |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy: | The Capital Programme is developed and approved to align with the Council's policies and priorities. |
| Financial: | Budget Managers have provided updates which are detailed in the appendices to this report. At the end of Period 4 nearly 63% of the approved programme has been spent or committed which compares favourably with previous years. |
| Personnel: | None |
| Legal/Procurement: | None |
| Property: | None |
| Risk Management: | The Capital Programme represents a significant element of Council expenditure, which should be monitored and controlled accordingly. |
| Equalities Impact Assessment: | Not required |

Executive Report (Single Page)

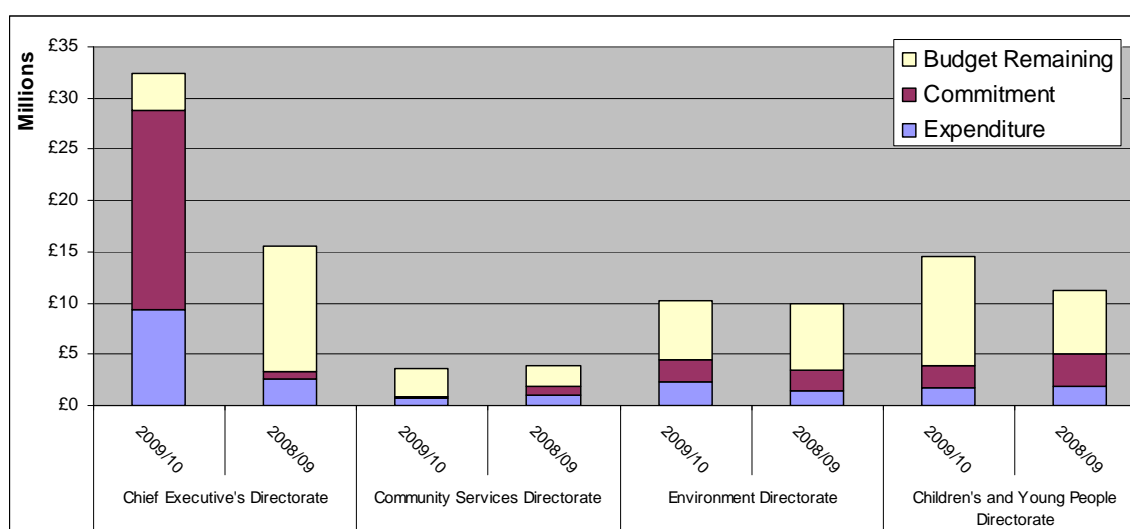
1. Background

1.1 This report highlights the progress that has been made with implementing the Council's Capital Programme for 2009/10. It relates to the first four months of the financial year and encompasses the following:

- a budget summary for all projects by Directorate (Appendix A);
- summary reports from each of the Directorates (Appendices B1-B4);
- a summary of the Asset Disposal Programme (Appendix C).

2. Summary of Performance

2.1 The total budget for 2009/10, which includes funding carried over from 2008/09, is currently set at £60.800m. To date (31st July 2009) £14.083m (23.16%) has been spent compared to £6.904m (17.09%) at the same period last year. A further £24.008m has been committed (orders placed on the Council's procurement system, but not yet delivered and paid for).



2.2 Each Directorate has provided a summary report, and these are at Appendices B1-B4.

2.3 Attached at Appendix C is the current Asset Disposal and Acquisition summary and programme.

Appendices

Appendix A - Capital Budget Monitoring - Summarised by Service Area.

Appendix B - Directorate Reports for Capital Programme to Period 3.

Appendix C – Asset Disposal and Acquisition Summary as at 30 June 2009.

