

# South Hams Executive



<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Thursday, 23rd July, 2015</b>
<b>Time:</b>	<b>10.00 am</b>
<b>Venue:</b>	<b>Cary Room - Follaton House</b>
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Tucker</p> <p style="text-align: center;"><b>Vice Chairman</b> Cllr Ward</p> <p><i>Members:</i> Cllr Bastone Cllr Hicks Cllr Gilbert Cllr Wright</p>
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
<b>Committee administrator:</b>	Member.Services@swdevon.gov.uk

- 1. Minutes** **1 - 6**

to approve as a correct record and authorise the Chairman to sign the minutes of the meeting of the Executive held on 18 June 2015;
- 2. Members in Attendance**

the Chairman is advised of non Executive Members wishing to speak;
- 3. Urgent Business**

brought forward at the discretion of the Chairman;
- 4. Division of Agenda**

to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;
- 5. Declarations of Interest**

Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting;
- 6. Public Question Time** **7 - 8**

a period of up to 15 minutes is available to deal with questions submitted to the Council in accordance with the Executive Procedure Rules;
- 7. Leisure Procurement** **9 - 36**

to consider a report that seeks to approve the award criteria for the joint leisure service procurement project for South Hams District Council and West Devon Borough Council
- 8. T18 Budget Monitoring** **37 - 48**

to consider a report that updates Members on the position of the T18 Programme
- 9. Capital Programme Monitoring** **49 - 60**

to consider a report that advised Members of the progress on individual schemes within the approved capital programme, including an assessment of their financial position

**MINUTES OF A MEETING OF  
THE EXECUTIVE  
HELD AT FOLLATON HOUSE ON THURSDAY, 18 JUNE 2015**

<b>Members in attendance:</b>			
* Denotes attendance			
∅ Denotes apologies			
*	Cllr H D Bastone	*	Cllr R J Tucker
*	Cllr R D Gilbert	*	Cllr L A H Ward
∅	Cllr M J Hicks	*	Cllr S A E Wright

<b>Also in attendance and participating</b>		
Item 7	E.04/15	Cllrs Hawkins and Hodgson
Item 8	E.05/15	Cllrs Hodgson, May, Pearce and Vint
Item 9	E.06/15	Cllrs Pennington and Vint
Item 11	E.08/15	Cllrs Hodgson and Pearce

<b>Also in attendance and not participating</b>		
Cllrs Blackler, Bramble, Brown, Foss, Hitchins, Holway, Rowe, Steer and Wingate		

<b>Officers in attendance and participating</b>		
All items	Minute Ref	Executive Director (SJ), Executive Director (SH), Finance COP Lead and Senior Case Manager (KT)
Item 9	E.06/15	Group Manager Support Services and Group Manager Customer First
Item 7 & 11	E.04/15 & E.08/15	COP Lead Assets

**E.01/15      MINUTES**

The minutes of the meeting of the Executive held on 5 March 2015 were confirmed as a correct record and signed by the Chairman.

**E.02/15      DECLARATIONS OF INTEREST**

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting and the following were made:

Cllr H D Bastone declared a disclosable pecuniary interest in item 7: 'Dartmouth Indoor Pool Update' (Minute E.04/15 below refers). He left the meeting during the discussion and debate on this item.

Cllr R D Gilbert declared a personal interest in item 11: 'Disposal of land at Trebble Park, Kingsbridge' (Minute E.08/15 below refers), by virtue of knowing residents who lived at Trebble Park. As a local Ward Member, he abstained from the vote on this item.

E.03/15 **PUBLIC QUESTION TIME**

In accordance with Executive procedure rules, it was noted that two public questions had been received. The questions and responses were as follows:

1. Question to Cllr Tucker from Mr Brian Boughton:

*If Millwood Homes do not submit a more suitable planning application to South Hams Council, could the LDF site for 210 new homes in Dartmouth be lost to long term land banking?*

Cllr Tucker responded that since the question had first been submitted prior to the local elections, the planning application had been refused and was now at appeal stage. The Planning Inspector's decision was awaited. In terms of landbanking, that was the privilege of the landowner and there was no intention to compulsorily purchase the land.

By way of a supplementary question, Mr Boughton asked how the Leader could reach the position of not compulsorily purchasing the land. The Leader responded that it was his personal view and, at the time of the consultation on the Local Development Framework, that was also the view of many Dartmouth residents. He concluded by confirming that Dartmouth councillors could bring a proposal to the Council at a later date.

2. Question to Cllr Bastone from Mrs Susan Hannis:

*"Faced with possible reductions in housing association properties in the South Hams due to tenants exercising their 'right to buy', how do you plan to safeguard the current supply of social housing for rent and expand it to meet high local demand for affordable rented homes?"*

Cllr Bastone responded that "we are in a state of uncertainty at this time about this proposal. It was announced during the run up to the election, which was followed up with the inclusion in the Queens Speech, no further details have as yet been given. I understand from our Housing Association partners that they are awaiting further details before responding. As a rural local authority with high house prices and low average wages, we are deeply concerned about any proposals that could undermine our valuable rented affordable housing stock. We are actively lobbying the Local Government Association and have written a letter outlining our concerns to the cabinet minister representing the Lords on Communities and Local Government. Our Local MP Dr Sarah Wollaston has been made aware of our feelings on this matter and how the policy could have negative unintended consequences for rural areas. She is suggesting to government, that caveats to the policy will be required in areas of outstanding natural beauty and where affordable housing supply is short, such as South Hams District Council".

By way of supplementary comments, Mrs Hannis stated that she was pleased to hear of the Council's concerns and added that there was an opportunity for people to provide their own affordable housing through Community Land Trusts and Eco housing schemes. Cllr Bastone responded that these were all matters to take forward within Our Plan.

#### E.04/15 **DARTMOUTH INDOOR POOL UPDATE**

Members were asked to consider a report that set out a number of options and sought authority to progress the matter of Dartmouth Indoor Pool.

The Leader introduced the report and advised that he was aware of the importance of this matter to the people of Dartmouth and the time and effort put into the project by the Trustees. He also thanked the Overview and Scrutiny Panel for its work (Minute O&S.5/15 refers).

He outlined his concerns to the Members, but added that the recommendation was clear and provided a way forward with no further expense to the Council.

The Deputy Leader noted concerns relating to the proposed school use and the impact that may have on future revenue. She hoped that the Trustees could use the energy and enthusiasm they had so far demonstrated to encourage footfall, and on the whole, supported the recommendation.

The Portfolio Holder for Support Services made a number of comments relating to the business case, the failure to meet Sport England specifications and the lack of a physical link to the existing leisure centre. He also noted that this was a superb community project that had raised significant sums of money and felt the recommendation should be supported.

Another Member **PROPOSED** an amendment to the published recommendation, which was subsequently **SECONDED**, and when put to the vote was declared **CARRIED**, to ensure that any land transfer be completed by 3 July 2015, in order to comply with the deadlines outlined in the presented agenda report.

A local Ward Member thanked the Executive for its comments and hoped that the Trustees and the officers had the capacity to ensure the required work was done within the specified deadlines. He noted that he had requested the release of s106 funds to be transferred to support the inclusion of a link between the Indoor Pool and the existing leisure centre. The Leader responded that this matter could be addressed at the next meeting of the Executive when the Capital Programme would be next discussed.

To conclude this item, the COP Lead for Assets confirmed that any land transfer would be based on the existing plans but that did not preclude further transfers at a later date.

### **RESOLVED**

1. That the grant of £400,000 be paid to Dartmouth and District Indoor Pool Trust (DDIPT), with the land being transferred to Dartmouth Town Council or DDIPT along with it,  
  
or, if the land transfer cannot be agreed by 3 July 2015,
2. That the drawdown of the grant to DDIPT be held until the initial market feedback on the operation costs of the future facility are received via the Leisure Review (est. September 2015) and any revenue funding deficit resolved.

### **E.05/15 WRITE OFF REPORT**

Members considered a composite report that detailed the debts for all revenue streams within the Revenue and Benefits Service remit up to the value of £5,000, written off by the S151 Officer under delegated authority, and for those debts in excess of £5,000 for which permission to write off had been sought.