Consultees

Local Stakeholders: Not consulted

Officers Consulted: All Capital Budget Managers, Corporate Board

Trade Union: Not consulted

West Berkshire Capital Programme: 2009/10 Budget Monitoring

Appendix A

Month 4 - period ending 31st July 2009 - Summary by Service Area

12/08/09

| Service Area | Budget for 2009-10 | Expenditure 2009-10 to date | Committed (order placed, not yet paid) | Budget Remaining to be Committed 2009-10 | %age of Budget remaining to be committed |
|----------------------------------------------------------|--------------------|-----------------------------|----------------------------------------|------------------------------------------|------------------------------------------|
| <u>Chief Executive's Directorate</u> | | | | | |
| Property | 2,088,250 | 733,297 | 729,049 | 625,904 | 29.97% |
| Special Projects | 20,927,380 | 3,120,600 | 18,586,346 | -779,566 | 0.00% |
| ICT | 1,176,010 | 301,559 | 203,541 | 670,910 | 57.05% |
| Finance | 7,841,330 | 5,158,467 | 0 | 2,682,863 | 34.21% |
| Policy & Communication | 326,250 | 14,032 | 7,778 | 304,440 | 93.31% |
| Total for Chief Executive's Directorate | 32,359,220 | 9,327,954 | 19,526,714 | 3,504,552 | 10.83% |
| <u>Community Services Directorate</u> | | | | | |
| Community Care | 85,420 | 0 | 0 | 85,420 | 100.00% |
| Housing & Performance | 2,477,480 | 509,314 | 19,021 | 1,949,144 | 78.67% |
| Cultural Services | 1,061,340 | 206,540 | 130,248 | 724,553 | 68.27% |
| Total for Community Services Directorate | 3,624,240 | 715,854 | 149,269 | 2,759,117 | 76.13% |
| <u>Environment Directorate</u> | | | | | |
| Countryside & Environment | 945,370 | 487,253 | 149,126 | 308,991 | 32.68% |
| Highways & Transport | 9,285,490 | 1,820,485 | 2,023,309 | 5,441,697 | 58.60% |
| Planning & Trading Standards | 38,190 | 3,426 | 0 | 34,764 | 91.03% |
| Total for Environment Directorate | 10,269,050 | 2,311,164 | 2,172,435 | 5,785,451 | 56.34% |
| <u>Children's and Young People Directorate</u> | | | | | |
| Education Services | 13,096,410 | 1,577,601 | 2,069,870 | 9,448,939 | 72.15% |
| Children's Services | 1,292,240 | 150,041 | 90,139 | 1,052,060 | 81.41% |
| Children's Commissioning & Quality | 0 | 0 | 0 | 0 | 0.00% |
| Customer Services | 159,090 | 0 | 0 | 159,090 | 100.00% |
| Total for Children's and Young People Directorate | 14,547,740 | 1,727,642 | 2,160,009 | 10,660,089 | 73.28% |
| Council Totals | 60,800,250 | 14,082,614 | 24,008,426 | 22,709,210 | 37.35% |
| | | 23.16% | 39.49% | | |

Notes re Outstanding budgets to be Committed -

Finance - Accommodation has now been purchased and the refit works for West St House will be committed during period 5

Housing and Performance - budget remaining to be committed relates to Disabled Facilities Grants (DFG) and Temporary Accommodation Refurbishment. DFG will be allocated during the year and the delays in the Temporary Accommodation projects have been highlighted in the Directors report

Highways and Transport - there are a number of major schemes planned to start later in the current year which will significantly reduce the budget remaining.

Education - the programme will see increased spend during the summer period as works in schools are carried out during the Summer holiday period. The major schemes may need some reprofiling after project briefs have been refined as outlined in the Directors report

Chief Executive
Director's Report
Capital Budget Monitoring 2009/10 : Period 4

Overview

At Period 4 capital projects in Chief Executive's Directorate are as planned In the capital programme.

Project Issues

Timelord – The ICT Capital Programme in 2009/10 comprises mainly Timelord Programme costs which will be spent in year. It is also anticipated that the Corporate Replacement Programme allocation will also be spent in year but there is likely to be more expenditure on back-end servers and on Telecoms equipment upgrades to support the move to Mobile and Flexible Working (MFW) and less on pcs than in previous years.

ICT expects to spend all of its capital budget allocation and expects to make bids against the Corporate Allocation to cover the GCSx and Business Continuity issues.

Finance capital budgets will be spent as planned when current accommodation proposals have been completed.

Fire risk - remedial works. The current budget is under significant pressure. The work to Denefield has escalated beyond initial estimates following results of the more detailed survey and this is becoming typical for other buildings being inspected. The costs associated with the Denefield School are being looked at in more detail and alternative funding sources explored. If alternative funds are identified further progress can be achieved with the wider fire remedial work programme.

Some smaller remedial projects may need to be deferred if alternative funding is not identified

Parish Planning/Vibrant Villages – spend here is dependent upon the number of applications made by Parish Councils linked to their approved Parish Plans. Budget expected to be spent.

Special Projects – The major area of expenditure in the current financial year relates to the St Barts project and the construction of the new school is progressing well.

Planned use of uncommitted Capital

As detailed above, there will be further expenditure incurred in the coming months mainly in relation to the Timelord programme and planned accommodation expenditure. These schemes will utilise the majority of the remaining capital budget in the Chief Executives allocation and therefore it is anticipated at this stage that all capital resources will be used before the end of the financial year.

Community Service
Director's Report
Capital Budget Monitoring 2009/10 : Period 4

Overview

The current year programme covers spend associated with housing grants, the completion of the Shaw House Project, provision of OT equipment, planned maintenance programme for the community services property portfolio, and the ongoing modernisation programme in adult social care. Additional funds are also allocated within the scheme to complete the refurbishment of council owned temporary accommodation.

Project Issues

SSE Pole Store - There are ongoing issues associated with identifying a suitable alternative site for the owner of a parcel of land currently housing the SSE Pole store, which is essential for Phase 2 of the Shaw House Project to commence.

Officers in the Estates Team of the Council's Property Services are working closely with cultural services to investigate potential sites for the relocation of the pole store and report has been presented to Management Board and will be reported to the Executive at its meeting on 3rd September

Planned Maintenance - Estimates for the total cost of the planned maintenance programme (PMP) of works across the community services portfolio of properties are likely to result in the need for some works being reprogrammed for the next financial year.

Community Services are in the process of agreeing the PMP programme priorities to ensure that services are safeguarded in buildings fit for purpose, while remaining within the planned annual budget allocation

Housing Refurbishment/Temporary Accommodation - The final phase of the programme for refurbishment of temporary accommodation is currently delayed due to the need to wait for planning decisions on a site in Newbury and for other projects to complete before refurbishment works on one site can commence later in this financial year.

Temporary Accommodation refurbishment funding will be re-profiled to cover costs of potential redevelopment of existing units and improvement of existing provision.

The Housing Service is working with Property Service to establish scope of refurbishment work required to maximise number of units on the site in Newbury.

Modernising Adult Social Care - The ongoing work of modernising Adult Social Care will include work to integrate information systems more closely with Health and implementing the resulting system changes which will occur as a consequence of Putting People First and the personalisation agenda.

Planned use of uncommitted Capital

The outstanding issues highlighted above in relation to the temporary accommodation refurbishment are likely to result in the deferral of this scheme into 2010/11

Children And Young People
Director's Report
Capital Budget Monitoring 2009/10 : Period 4

Overview

The 2009/10 capital programme budget is approximately £9.5m, of which approximately £3.5m is council funded. Based on current information there are five projects within the 2009/10 programme that are over £3m, two live projects (Chieveley and Theale Green schools) currently in the design phase and a further three in feasibility (The Winchcombe, The Downs and John O'Gaunt).

There are two very large education projects -St Bartholomew's rebuild which is being managed by Special Projects and St Finian's rebuild that is being managed by the Portsmouth Diocese and the school.