The Lead Executive Member for Support Services introduced the report. The Finance COP Lead responded to questions relating to how overpayments arise and how, once written off, attempts were still made to recover outstanding monies. Members suggested that a report be tabled to a later meeting advising of sums recovered following them being written off.

Members also noted that the number of cases being written off had risen. The Leader stated that the increase in numbers reflected the economic climate and other Members suggested that central government should be lobbied to support authorities whose collection rates were being impacted as a result of austerity measures.

It was then:

### **RESOLVED**

1. That in accordance with Financial Regulations, it be noted that the s151 Officer had authorised the write-off of individual South Hams District Council debts totalling £102,574.01 as detailed in Tables 1 and 2 of the presented agenda report.
2. That the write off of individual debts in excess of £5,000 as detailed in Table 3 of the presented agenda report be agreed.

**E.06/15      REPORTS OF OTHER BODIES**

**RESOLVED**

That the following be received and that any recommendations contained therein be approved:

a) **Overview and Scrutiny Panel – 4 June 2015**

[Note: the recommendation arising from minute O&S.5/15 was dealt with under agenda item 7 – Minute E.04/15 above refers]

**E.07/15      EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED**

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item of business as the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A to the Act is involved.

**E.08/15      DISPOSAL OF LAND AT TREBBLE PARK, KINGSBRIDGE**

Members were asked to consider an exempt report that sought authority to progress the disposal of land at Trebble Park, Kingsbridge.

Following discussion, it was then:

**RESOLVED**

- 1 That the freehold disposal of the land (Roadway at Trebble Park, Kingsbridge) be approved as identified in Appendix 1 of the exempt agenda report;
- 2 That the principle that the Council receives a percentage share of the net land receipt of the 'K1' land for selling the land (under an Option Agreement) to either the adjoining land owner or subsequent purchaser of the land be approved; and
- 3 That authority be delegated to the Assets Community of Practice Lead in consultation with the Assets Portfolio Holder to conclude the legal and financial negotiations to complete an Option Agreement and any other legal documentation in this matter

**(NOTE: THESE DECISIONS WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 29 JUNE 2015 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).**

(Meeting commenced at 10.00 am and concluded at 11.10 am)

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Chairman



## **PUBLIC QUESTIONS AT EXECUTIVE MEETINGS**

The Council at its meeting on 21 June 2001 agreed that 15 minutes should be set aside at the beginning of the Council's monthly Executive meetings to allow members of the public to ask questions.

Any member of the public who wants to raise a question at a meeting should:-

- (a) submit the question in writing to the Democratic Services Manager by 5.00 pm on the Monday prior to the Executive meeting. This will allow a detailed answer to the question to be given at the meeting. If advance notice of the question cannot be given, the Chairman of the meeting has the discretion to allow questions on matters which are felt to be urgent;
- (b) ensure that normally questions are no longer than 50 words in length;
- (c) ensure that the question does not relate to a specific planning matter (this is specifically excluded from the public question time);
- (d) ensure that the question relates to something over which the Council has some control and is suitable to be considered, ie, that it is not derogatory to the Council or relates to matters which the Council could consider confidential.

For any further advice on questions for Executive meetings, please contact Kathryn Trant (Member Services Manager).

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## Leisure Service Procurement

Report to: **Executive**

Date: **23rd July 2015**

Title: **Leisure Service Procurement**

Portfolio Area: **Customer First**

Wards Affected: **All**

Relevant Scrutiny Committee: Overview and Scrutiny

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Ross Kennerley** Role: **Lead Specialist – Place & Strategy**  
**Chris Brook** **Lead Specialist - Assets**

Contact: **01803 861379 | [Ross.Kennerley@swdevon.gov.uk](mailto:Ross.Kennerley@swdevon.gov.uk)**  
**01803 861170 | [Chris.brook@swdevon.gov.uk](mailto:Chris.brook@swdevon.gov.uk)**

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### Recommendations:

1. To approve the award criteria for the joint leisure service procurement project for South Hams District Council and West Devon Borough Council as set out in paragraph 3.
2. In accordance with paragraph 11 of the Joint Collaboration agreement that West Devon Borough Council be nominated as the Lead Council for the purposes of the joint procurement for leisure services and
3. That members adopt the Memorandum of Understanding which sets out the principles of collaboration and joint procurement (subject to any final wording amendments being delegated to Lead Specialist – Place and Strategy in agreement with the portfolio holder)

### 1. Executive summary

The Council has been working on a strategic leisure review for the past 3 years and is now preparing to place a formal tender advert for the procurement of its new leisure services contract and management of its leisure centres. The current leisure contract runs to November 2016 and the Council will be seeking to appoint a new operator to provide a long term approach to its leisure services.

## **Leisure Service Procurement**

Members considered, and agreed, the leisure procurement process at Council in January (Minute 70/14). This set the overall parameters of the procurement and agreed to delegate details to officers in consultation with the joint Leisure Member Board and relevant members. Councillors Bastone, Hicks and Ward are the SHDCC representatives on the board. The agreed timetable established an opportunity for "sign off" for any key residual matters in July. Following intervening work with stakeholders, consultants and the joint board it is considered that the matter of the award criteria to be applied during the evaluation of bids requires further member approval. This is a brief report to highlight the award criteria which will be set out in the tender documents. Members are asked to consider and agree the award criteria.

Ongoing preparation for the procurement has also identified the need to ensure members have adopted a Memorandum of Agreement to govern the joint procurement exercise and to have nominated and agreed a lead council for the procurement exercise.

### **2. Background**

The report to Council earlier in the year set out the background and context to the strategic leisure review and procurement project. Approval was granted for the outcome of the project to be brought back to Council following the tender evaluation but allowed for any key issues to be brought back to Members for sign off in July. Other details of the procurement and evaluation are delegated to Officers in consultation with the Leader, Portfolio Holder, Board Members and relevant Ward members.

To ensure clarity and greater awareness of the process for appointing a new leisure service operator, the contract award criteria are seen as a key issue warranting member consideration. To support this process the Council is using a competitive dialogue procedure under the Public Contracts Regulations and are using Sport England procurement information for guidance.

Additionally South Hams District Council and West Devon Borough Council have adopted a formal Collaboration Agreement (dated 11<sup>th</sup> March 2015). This governs the joint working of the authorities and makes provision for subsidiary Memoranda of Agreement where specific procurement exercises are taking place. This item introduces the required Memorandum of Agreement for member consideration (see Appendix 1). The Collaboration Agreement also establishes the need for a lead authority to be identified for the process. Given that both Councils operate to very similar Financial Regulations and Contract Procedures, and are managed through the shared staffing arrangements, this represents more of a procedural technicality rather than any substantive risk or benefit to either authority.

## Leisure Service Procurement

### 3. Outcomes/outputs

The Council is seeking to achieve a new leisure management contract for the delivery of the provision of Services, to include investment in, operation and management of the Facilities as set out in the tender documents.

The intention to let a contract across both Councils to a single contractor for a minimum of 20 years and a maximum of 25 years.

The purpose of the evaluation process will be to;

- Check bidders understanding of the tender requirements
- Determine areas of risk and exposure
- Review bids for alternative approaches and solutions
- Establish value for money proposals
- Select bidders for the final tender stage – 'Invitation to Submit Final Tenders (ISFS)'
- Identify areas for further dialogue

Tenders will be evaluated against the award criteria set out below;

Level 1 Criteria	%	Level 2 Sub Criteria	Level 3 Sub Criteria
Services	40%	Outcomes Quality/Customer Care Operational Delivery	Specific areas, such as Sports Development, Health and Wellbeing, Staffing, Health & Safety
Technical	10%	Development/ Design Planning Risk Maintenance	Design and maintenance proposals
Commercial	50%	Usage, Expenditure & Revenue Affordability Contract Acceptance Capital Costs Delivery & Risk	Deliverability of financials, financial, risk

An Evaluation Scoring Model will be used to assess the various Tiers indicated above with overall weightings and with specific areas being linked to method statements and tender submissions.