A decision has been taken not to proceed with the Tilehurst Learning Campus and the Project Board was wound up at the meeting on the 13th July. Work is underway to establish new project briefs that will deliver significant capital investment across two school sites – Denefield and Brookfields.

The other significant projects within the capital programme are Castle Special school Post-16 co-location, which is in design and Speenhamland, Kennet, Kintbury St Mary's, Compton, Kennet Valley, Burghfield St Mary's, Lambourn, The Willows and Springfield that are in feasibility.

Project Issues

There are also some projects within the programme where there are some issues around budget and delivery, namely:

Theale Primary – the revised feasibility costing exercise is almost complete and as previously reported the budget has been re-profiled to 2010/11 and 2011/12. Discussions will need to be had once again, during the capital programme refresh, with the agents for the developers of the South Lakeside site to establish likely timescale for development. Previous discussions have indicated that the developer is in no hurry to progress this development and there is the potential that the budget will need to re-profiled further into the future.

Further discussions will be held with the agent for the developer to establish likely timescales for the South Lakeside development. Possible re-profiling of the budget further into the future or, given the possible impact on capital funding as a result of the economic climate, it might be necessary to reallocate the non-S106 element of the budget, which currently stands at approx £1.4m, to another project.

St Finian's – land acquisition negotiations are continuing but due to current market conditions establishing an agreed land value might be problematic. A planning application for the new school building was approved at the Western Area Planning Committee on the 22nd July but Planning recommended referral to the District Planning Committee, which

met on the 4th August when full planning permission was granted. DCSF have stated that approaches to them for funding should be made upon a successful planning application.

Work will continue in relation to land acquisition and continued support will be provided to the school and Diocese with rebuild project. Representation to DCSF may prove to be necessary required for funding should Diocesan approach not be successful. Work is underway to establish impact and accommodation requirements if the governors are unsuccessful in obtaining DCSF funding. Only funding for the land acquisition is currently in the capital programme.

The Porch PRU – the proposed disposal of The Priory site means that the PRU requires re-location. An alternative site/accommodation is still being sought but potential properties are very few and far between. There is one property currently under consideration but this has some significant condition issues, which are being investigated further. It has also become clear that the current budget of £250k is insufficient to provide a facility that meets the requirements. However, the Schools Forum has agreed a contribution from the DSG of £350k.

Further investigation will be carried out into the condition issues of the property under consideration. Given shortage of appropriate accommodation the search has been expanded in terms of geographic location and budget. Work is underway to consider ceasing the function should accommodation not be found within timescales and the impact of taking this decision.

Castle school Post-16 co-location – size of building and site has increased during the refinement of the project brief and review of previous feasibility study. Estimated impact on budget currently being established.

It is likely that additional funding will be found within existing education capital programme with limited or no impact on 2009/10 projects

Planned use of uncommitted Capital

As highlighted above, there are a number of major schemes in the final planning or early implementation stages. These projects will significantly increase the committed capital budget once they are in a position to progress to live schemes.

Other projects are underway during the main school holiday period which again will further reduce the uncommitted capital budget in periods 5 and 6 once works have been completed.

Work is continuing with the Accountancy service to review the current Education programme.

Appendix B4

Environment **Director's Report** **Capital Budget Monitoring 2009/10 : Period 4**

Overview

The 2009/10 programme covers spend associated with delivery of highway projects and maintenance works as outlined in the Local Transport Plan (LTP2), land drainage and flood prevention works as detailed in the Flooding Review Action Plan and the Enabling Works Contract associated with development of the Padworth Sidings Waste Transfer Station.

Project Issues

Waste - Work is proceeding on the site remediation for the Padworth IWMF. The off site highway works to improve Padworth Lane and the junction with the A4 have also commenced, along with the provision of a footway to the new site.

Town Centre - Schemes started in Newbury Town Centre at The Broadway and Market Street Cheap/Street on 20th July. Both schemes will be sensitive to the programme of adjacent developments and early indications are that the developers of both the Cinema and Parkway sites are over-running with elements of their works that will affect our programme. Highways officers are working closely with our contractor Volker Highways to adjust the programme and works phasing to minimise any delay to our projects.

Highways - The £2.3m extended highway maintenance programme is up and running and on schedule with schemes complete on the A4 in Hungerford, Speen and on the A4 in Newbury between Skylings and Newbury Business Park.

A commission has been placed with consultants WSP to review the operation of the A339/Bear Lane with a view to using a similar operating system as the Robin Hood junction. Consideration will also be given to linking the junctions to improve flow along the A339.

A major improvement to the junction of the A4 and Harts Hill Road in Thatcham started in June and will continue into August. This includes a redesign of the signal junction and improvements for pedestrians and cyclists, along with general environmental improvements to complement the aims of the Thatcham Vision. Resurfacing of the A4 between The Moors and Floral Way will also be incorporated into the project as part of the planned extended maintenance programme. The civil engineering work is largely complete and the scheme is awaiting completion of the surfacing works and connection/commissioning of the signals which should be complete mid August.

Work completed on 5th June to lay 570m of 375mm diameter surface water relief sewer in Park Lane, Thatcham between Park Avenue and Floral Way. Other land drainage and flood alleviation works have been completed in Grange Lane in Beenham, Winterbourne and in Aldermaston.

Bridge Maintenance -The annual bridge inspection programme of 450 structures has commenced and is now 80% complete.

Road Safety - A traffic and road safety scheme in Pangbourne was approved by the Highways Portfolio Holder in June and will commence on site in August. The scheme involves a number of road safety measures and improvements for pedestrians including the provision of a 20mph zone throughout the village centre. As with the Harts Hill scheme we will take the opportunity to combine this project with planned maintenance to minimise disruption to the travelling public.

The annual capital school safety and accident reduction programmes are underway. To date this year flashing school signs have been installed at 18 schools throughout the District. Local safety schemes have been implemented on the A340 near Theale and a scheme has been designed and consulted on for Long Lane in Purley which will commence on site in August.

Also this year Speed limit reviews have been undertaken and implemented in East Garston and Hungerford and District Boundary signs have been erected on the major approaches to West Berkshire.

Planned use of uncommitted Capital

At the end of Month 4, 43% of the £8.2m Highway and Transport Capital Programme has been either spent or committed and although still early in the year it is anticipated that the budget will be fully spent at year end.

Orders will shortly be placed for the remaining extended maintenance schemes on the A4 at Thatcham and Sulhamstead. Other large areas of spend include the annual bridge maintenance programmes, remaining flood prevention schemes, traffic signal and footway improvements, all of which are currently being programmed for completion by year end.

| | | |
|------------------------------------|------------------------------------------------------------|----------------|
| Title of Report: | Resource Management Select Committee Work Programme | Item 10 |
| Report to be considered by: | Resource Management Select Committee | |
| Date of Meeting: | 22 September 2009 | |

Purpose of Report: To consider and prioritise the work programme of the Resource Management Select Committee for the 2009/10 municipal year.

Recommended Action: To consider the current items and agree any future areas for scrutiny.

Key background documentation: Resource Management Select Committee Terms of Reference.

| Resource Management Select Committee Chairman | |
|------------------------------------------------------|--------------------------------------------|
| Name & Telephone No.: | Councillor Jeff Brooks – Tel (01635) 47391 |
| E-mail Address: | jeff.brooks@westberkslibdems.org.uk |
| Contact Officer Details | |
| Name: | Stephen Chard |
| Job Title: | Policy Officer (Scrutiny Support) |
| Tel. No.: | 01635 519462 |
| E-mail Address: | schard@westberks.gov.uk |

Supporting Information

1. Introduction

- 1.1 At its meeting on 16 June 2009 the Overview and Scrutiny Management Commission agreed the work programme of the Commission and that of the scrutiny select committees for the 2009/10 municipal year.
- 1.2 Members are requested to consider the latest Resource Management Select Committee work programme at Appendix A, prioritise the items listed and agree any future areas for scrutiny.