Evaluation scoring will use the following 1-10 scale;

## Leisure Service Procurement

Score	Rating	Criteria for Awarding Score
0	Unacceptable	Does not meet any of the Council's requirements.
1-2	Very Weak	Insufficient information provided / unsatisfactory.
3-4	Poor	Fails to meet the minimum standard, some major concerns
5-6	Acceptable	Satisfactorily achieves the minimum standard, acceptable, no major concerns
7-8	Very Good	Exceeds the requirements, good, full and robust response, gives confidence and will bring added value/benefit to the Council
9-10	Excellent	Considerably exceeds requirements, outstanding, and will bring significant added value/benefit to the Council, shows innovation and the Council has full confidence in response.

Affordability will be based purely on a final submission and weightings used will be the same throughout the tender process.

The Evaluation Model (including detailed criteria and weightings) will be applied to determine the most economically advantageous tender.

An Evaluation Team shall be responsible for evaluating the Detailed Solutions and raising any clarification issues with Bidders and then making short listing recommendations.

Adoption of the recommendations in relation to the Memorandum of Agreement and lead authority secure the required foundation for the procurement to progress with documentation being published in August.

#### **4. Options available and consideration of risk**

Council received a report in January on the various procurement options available and scope of the proposed tender contract. Additionally the consultants supporting the procurement and evaluation of the service produced a detailed *Leisure Options Review* report. This outlined service outcomes, current provision, development options, delivery and procurement options, stakeholder discussions and key recommendations for the future delivery of the service.

For the Councils to progress there is a need for a joint Memorandum of Agreement to be established. The context and procedures for this are set out in the parent Collaboration Agreement.

## Leisure Service Procurement

The MoU documentation needs to accord with the Collaboration Agreement requirements and has been prepared by council solicitor. Any amendments to wording which emerge from final review are proposed to be delegated to officers in consultation with portfolio holder.

In terms of a lead Council either Council could be named – although in practice this makes very little difference. West Devon is being nominated (largely given that SHDC was lead authority on previous major joint contracts). This decision doesn't fetter future options and doesn't prejudice subsequent options over the tender process or contract for either council.

### 5. Proposed Way Forward

This report sets out the details around the leisure procurement award criteria as highlighted above and seeks approval for this process.

The report also sets out the details around the leisure procurement Memorandum of Understanding and lead procurement authority as highlighted above and seeks approval for this process.

### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	Leisure services are a discretionary service. The procurement process will involve due diligence and governance throughout the tender period. Procurement will be undertaken in accordance with Public Contracts Regulations 2015 and the Lead Councils contract procedure rules
Financial	Y	The Evaluation Model will be applied to assess and determine the most economically advantageous tender.
Risk	y	The Evaluation Process will identify areas of risk and exposure and how these can be assessed and managed.

## Leisure Service Procurement

Comprehensive Impact Assessment Implications		
Equality and Diversity	y	None – all leisure facilities are intended to remain open. At this stage no reduction or loss of service is anticipated.
Safeguarding	y	None - future operators will be required to have comprehensive Safeguarding policies
Community Safety, Crime and Disorder	y	Access to local affordable leisure facilities to continue.
Health, Safety and Wellbeing	y	Access to local leisure facilities and services will maintain and improve health and wellbeing
Other implications		None identified

### **Supporting Information**

#### **Background Papers:**

[under provisions of the Local Government Act 1972]

Council Report – Leisure Services Procurement, January 2015  
 Appendix 1 Memorandum of Agreement  
 Collaboration Agreement

#### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>No</b>



**DATED**

**2015**

**SOUTH HAMS DISTRICT COUNCIL**

**-AND-**

**WEST DEVON BOROUGH COUNCIL**

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**MEMORANDUM OF UNDERSTANDING IN  
RELATION TO THE LEISURE SERVICE PROJECT**

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Prepared by  
Andrew Ogalo – Solicitor (Contracts and Procurement)  
West Devon Borough Council  
Kilworthy Park, Drake Road  
Tavistock, PL19 0BZ

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**THIS MEMORANDUM OF UNDERSTANDING** is dated

2015

**BETWEEN:**

- (1) **SOUTH HAMS DISTRICT COUNCIL** of Follaton House, Plymouth Road, Totnes, Devon TQ9 5NE (**South Hams**).
- (2) **WEST DEVON BOROUGH COUNCIL** of Kilworthy Park, Drake Road, Tavistock, PL19 0BZ (**West Devon**).

Together the “**Parties**” and each a “**Party**”.

**1. BACKGROUND**

- 1.1 South Hams and West Devon have agreed to work together on the project detailed in Annex A to this MoU (**Project**).
- 1.2 The Parties are party to a Collaboration Agreement which set out the basis for sharing resources generally but also make it clear that the Councils will continue operating different governance arrangements.
- 1.3 The Parties wish to record the basis on which they will collaborate with each other on the Project. This MoU sets out:
  - (a) the key objectives of the Project;
  - (b) the principles of collaboration;
  - (c) the governance structures the Parties will put in place; and
  - (d) the respective roles and responsibilities the Parties will have during the Project.

**2. KEY OBJECTIVES FOR THE PROJECT**

- 2.1 The Parties shall undertake the Project to achieve the key objectives set out in Annex A to this MoU (**Key Objectives**) in accordance with the Joint Working Protocol as set out Annex F to this MoU.
- 2.2 The Parties acknowledge that the current position with regard to the Project are as detailed in the Annex A to this MoU.

**3. PRINCIPLES OF COLLABORATION**

The Parties agree to adopt the following principles when carrying out the Project (**Principles**):

- (a) collaborate and co-operate. Establish and adhere to the governance structure set out in this MoU to ensure that activities are delivered and actions taken as required;

- (b) be accountable. Take on, manage and account to each other for performance of the respective roles and responsibilities set out in this MoU;
- (c) be open. Communicate openly about major concerns, issues or opportunities relating to the Project;
- (d) learn, develop and seek to achieve full potential. Share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;
- (e) adopt a positive outlook. Behave in a positive, proactive manner;
- (f) adhere to statutory requirements and best practice. Comply with applicable laws and standards including EU procurement rules, data protection and freedom of information legislation. [In particular the Parties agree to comply with the requirements of the Information Sharing Protocol attached to this MoU in Annex B;
- (g) act in a timely manner. Recognise the time-critical nature of the Project and respond accordingly to requests for support;
- (h) manage stakeholders effectively;
- (i) deploy appropriate resources. Ensure sufficient and appropriately qualified resources are available and authorised to fulfil the responsibilities set out in this MoU; and
- (j) act in good faith to support achievement of the Key Objectives and compliance with these Principles.

#### **4. PROJECT GOVERNANCE**

##### **4.1 Overview**

The governance structure defined below provides a structure for the development and delivery the Project.

##### **4.2 Guiding principles**

The following guiding principles are agreed. The Project's governance will:

- (a) provide strategic oversight and direction;
- (b) be based on clearly defined roles and responsibilities at organisation, group and, where necessary, individual level;

- (c) align decision-making authority with the criticality of the decisions required;
- (d) be aligned with Project scope and each Project stage (and may therefore require changes over time);
- (e) leverage existing organisational, group and user interfaces;
- (f) provide coherent, timely and efficient decision-making; and
- (g) correspond with the key features of the Project governance arrangements set out in this MoU.

#### 4.3 **Project Board**

- (a) The Project Board provides overall strategic oversight and direction to the Project.
- (b) The Project Board will consist of a maximum of six Members as may be nominated by the Councils from time to time, the Project Manager and the Executive Director Strategy & Commissioning. The initial membership of this board shall be as follows:
  1. Cllr H Bastone (South Hams DC),
  2. Cllr M Hicks (South Hams DC)
  3. Cllr R Musgrave (West Devon BC),
  4. Cllr R Oxborough (West Devon BC ),
  5. Cllr R Sampson (West Devon BC),
  6. Cllr L Ward (South Hams DC)
  
  7. Jon Parkinson. (Project Manager)
  8. Steve Jorden (Executive Director Strategy & Commissioning),
- (c) The Project Board shall be managed in accordance with the terms of reference set out in Annex C to this MoU.
- (d) The Executive Director may nominate another officer to attend board meetings in his absence.

#### 4.4 **Project Team**

- (a) The Project Board will provide strategic management at Project and workstream level. It will provide assurance to the Project Board that the Key Objectives are being met and that the Project is performing within the boundaries set by the Project Board.
- (b) The Project Team consists of representatives from each of the Parties. The Project Team shall have responsibility for the creation and execution of the project plan and deliverables, and therefore it will draw technical, commercial, legal and communications resources as appropriate into the Project Team. The core Project Team members are:
  - Ross Kennerley (Lead Specialist, Place and Strategy),
  - Chris Brook (Communities of Practice Lead, Assets),
  - Lisa Buckle (Section 151 Officer)
  - Robin Thompson (Director, RPT Consulting),
  - Roger Sheridan (Director, MML Consulting Ltd.),
  - Sophie Hosking (Executive Director Service Delivery and Commercial Development),
  - Carly Wedderburn (Corporate Procurement Officer)
  - Andrew Ogalo (Solicitor)

The Project Team shall meet monthly or at such frequency as determined by the Project Manager.

#### 4.5 **Reporting**

Project reporting shall be undertaken at three levels:

- (a) **Project Team:** Minutes and actions will be recorded for each Project Board meeting. Any additional reporting requirement shall be at the discretion of the Project Board.
- (b) **Project Board:** Reporting shall be monthly, based on the minutes from the Project Team highlighting: Progress this period; issues being managed; issues requiring help (that is, escalations to the Project Board) and progress planned next period and/or aligned with the frequency of the Project Board meetings.

- (c) **Organisational:** the Project Team members shall be responsible for drafting reports into their respective sponsoring organisation as required for review by the Project Board before being issued.

## **5. ROLES AND RESPONSIBILITIES**

- 5.1 The Parties agree to deliver the Project in accordance with the Joint Working Protocol.
- 5.2 The Parties agree that [] shall be the Lead Council in accordance with Clause 11 of the Collaboration Agreement.
- 5.3 The Councils will enter into a joint contract with the contractor.

## **6. ESCALATION**

- 6.1 If either Party has any issues, concerns or complaints about the Project, or any matter in this MoU, that Party shall notify the other Party and the Parties shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated to the Project Board, which shall decide on the appropriate course of action to take. If the matter cannot be resolved by the Project Team within 14 days, the matter may be escalated to the Project Board for resolution.
- 6.2 If either Party receives any formal inquiry, complaint, claim or threat of action from a third party (including, but not limited to, claims made by a supplier or requests for information made under the Freedom of Information Act 2000) in relation to the Project, the matter shall be promptly referred to the Project Board (or its nominated representatives). No action shall be taken in response to any such inquiry, complaint, claim or action, to the extent that such response would adversely affect the Project, without the prior approval of the Project Board (or its nominated representatives).

## **7. INTELLECTUAL PROPERTY**

- 7.1 The Parties intend that [notwithstanding any secondment] any intellectual property rights created in the course of the Project shall vest in the Party whose employee created them (or in the case of any intellectual property rights created jointly by employees of both Parties in the Party that is lead Party noted in clause 5 above for the part of the project that the intellectual property right relates to).

- 7.2 Where any intellectual property right vests in either Party in accordance with the intention set out in clause 7.1 above, that Party shall grant an irrevocable licence to the other Party to use that intellectual property for the purposes of the Project.

## **8. TERM AND TERMINATION**

- 8.1 This MoU shall commence on the date of signature by both Parties, and shall expire on completion of the Project.

## **9. VARIATION**

This MoU, including the Annexes, may only be varied by written agreement of the Project Board in consultation with the Leaders.

## **10. CHARGES AND LIABILITIES**

- 10.1 The Parties agree to share the costs and expenses arising in respect of the Project between them in accordance with the terms of the Collaboration Agreement dated the 11<sup>th</sup> March 2015.

## **11. STATUS**

- 11.1 This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MoU. The Parties enter into the MoU intending to honour all their obligations.

- 11.2 Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, constitute either Party as the agent of the other Party, nor authorise either of the Parties to make or enter into any commitments for or on behalf of the other Party.

## **12. MOBILISATION AND CONTRACT MANAGEMENT**

Following award of the Contract, the Project Team shall be reconstituted and shall be responsible for mobilisation process and post award contract management. The Project Team shall make a determination and recommend to the Project Board on how the Contract shall be managed and who the contract managers shall be.

## **13. GOVERNING LAW AND JURISDICTION**

This MoU shall be governed by and construed in accordance with English law and, without affecting the escalation procedure set out in clause 6, each Party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.



**IN WITNESS** WHEREOF THE PARTIES HAVE EXECUTED THIS MEMORANDUM  
AS A DEED ON THE DAY AND YEAR FIRST ABOVE WRITTEN

**THE COMMON SEAL OF  
SOUTH HAMS DISTRICT COUNCIL**

Was hereunto affixed

In the presence of

Authorised Signatory	NAMES IN CAPITAL
	SIGNATURE

Witnessed by

Authorised Signatory	NAMES IN CAPITAL
	SIGNATURE

**THE COMMON SEAL OF  
WEST DEVON BOROUGH COUNCIL**

Was hereunto affixed

In the presence of

Authorised Signatory	NAMES IN CAPITAL
	SIGNATURE

Witnessed by

Authorised Signatory	NAMES IN CAPITAL
	SIGNATURE

**CONTACT POINTS**

**South Hams**

Name: .....  
Office address: .....  
.....  
Tel No: .....  
E-mail Address: .....

**West Devon**

Name: .....  
Office Address: .....  
.....  
Tel No: .....  
E-mail Address: .....

## **Annex A. The Project**

These are contained in the Descriptive Document (Information Memorandum) a copy of which is attached.

To Follow.

## **Annex B. Information Sharing Protocol**

Please refer to the Collaboration Agreement dated the 11<sup>th</sup> March 2015

## **Annex C. Project Board terms of reference**

### **Scope of authority**

- To approve Procurement Documents
- To recommend to the respective Councils Award Decisions
- To recommend to the Councils Procurement Procedure
- To sign off specification
- To sign off selection and award criteria
- To brief respective Councils on all aspects of the Project.
- To refer to respective Councils for authority to commence and award contracts.
- To review the draft Project Initiation Document;
- To oversee consultation with stakeholders and other potential partners;
- To oversee the formulation and implementation of the communications strategy;
- To develop and explore delivery options;
- To monitor the Project Plan and work with officers to manage and mitigate risks;
- To report to the Hub Committee and to Executive with a proposed way forward;
- To monitor the agreed delivery process until the new arrangements begin.

### **Decision-making:**

- Each member shall have equal voting right.
- There shall be one member one vote
- Voting shall be by a show of hands
- Decisions shall be by a simple majority
- Equal voting rights.

- Members shall elect one of them to be chair of the Board.

#### **Meetings:**

- Members shall meet at least once a month or at such frequency as determined by members.
- There shall be at least two members from each Council for there to be a quorum.
- Meetings shall take place such a place and time as determined by members.
- Notice of meetings shall take whatever form as agreed by members.
- Keep and maintain minutes of all Key Decisions and recommendations.

#### **Membership of the Board**

Project Board shall comprise of those named in clause 4.3 as may be amended from time to time by the Councils.

**Annex D**

Collaboration Agreement dated the 11<sup>th</sup> March 2015.

## **ANNEX E – Project Teams terms of reference**

### **Leadership**

The Project Team shall be led by a Project Manager. The Project Manager shall be appointed by the Project Board.

The person initially appointed as the Project Manager shall be [insert name].