Appendices

Appendix A – Resource Management Select Committee Work Programme

Consultees

Local Stakeholders: Overview and Scrutiny Management Commission

Officers Consulted: Policy and Scrutiny Manager, Finance Manager

Trade Union: N/A

APPENDIX A: RESOURCE MANAGEMENT SELECT COMMITTEE WORK PROGRAMME

| Reference (a) | Subject/purpose (b) | Methodology (c) | Expected outcome (d) | Review Body (e) | Dates (f) | Lead Officer(s)/ Service Area (g) | Portfolio Holder(s) (h) | Comments (h) |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------|--------------------------------------|--------------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OSMC/09/48 | Care Home Payments Examination of the arrangements in place for residents to defer care home payments by not selling their home and placing a charge against their property. | Information supplied by, and questioning of, lead officer via in meeting review | To assist in the policy review work prior to it reaching the Executive. | RMSC | Start: 30/06/2009 End: 22/09/2009 | Jo England - 2006 Housing & Performance | Councillor Alan Law | This item was raised as a concern by the RMP. An in meeting review was undertaken on the current arrangements. The draft policy will return to the next meeting for the Select Committee to assist in the review. |
| OSMC/09/53 | Accommodation Strategy and Asset Management Plan To receive and consider the Strategy and Plan and give particular consideration to issues surrounding Council properties and accommodation moves. | Information supplied by, and questioning of, lead officers via in meeting review | To understand more fully the plans in place in respect of Council accommodation. | RMSC | Start: 22/09/2009 End: 22/09/2009 | Steve Broughton - 2837 Property | Councillor Anthony Stansfeld | To incorporate issues surrounding Council properties and accommodation moves. |
| OSMC/09/60 | Older Peoples Services budget monitoring To discuss variances in budget reporting in the service area in order to avoid significant changes in future. | In meeting review with information supplied by, and questioning of, officer. | Identify improvements to processes. | RMSC | Start: 22/09/2009 End: 22/09/2009 | Jan Evans - 2736 Older Peoples Services | Councillor Joe Mooney | As requested by RMSC on 30th June. To combine with item 61. |
| OSMC/09/61 | Community Care and Wellbeing budget monitoring To discuss variances in budget reporting in the service area in order to avoid significant changes in future. | In meeting review with information supplied by, and questioning of, lead officer. | Identify improvements to processes. | RMSC | Start: 22/09/2009 End: 22/09/2009 | Jan Evans - 2736 Community Care and Wellbeing | Councillor Joe Mooney | As requested by RMSC on 30th June. To combine with item 60. |
| OSMC/09/49 | Property contracts and contractors in schools Review of the efficiency and effectiveness of Property Services in relation to contracts and the use of contractors in schools. | Information supplied by, and questioning of, lead officers and other expert witnesses via in meeting review | To suggest improvements to the efficiency and effectiveness of Property Services within schools. | RMSC | Start: 30/06/2009 End: 19/10/2009 | Steve Broughton - 2837 Property | Councillor Anthony Stansfeld | This was discussed at the last meeting and will be reviewed in further depth at the October meeting with additional witnesses invited, including Headteachers. |
| OSMC/09/62 | Education budget monitoring To discuss variances in budget reporting in the service area in order to avoid significant changes in future. | In meeting review with information supplied by, and questioning of, lead officer. | Identify improvements to processes. | RMSC | Start: 19/10/2009 End: 19/10/2009 | Ian Pearson - 2729 Education | Councillor Barbara Alexander | As requested by RMSC on 30th June. |