### **Role of the Project Manager shall be:**

- Provide leadership and direction to the Project Team
- Manage the Project

### **Membership of the Project Team**

The Project Team shall comprise of those individual named in clause 4.4 as may be amended from time to time:

### **Role of the Project Team**

- Produce Procurement Documents
- Formulate the procurement structure and undertake all necessary work required in order to achieve objectives of the project as detailed in the Descriptive Document
- Ensure that the Procurement exercise is undertaken in accordance with the Law and the Council's Contract Procedure Rules
- Conduct the procurement exercise including, dialogues etc.
- Undertake selection of bidders
- Undertake evaluation of bids
- Recommend to the Project Board a decision to award
- Ensure that the procurement timetable is adhered to.
- Advise the Project Board of any risks to the councils arising out of the procurement exercise
- Evaluate and review all risks associated with the procurement and advise the Project Board immediately.
- Ensure that adequate Contract Management measures are put in place immediately after the decision to award has been made.
- Advise the Project Board on the Contract Management measures and make recommendations on resourcing etc.
- Keep minutes of all meetings including, dialogue meetings
- Keep and maintain a Risks Register including, level and mitigation

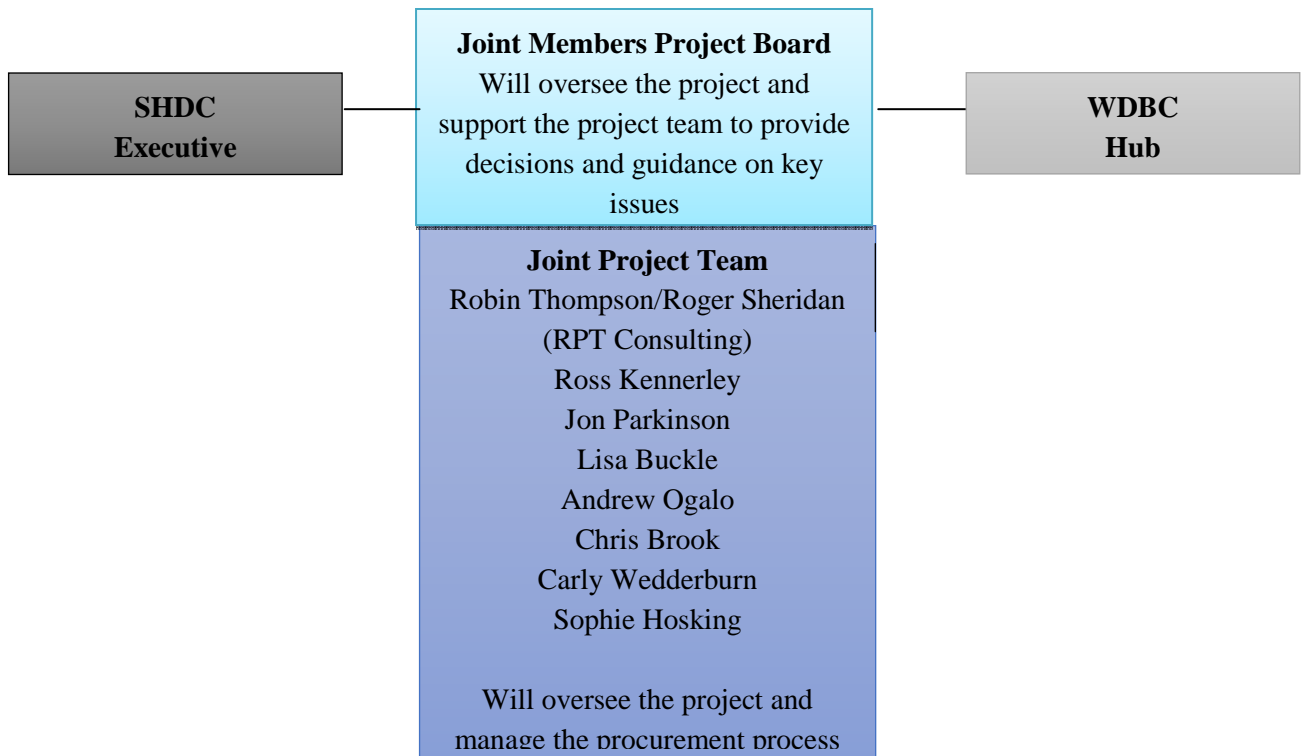


## ANNEX F - Joint Working Protocol

Set out below is the joint working protocol for the management and operation of the joint procurement for the leisure contracts at WDBC and SHDC.

### Governance and Project Management

It is proposed that the following structure will be set up for the project management and governance of the joint procurement.



The Joint Project Team (JPT) will have responsibility for managing the procurement process, developing the evaluation criteria, inputting specifications within the contract and agreeing the protocols of working together.

### Key principles

It is proposed that the following key principles are agreed between the two Councils which will enable both Authorities to get the maximum benefit out of any procurement process and possible joint future contract. The intention is to work on the basis that the joint contract will be the preferred route.

Key Area	Principle Agreed
Contract Length	The contract will be based on the same contract length of up to 25 years and is expected to be a DBOM contract.
OJEU Advert	To be placed in July/August and will be a joint advert – the procuring authority to be confirmed
Contract Lots	The approach will be to have one lot, based on a joint contract, but with a separate split to understand the implications if there are separate contracts.
Bidders Open day	Proposed to have one open day which covers both Authorities, suggesting a starting point at one of the Authorities and finishing at the other
PQQ Evaluation	<p>The evaluation of the PQQ will be based on agreed evaluation criteria across both Authorities, with the intention to shortlist up to 5 bidders for the ISDS stage.</p> <p>Both Authorities will seek to appoint the same shortlist, as it is based on evaluation of the company rather than their submission, with the joint management team undertaking the evaluation together.</p>
Contract Development and Form	<p>There will be one contract which sets out the standard terms for a contract which will be the same across both Authorities but the commercial terms and schedules may be different between both Authorities.</p> <p>In particular it is anticipated that the specifications will be different.</p>
Legal Advice	Provision of legal advice will be provided by external advisers for the development of the draft contract ( <i>to be confirmed</i> ). Other advice will be delivered by in house provision
Dialogue Sessions	<p>It is expected that the dialogue sessions will be scheduled at the same time for both Authorities and managed such that there may be three parts to any dialogue session</p> <ul style="list-style-type: none"> <li>- Joint issues which apply across both Authorities (e.g. contract, submission, evaluation, etc)</li> <li>- Specific WDBC Issues</li> <li>- Specific SHDC issues</li> </ul>
ISDS Evaluation	<p>It is the intention that the evaluation criteria will be the same for both Authorities – however it is recognised that because solutions and evaluation may need to be specific, then this may not be possible.</p> <p>Keeping the evaluation criteria the same will enable the benefits of joint procurement to be realised. This would also mean that both</p>

Key Area	Principle Agreed
	<p>Authorities should seek to shortlist the same bidders (up to 3) for final tender.</p> <p>Each project team will evaluate their specific submission, with the joint management team providing a moderating role.</p>
ISFT Evaluation	As for ISDS ideally the same bidders are assessed against the same evaluation criteria which if it leads to the same bidder being appointed then benefits may be realised.

### Meetings and Timescale

It is proposed that project team meetings are held monthly and on the same day to allow the programming in of sessions which enable effective discussion, with each individual Council if required.

Project Plan and timescale to be developed.

## **ANNEX G – Defined Terms**

Annex –	means annexes to this MoU
Contract Award –	has the meaning given in Regulation 67 of PCR 2015
Councils –	means West Devon Borough Council and South Hams District Council
Community Services Committee –	has the meaning given in the Constitution of West Devon Borough Council.
Constitution-	means constitution of the Council
Council-	means either of the Councils
Contract Management	means management of the contract arising out the Project.
Contract Procedure Rules-	has the meaning given in the Constitution.
Collaboration Agreement –	has the meaning given in Annex D
Descriptive Document –	has the meaning given in Annex A
EU –	means the European Union
ISDS –	means the Invitation to Submit Detailed Solution
ISFT –	means Invitation to Submit Final Tender
PQQ –	means the Prequalification Questionnaire
Project Initiation Document (PID) –	has the meaning given in Annex F
Procurement Documents-	has the meaning given in Regulation 2 of PCR 2015
Project –	has the meaning given in Annex A

Project Plan -	has the meaning given in the Procurement Documents.
Procurement Procedure -	means the procedure adopted by the Councils for the procurement in accordance with section 3 Part 2 of the PCR 2015
Joint Working Protocol –	has the meaning given in Annex F
Key Decisions-	means all decisions that are relevant and has the effect of impacting on or facilitating the Project.
Law –	means any applicable law in England and Wales
Resources Committee-	has the meaning given in the Constitution of South Hams District Council.
Risk Register -	means a register/log of all risks arising out of or associated with the Project including, delays, compliance and management of information/data.

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# Agenda Item 8

Report to: **Executive**

Date: **23<sup>rd</sup> July 2015**

Title: **T18 Budget Monitoring report – Quarter 4  
2014/2015**

Executive Lead: **Councillor J Tucker**

Wards Affected: **All**

Relevant Scrutiny Committee: **Overview and Scrutiny Panel**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Steve Mullineaux** Role: **Support Services Group  
Manager**  
**Lisa Buckle** **Finance Community of  
Practice Lead (S151 Officer)**

Contact: [steve.mullineaux@swdevon.gov.uk](mailto:steve.mullineaux@swdevon.gov.uk), (01803) 861412  
[lisa.buckle@swdevon.gov.uk](mailto:lisa.buckle@swdevon.gov.uk), (01803) 861413

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## **Recommendations:**

It is recommended that:

1. The Executive notes the progress to date on the T18 Transformation Programme.
2. The waste round review originally scheduled to take place in September 2015 is delayed to take place during 2016.

## **1. Executive summary**

- 1.1 In December 2014 the Council agreed to a revised business plan for the T18 Programme. It aims to deliver a new operating model in partnership with West Devon Borough Council which will ensure that both Councils can continue to deliver quality services for its customers and communities. An investment budget of £4.61 million has been approved, to deliver annual recurring revenue savings of £3.37 million. The payback period for the Programme is 2.5 years.
- 1.2 The Transformation Programme has received the backing of Central Government and the Council was awarded £434,000 of Government funding towards the upfront investment costs.
- 1.3 The table in 3.15 shows the actual T18 expenditure up until 31 March 2015 of £2.68 million, compared against the total T18 budget of £4.6 million. All of the main categories of spend are on target when compared against the budget and there are no areas of concern to report to Members. The overspend on the implementation and design of the future operating model line will be met by the underspend on the training and accommodation line. The table also shows how the expenditure has been financed.
- 1.4 The budgeted salary savings to be delivered by the project were £290,000 in 2014/15, rising to £1,375,000 in 2015/16 and £2,464,000 by 2016/17. The Council is on track to make these savings in addition to the accommodation savings from letting space to tenants within Follaton House. These accommodation savings are budgeted to be £53,000 in 2015/16, rising to £215,000 by 2018/19.
- 1.5 In addition to these savings, there was budgeted to be £305,000 of savings from the Delivery Unit per annum from 2015/16 onwards. Included in this amount was £125,000 for recycling and waste to be gained from the rationalisation of current waste and recycling rounds and a further £50,000 to be saved through data management. It is recommended that this initiative is delayed to be delivered during 2016 as set out in Section 5.

## **2. Background**

- 2.1 South Hams District Council and West Devon Borough Council have been shared service partners since 2007. As two of the very first Councils to share a Chief Executive, the Councils have been bold in challenging the traditional local government model and have always been at the forefront of radical change and innovation. Shared services (through sharing staff) has now yielded over £7.7 million in savings across the two Councils since 2007, with each Council generating ongoing savings of over £700,000 every year.



- 2.2 Having a successful track record of reducing costs through shared services whilst improving services, the two Councils approved a joint Transformation change programme in December 2013.
- 2.3 The Councils continue to face significant reductions in Central Government funding and the Transformation Programme will develop the financial resilience of the Councils and reduce the reliance on making annual budget reductions that inevitably impact on front line services.
- 2.4 The Councils are pioneering a new model for local government which is transferrable to other local authorities irrespective of the scale, acting as a catalyst for extending shared services, without undermining each participating Councils' democratic sovereignty.
- 2.5 The Council will provide its services in an entirely new way by becoming more flexible and customer focused using the latest technology. Services will be redesigned around our customers and communities and as a consequence all departmental silos will be removed. This will involve re-engineering over 500 business processes and sharing all of our corporate services and information technology systems. The first phase of the programme (Support Services) went live in September 2014. The main phase of the programme has gone live in June 2015, with a smaller phase later in 2015/16.
- 2.6 At its heart, the transformation programme is one of cultural change. Peoples' lives are constantly changing and we must change with them. The radical transformation will be the most significant change in the way that the Councils work for more than 40 years. The Councils' non-manual workforce will be 30% smaller, with all staff roles changing to be flexible and responsive to the needs of the customer. Officers from different areas of the Councils will work within communities to improve the service for the customer and reduce the need for office accommodation.
- 2.7 The Transformation Programme is structured with a number of workstreams and progress on these is set out in Section 3.

### **3. Outcomes/outputs**

#### **HR Workstream**

- 3.1 The new Senior Leadership Team is now in place, with the Business Development Group Manager starting on 11 May 2015. External recruitment is currently taking place to fill the remaining Level 3 roles.

- 3.2 The Phase 1b assessment process was completed in April, with a total of over 140 assessments carried out over a 6 week period across both South Hams and West Devon. The outcomes were very positive, with over 60 employees across both Councils receiving a pay rise and only 5 employees declining to accept the offer a role within the new operating model and less than 1% being unsuccessful in the assessment process.
- 3.3 The outcome of the assessments also gives the Council a wealth of information about its collective strengths as well as providing the basis for individual personal development.
- 3.4 After consultation with the affected staff, the assessments for the roles within Phase 2 (Housing Advice, Benefits and Elections) are being brought forward. The assessments will follow the same format used in phases 1a and 1b and will be facilitated by iESE. The assessments will take place over a three week period starting on 22 July and it is anticipated that employees will be confirmed in new roles by 1 September 2015.
- 3.5 During the Transformation Programme, just over 120 staff have left the Councils' employment through redundancy. The majority of the staff left under voluntary redundancy, with a small number, 11, leaving through compulsory redundancy. The budgeted split of redundancy and pension strain payments was 64% SHDC and 36% WDBC. The actual split of redundancy and pension strain costs to date is 66% SHDC and 34% WDBC.

### **IT Workstream**

- 3.6 There is a significant amount of work to do in this workstream over the next few months and timescales are tight, however we are currently behind schedule by approximately 6 weeks against current forecasted timescales. Highlights are detailed below.
- 3.7 Housing, Waste, Environmental Health and Licencing back office applications have been migrated onto the new back office systems. The Planning and Land Charges data is currently being tested.
- 3.8 The first processes are due to go live in W2 in the week commencing 6<sup>th</sup> July. The migration of documents from the old document management systems into the new W2 system is about to commence.
- 3.9 The Council has taken delivery of the software which allows the integration of the new Web Portal functionality into the existing web site. This is currently being tested and will enable us to deliver many more services on line.

- 3.10 Mobile Locality officers have taken delivery of devices to allow them to access corporate IT resources while out and about. The Council will be taking delivery of the Civica mobile application soon, which allows staff to receive and update job tasks whilst out of the office.
- 3.11 Council Members have piloted new technology and their feedback will shape a new solution to be rolled out by September that will enable access to emails and in the future, minutes and agendas. The rollout of laptops to staff is well underway, in order to support our Agile working practices.

### **Accommodation Workstream**

- 3.12 The accommodation project, is largely finished, with the last outstanding element being the 1<sup>st</sup> floor toilets. Practical completion is hoped to be issued in early July, at which time the year defects period will commence. The project has delivered approx. 150 agile work spaces on the second floor, 3 new meetings rooms, improved kitchen facilities and a completely transformed working environment.

It has freed up a significant amount of space in the rest of the building, which will become available for tenants as staff transition up to the 2<sup>nd</sup> floor. There has been interest in the 1<sup>st</sup> floor space by a prospective tenant and heads of terms are being negotiated with a start date of January 2016, all of which helps to reduce the running costs of the Follaton House building.

### **Finance Workstream**

- 3.13 In December 2014, the Council agreed the updated business case for the Transformation Programme. An investment budget of £4.61 million has been approved, to deliver annual recurring revenue savings of £3.37 million. The payback period for the Programme is 2.5 years.
- 3.14 The Transformation Programme has received the backing of Central Government and the Council was awarded £434,000 of Government funding towards the upfront investment costs.
- 3.15 The table below shows the actual T18 expenditure up until 31 March 2015 of £2.68 million, compared against the total T18 budget of £4.6 million. All of the main categories of spend are on target when compared against the budget and there are no areas of concern to report to Members. The overspend on the implementation and design of the future operating model line will be met by the underspend on the training and accommodation line.

The table also shows how the expenditure has been financed.