APPENDIX A: RESOURCE MANAGEMENT SELECT COMMITTEE WORK PROGRAMME

| Reference (a) | Subject/purpose (b) | Methodology (c) | Expected outcome (d) | Review Body (e) | Dates (f) | Lead Officer(s)/ Service Area (g) | Portfolio Holder(s) (h) | Comments (h) |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|-----------------|--------------------------------------|--------------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OSMC/09/50 | Section 106 contributions To establish where funds have remained unspent and gain a fuller understanding of the reasons why. | Information supplied by, and questioning of, lead officer and service area representatives via time limited task group | To identify any trends in delaying expenditure to order to improve processes. | RMSC | Start: 30/06/2009 End: 19/01/2010 | Gary Lugg - 2617 Planning & Trading Standards | Councillor Alan Law | This was raised following recent public interest in the S106 contributions left unspent by the Council. Terms of reference for a task group review have been approved by the Management Commission. A review was concluded on this subject in April 2008 and recommendations were formed. |
| OSMC/09/51 | Annual Employment Report To receive and consider the Annual Employment Report. | Information supplied by, and questioning of, lead officer via in meeting review | To note the report. | RMSC | Start: 19/01/2010 End: 19/01/2010 | Robert O'Reilly - 2358 Human Resources | Councillor Anthony Stansfeld | Review in line with item 52. |
| OSMC/09/52 | Results of the Employee Survey Review of the action plans in place following the Staff Attitude Survey. | Information supplied by, and questioning of, lead officer via in meeting review | A review of the action plans. | RMSC | Start: 19/01/2010 End: 19/01/2010 | Robert O'Reilly - 2358 Human Resources | Councillor Anthony Stansfeld | Review in line with item 51. |
| OSMC/09/57 | 2009/10 revenue and capital budget reports To receive the latest period revenue and capital budget reports and consider any areas of concern. | Information supplied by, and questioning of, lead officer via in meeting review | Monitoring item | RMSC | Start: 22/09/2009 End: 27/04/2010 | Simon Freeman - 2249 Finance | Councillor Keith Chopping | May lead to areas for in depth review. |
| OSMC/09/63 | 2009/10 Establishment Reports To receive the latest report on the changes to the Council's establishment. | Information supplied by, and questioning of, lead officer via in meeting review | Monitoring item | RMSC | Start: 19/10/2009 End: 27/04/2010 | Robert O'Reilly - 2358 Human Resources | Councillor Anthony Stansfeld | May lead to areas for in depth review. |
| OSMC/09/55 | Value for Money Consideration of the work undertaken by the Council to assess and ensure value for money. | Information supplied by, and questioning of, lead officer via in meeting review | Consider work undertaken to assess and ensure value for money and make suggestions for improvement. | RMSC | Start: 27/04/2010 End: | John Ashworth - 2870 Environment | Councillor Keith Chopping | An appropriate subject that meets the acceptance criteria. Previously undertaken in April 2009. |

APPENDIX A: RESOURCE MANAGEMENT SELECT COMMITTEE WORK PROGRAMME

| Reference (a) | Subject/purpose (b) | Methodology (c) | Expected outcome (d) | Review Body (e) | Dates (f) | Lead Officer(s)/ Service Area (g) | Portfolio Holder(s) (h) | Comments (h) |
|------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------|--------------------------------------|-------------------------------------------|------------------------------|-----------------|
| OSMC/09/56 | Exit interview To receive an update on progress with the exit interview process. | Information supplied by, and questioning of, lead officer via in meeting review | Monitoring item | RMSC | Start: 27/04/2010 End: 27/04/2010 | Robert O'Reilly - 2358 Human Resources | Councillor Anthony Stansfeld | |
| OSMC/09/54 | Modern working practices To review the effectiveness of the Council's modern working practices. | Information supplied by, and questioning of, lead officer via in meeting review | To consider whether the Council's modern working practices including Timelord are adequate. | RMSC | Start: End: | Robert O'Reilly - 2358 Human Resources | Councillor Anthony Stansfeld | |