<b>Expenditure Category</b>	<b>2014-2015 T18 Actual Expenditure (£)</b>	<b>Total T18 Budget (One-off Investment costs)(£)</b>
<b>Revenue Expenditure</b>		
ICT technology, implementation and workstream development	298,585	615,750
ICT workstation costs and infrastructure	185,960	276,000
Training and Accommodation	93,961	128,000
Implementation and design of the future operating model	186,794	175,000
Redundancy and Pension Strain costs*	1,481,957*	2,702,000
Contingency	0	175,000
<b>Capital Expenditure</b>		
Accommodation (Follaton)	338,310	450,000
ICT Software	92,250	92,250
<b>TOTAL</b>	<b>2,677,817</b>	<b>4,614,000</b>

\* There is a future commitment of a further £1.1 million for capitalised pension strain costs which will arise and be paid in later financial years, i.e. from 2015-2016 onwards and which will be financed by the T18 Budget. The actual capitalised pension strain costs as shown in the 2014-15 Accounts are £1.625 million, but an element of this is being financed from existing revenue base budgets.

<b>To be financed by:-</b>	<b>£</b>	<b>Relevant Report/ Minute</b>
T18 Earmarked Reserve	1,195,860	CM53/14 Council 18 December 2014 and E.71/14 Executive 5 March 2015
Capital Programme Earmarked Reserve	1,047,957	
Transformation Challenge Award (Government Grant funding)	434,000	
<b>TOTAL</b>	<b>2,677,817</b>	

Executive Minute E71/14– Delegated authority was given to the S151 Officer, in consultation with the Executive Director of Strategy and Commissioning (Head of Paid Service) and the Leader of the Council, to determine the appropriate financing requirement from the Council's Earmarked Reserves in 2014/15, to fund the year end accounting provision for the Transformation Programme.

3.16 The T18 expenditure has been shown in the Council's Accounts for 2014/15 as a Material item. The net revenue expenditure charged to the Council's Comprehensive Income and Expenditure Account in 2014/15 was £3.439 million. This is the expenditure shown in 3.15 above of £2.67 million, less the government funding of £434,000, less the capital expenditure of £430,560, plus the capitalised pension strain costs of £1.625 million. The use of the £1.047 million from the capital programme earmarked reserve is a temporary financing requirement for one year and this amount will be repaid to the earmarked reserve in 2015/16 from the salary savings achieved.

3.17 The budgeted salary savings to be delivered by the project were £290,000 in 2014/15, rising to £1,375,000 in 2015/16 and £2,464,000 by 2016/17. The Council is on track to make these savings in addition to the accommodation savings from letting space to tenants within Follaton House. These accommodation savings are budgeted to be £53,000 in 2015/16, rising to £215,000 by 2018/19.

### **Customer Workstream**

3.18 The Customer Workstream relates to the engagement required with our customers to maximise the benefits of the future operating model. These benefits are both for the customer, in terms of improved customer service and greater access to on-line services and for the Authority through reduced costs.

3.19 Software to deliver Customer insight information has now been purchased to help us structure our customer access methodology and training in how to use this software has been undertaken.

3.20 The plan for how the Council interacts with its customers (the channel shift plan) is under development. This plan will help us target cheaper forms of contact such as SMS and email to those people who want and can use it, rather than trying to encourage all customers to use these types of contact.

### **Business Processes and Transition Workstream**

3.21 The number of staff employed by the Council is being reduced and in order to continue to deliver high quality services to the public, we need to review and re-design over 400 of our existing processes.

3.22 This process is broken down into a number of 'sprints' when each type of activity is mapped and analysed in detail. Where possible the new processes are built into the universal case management system "W2".

### 3.23 Service go-live dates

<b>Service Area</b>	<b>Target go-live date (week commencing)</b>
Housing	Completed June 1st
Community Grants	6 <sup>th</sup> – 10 <sup>th</sup> July
Car Parks	13 <sup>th</sup> – 17 <sup>th</sup> July
Street Scene	27 <sup>th</sup> – 31 <sup>st</sup> July
Waste	27 <sup>th</sup> – 31 <sup>st</sup> July
Council Tax / NNDR (Phase 1)	10 <sup>th</sup> – 14 <sup>th</sup> August
Environmental Health	24 <sup>th</sup> – 28 <sup>th</sup> August
Licensing	24 <sup>th</sup> – 28 <sup>th</sup> August
Planning & Land Charges	14 <sup>th</sup> – 28 <sup>th</sup> September

## 4. Options available and consideration of risk

- 4.1 A Transformation Programme of this size and complexity clearly brings a significant number of risks which have to be carefully managed. The comprehensive Programme risks are reviewed every four weeks by the Transformation Programme Board. A report is presented to the Audit Committee on a six monthly basis of the Council's risk register and strategic risks (including those relating to the Transformation Programme).
- 4.2 One of the key risks is a reduction in service performance as staff have left and the new processes are not live in the new case management system. Currently the risk is materialising with reduced performance in the planning service and customer services. As a result the services are experiencing increasing customer contact and customer complaints.

## 5. Delivery Unit savings (as per the T18 Revised Business Case)

- 5.1 There was budgeted to be £305,000 of savings from the Delivery Unit per annum from 2015/16 onwards. Included in this amount was £125,000 for recycling and waste to be gained from the rationalisation of current waste and recycling rounds and a further £50,000 to be saved through data management. It is recommended that this initiative is delayed, to be delivered during 2016 as set out below.

- 5.2 The waste review savings related to the refinement of rounds currently still on a weekly schedule, mainly focused on properties in Dartmouth and Kingsbridge. There are also around 1500 properties using a weekly sack service who are suitable for the twin bin scheme. This saving was programmed to be delivered in September 2015.
- 5.3 The savings above were identified as deliverable based on an assumed staffing level. The current position with key operational management posts unfilled, as well as staff vacancies in customer first and newly recruited staff in the Communications team makes it a high risk to try to introduce these front line changes so soon after the implementation of T18 across the organisation. The interim manager was the resource identified to lead the round reorganisation project. The postholder is currently covering the Waste Operations Manager post on a part time basis and cannot cover both roles in the short term. If the scheme is not very closely managed across the organisation and with a high level of detail, the reputational risk to the Council is exceptionally high as the round reviews are likely to affect a high percentage of households and will generate a high volume of customer calls as the changes occur.
- 5.4 The original savings projections were based upon the majority of the system and workflow processes being up and running by the Summer. This is unlikely to be the case and it is not likely that the in cab technology will be linked to Civica by this point. The in cab system procurement commenced later than was initially intended, this was to ensure that a system was purchased that could be integrated with the Civica system. This was vital.
- 5.5 It is therefore recommended that the round reviews and waste review changes are postponed until Spring 2016 when the new operational manager posts will be filled and the Customer First/Communications team will be settled into post. The financial impact of this decision would be a delay of the saving of £125,000 for the recycling and waste and £50,000 for the data management.
- 5.6 Therefore there would be a one year delay of a saving of £175,000. This has an impact on the payback period of the T18 Programme of 3 weeks or 0.7 of a month. In 2014/15 the Council has received a pooling gain of £99,428 for being in the Devon Business Rates pool. This money was not budgeted for (as at the time the Pool was new) and therefore this is additional funding. The further £75,000 could be covered by the Strategic Issues Earmarked Reserve which has £133,000 remaining in the Reserve at 31 March 2015.

## 6. Proposed Way Forward

To address the issues in 4.2, the senior leadership team (SLT) have instigated the following actions:

- 6.1 Phase 2 of the programme has been brought forward to enable staff to be released into their new roles and enable the recruitment to posts that have been held for staff.
- 6.2 Other agencies, such as Plymouth City Council are being used to deliver less complex work.
- 6.3 Agency staff are being used as a short term measure to backfill unfilled vacancies.
- 6.4 Outstanding workloads and customer service measures are now being reviewed on a weekly basis by SLT.
- 6.5 The website is being updated and customer services are being given key messages to reassure customers.
- 6.6 It is recommended that the waste round review originally scheduled to take place in September 2015 is delayed to take place during 2016.

## 7. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Council has delegated to the Executive to monitor the budget monitoring position of the Transformation Programme, with quarterly budget monitoring reports being presented to the Executive.
Financial		There are no financial implications arising directly from this report. The finances of the programme are set out in Section 3.13 to 3.17.
Risk		A Transformation Programme of this size and complexity clearly brings a significant number of risks which have to be carefully managed. The comprehensive Programme risks are reviewed every four weeks by the Transformation Programme Board. A report is presented to the Audit Committee on a six monthly basis of the Council's risk register and strategic risks (including those relating to the Transformation Programme).



Comprehensive Impact Assessment Implications		
Equality and Diversity		This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs.
Safeguarding		This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs.
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs.
Other implications		None

### **Supporting Information**

#### **Background Papers:**

Council 18 December 2014 (Minute CM53/14)  
Executive 5 March 2015 (Minute E.71/14)

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>N/A</b>

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**NOT FOR PUBLICATION**

This report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (applies to Appendices A and B)

Report to: **Executive**  
Date: **23 July 2015**  
Title: **Capital Programme Monitoring**  
Portfolio Area: **Support Services**

Wards Affected: **ALL**

Relevant Scrutiny Committee: Overview and Scrutiny Panel

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Angela Endean** Role: **Capital Accountant**  
**Lisa Buckle** **Finance Community of Practice Lead**

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**Recommendations:**

**It is recommended that:**

- 1.The Executive notes the Report
2. The underspend of £45,151 of the Disabled Facilities Grant budget for 2014/15 is agreed to be carried forward and added to the 2015/16 Disabled Facilities Grant (DFG) budget of £600,000 (giving a total DFG budget of £645,151 for 2015/16).

## **1. Executive summary**

The report advises Members of the progress on individual schemes within the approved capital programme, including an assessment of their financial position.

The anticipated level of expenditure is within the existing budget for the approved capital programme as a whole (Appendix A).

The demand for Disabled Facilities Grants (DFG's) continues to increase and it is requested that the underspend of £45,151 from the 2014/15 DFG's budget be carried forward, to help cover the rising demand and continue to support independent living for residents.

If this was approved, this would mean that the Disabled Facilities Grants budget for 2015/16 would be increased from £600,000 to £645,151. In 2014/15 the total spend on Disabled Facilities Grants was £654,849.

As yet there have been no calls on the Capital Programme contingency budget for 2015/16 of £300,000.

## **2. Background**

The capital programme for 2015/16 was approved by Council on 12 February 2015 (66/14 and E57/14 refer). This report provides an update on the Capital Programme and also on those schemes that remain outstanding from previous programmes (Appendix A).

A summary of the programme is shown in exempt Appendix A. The award of contracts is subject to the Council's procurement rules on competitive tendering and therefore the allocated budget is commercially sensitive.

### **3. Outcomes/outputs**

Members are requested to note the following updates on the Capital Projects:

#### **Capital Programme 2014/2015 and prior years**

##### Dartmouth & District Indoor Pool Trust (DDIPT) – Capital Grant £400,000

A report was presented to the Executive on 18th June 2015 detailing the latest position.

##### Island Street Workshop Re-cladding, Salcombe

The works to the Island Street units have now been completed on time and on budget. The 12 months defect period has now commenced.

##### Units at Burke Road/Wills Road, Totnes

The tender documents are currently being prepared for the new roofs on these units.

#### **Capital Programme 2015/16**

##### Leisure Centres

There is a separate item on this Executive agenda for the Leisure Service procurement which gives details of the latest position.

##### Redevelopment of five employment units, Burke Road, Totnes

An application for planning permission has been submitted for this project.

##### Development of eight employment units, Batson Trailer Park, Salcombe

Ground investigations have been carried out and architects have recently been commissioned.

### Disabled Facilities Grants

The demand for Disabled Facilities Grants (DFG's) continues to increase and it is requested that the underspend of £45,151 from the 2014/15 DFG's budget be carried forward, to help cover the rising demand and continue to support independent living for residents.

If this was approved, this would mean that the Disabled Facilities Grants budget for 2015/16 would be increased from £600,000 to £645,151. In 2014/15 the total spend on Disabled Facilities Grants was £654,849.

The data on DFGs is currently being migrated into the new corporate software. The next capital monitoring report will provide further details on the number of DFG's approved in 2014/15, approval rates, costs and outcomes.

### Waste Vehicle Fleet

Following a full procurement exercise, the vehicle fleet (13 vehicles) was ordered earlier in the year and the majority of vehicles (9 vehicles) have recently been received and are fully operational. The smaller fleet vehicles are due to be received in late July/early August. Overall vehicle costs had increased over the lifetime of the replacement programme which placed pressure upon the capital budget had a like for like solution been sought. Vehicle technology has improved in this period however, which allowed for the purchase of vehicles with a higher specification in terms of weight/volume capacity and vehicle telematics. These improvements allowed for the reduction of overall fleet numbers but provided enough capacity remaining to absorb future property growth in the lifetime of the vehicles. The outcome of the procurement therefore was an overall increase in individual unit price but a reduction in the numbers of vehicles needed.

## Affordable Housing Update

The table below gives an update on the various affordable housing capital budgets and schemes.

<b>Scheme</b>	<b>Budget</b>	<b>Narrative</b>
Community Led Housing	£100,000	Community led housing initiative launched in April 2014. Currently in discussion with 3 organisations to provide financial support for community led schemes.
Rural Affordable Housing	£400,000	£327,577 spent or committed to rural schemes. Thurlestone (completed), Avondale (completed), Slapton (completed) Newton Ferrers, Moreleigh, Frogmore.
Older Persons Housing	£500,000	Allocated to Riverside Extra Care. Start on site scheduled for summer 2015. Completion spring 2017.
Existing Stock/Sustainability	£100,000	To reduce empty homes and make best use of the existing housing stock.
Homeless/Specialist Housing	£50,000	To enable the provision of specialist accommodation as required. Funding will be allocated as need arises.
Follaton Oak, Totnes	£80,000	Currently on site, completion summer 2016. £80,000 commitment.
Ivatt Road, Dartmouth	£60,000	Scheme completed. £60,000 spent.
Frogmore – Village Housing Initiative site	£25,000	Development commenced on this Village Housing Initiative site with Hastoe Housing Association. Completion summer 2016. £25,000 spent.

## **4. Strategic Asset Review - Update**

An update on progress on sites is included in exempt Appendix B.

## 5. Options available and consideration of risk

This is considered on a project by project basis as part of the project appraisal document and initial business case for each capital project.

## 6. Proposed Way Forward

This is considered on a project by project basis.

## 7. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>Statutory powers are provided by the S1 Localism Act 2011 general power of competence.</p> <p>The capital programme is implemented in line with the Council's legal requirements, which are examined on a project-by-project basis. To date there are no undue legal concerns.</p> <p>Since there is commercially sensitive information in the Appendices A and B regarding the budgets for individual projects, there are grounds for the publication of these appendices to be restricted, and considered in exempt session. The public interest has been assessed and it is considered that the public interest will be better served by not disclosing the information in Appendices A and B. Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial		<p>The anticipated level of expenditure is within the existing budget for the approved capital programme as a whole (Appendix A).</p> <p>As yet there have been no calls on the contingency budget for 2015/16 of £300,000.</p>



Risk		<p>There is a risk that the Capital Programme does not meet the Council's corporate priorities in line with the Council's Asset Strategy and the opportunity to assess emerging projects, which could contribute to the Council's priorities. The mitigation is that there is a project appraisal for each proposal. This is taken into account when assessing possible implementation timescales. Complex capital programmes have a relatively long lead-in period.</p> <p>The Council demonstrates that capital investment contributes to corporate priorities, provides value for money and takes account of the revenue implications of the investment. Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.</p> <p>There is regular quarterly monitoring of the Capital Programme to Members where any cost overruns are identified at an early stage. There is a contingency budget within the Capital Programme of £300,000.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		This matter is assessed as part of each specific project.
Safeguarding		This matter is assessed as part of each specific project.
Community Safety, Crime and Disorder		This matter is assessed as part of each specific project.
Health, Safety and Wellbeing		This matter is assessed as part of each specific project.
Other implications		This matter is assessed as part of each specific project.

## **Supporting Information**

### **Appendices:**

EXEMPT - Appendix A – Summary of the approved programme plus allocated budget

EXEMPT – Appendix B – Update on the Strategic Asset Review – Capital Disposal Programme

### **Background Papers:**

Capital programme for 2015/16 - Council 12 February 2015

Capital programme for 2015/16 – Executive 29 January 2015 (66/14 and E57/14 refer).

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted.	<b>Yes</b>

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