Bath & North East Somerset Council

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Date: 15th March 2012
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To: All Members of the Resources Policy Development and Scrutiny Panel

Councillor John Bull
Councillor Manda Rigby
Councillor Colin Barrett
Councillor Charles Gerrish
Councillor Dave Laming
Councillor Chris Watt
Councillor Nigel Roberts
Councillor Paul Myers)

Chief Executive and other appropriate officers
Press and Public

Dear Member

Resources Policy Development and Scrutiny Panel: Monday, 26th March, 2012

You are invited to attend a meeting of the **Resources Policy Development and Scrutiny Panel**, to be held on **Monday, 26th March, 2012** at **5.30 pm** in the **Council Chamber - Guildhall, Bath.**

The agenda is set out overleaf.

Yours sincerely

Michaela Gay
for Chief Executive

Members please note: there is a private briefing on Welfare Reform in the Chamber from 3-5pm.

If you need to access this agenda or any of the supporting reports in an alternative accessible format please contact Democratic Services or the relevant report author whose details are listed at the end of each report.

This Agenda and all accompanying reports are printed on recycled paper

NOTES:

1. **Inspection of Papers:** Any person wishing to inspect minutes, reports, or a list of the background papers relating to any item on this Agenda should contact Michaela Gay who is available by telephoning Bath 01225 394411 or by calling at the Riverside Offices Keynsham (during normal office hours).

2. **Public Speaking at Meetings:** The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. Advance notice is required not less than two full working days before the meeting (this means that for meetings held on Wednesdays notice must be received in Democratic Services by 4.30pm the previous Friday)

   The public may also ask a question to which a written answer will be given. Questions must be submitted in writing to Democratic Services at least two full working days in advance of the meeting (this means that for meetings held on Wednesdays, notice must be received in Democratic Services by 4.30pm the previous Friday). If an answer cannot be prepared in time for the meeting it will be sent out within five days afterwards. Further details of the scheme can be obtained by contacting Michaela Gay as above.

3. **Details of Decisions taken at this meeting** can be found in the minutes which will be published as soon as possible after the meeting, and also circulated with the agenda for the next meeting. In the meantime details can be obtained by contacting Michaela Gay as above.

   Appendices to reports are available for inspection as follows:-

   Public Access points - Riverside - Keynsham, Guildhall - Bath, Hollies - Midsomer Norton, and Bath Central, Keynsham and Midsomer Norton public libraries.

   For Councillors and Officers papers may be inspected via Political Group Research Assistants and Group Rooms/Members' Rooms.

4. **Attendance Register:** Members should sign the Register which will be circulated at the meeting.

5. THE APPENDED SUPPORTING DOCUMENTS ARE IDENTIFIED BY AGENDA ITEM NUMBER.

6. **Emergency Evacuation Procedure**

   When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are sign-posted.

   Arrangements are in place for the safe evacuation of disabled people.

Resources Policy Development and Scrutiny Panel - Monday, 26th March, 2012

at 5.30 pm in the Council Chamber - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

   The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

   At the time of publication, none have been registered.

4. DECLARATIONS OF INTEREST UNDER THE LOCAL GOVERNMENT ACT 1972

   Members who have an interest to declare are asked to:

   a) State the Item Number in which they have the interest
   b) The nature of the interest
   c) Whether the interest is personal, or personal and prejudicial

   Any Member who is unsure about the above should seek advice from the Monitoring Officer prior to the meeting in order to expedite matters at the meeting itself.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

   Councillor Eleanor Jackson has registered to make a statement to the Panel.

7. MINUTES - 6TH FEBRUARY 2012 (Pages 5 - 10)

   To confirm the minutes of the previous meeting as a correct record.

8. CABINET MEMBER UPDATE

There will be a verbal update from Councillor David Bellotti - Cabinet Member for Community Resources.

9. PROPERTY BOARD OPERATION AND DIRECTION OF TRAVEL (Pages 11 - 78)

A report on the Property Board Operation and Direction of Travel.

10. USE OF CONSULTANTS WORKING GROUP FEEDBACK (Pages 79 - 92)

Report attached on the Panel's 'Use of Consultants' Working Group feedback.

11. ELECTIONS WORKSHOP FEEDBACK (Pages 93 - 114)

Report attached the on the Panel's Elections Workshop Feedback.

12. COUNCIL WEBSITE (Pages 115 - 124)

The presentation is attached.

13. PANEL FUTURE WORKPLAN (Pages 125 - 132)

A report is attached with a copy of the current Panel Future Workplan for discussion.

The Committee Administrator for this meeting is Michaela Gay who can be contacted on 01225 394411.

BATH AND NORTH EAST SOMERSET

RESOURCES POLICY DEVELOPMENT AND SCRUTINY PANEL

Monday, 6th February, 2012

Present:- Councillors John Bull (Chair), Manda Rigby (Vice-Chair), Colin Barrett, Charles Gerrish, Dave Laming, Chris Watt and Nigel Roberts

Councillors Eleanor Jackson; Paul Fox and Patrick Anketell-Jones also attended for all or part of the meeting.

Also in attendance: Michaela Gay (Senior Democratic Services Officer), Andrew Pate (Strategic Director – Resources), Tim Richens (Divisional Director - Finance) and David Trethewey (Divisional Director - Policy & Partnerships)

45 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting.

46 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

47 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were none.

48 DECLARATIONS OF INTEREST UNDER THE LOCAL GOVERNMENT ACT 1972

Councillor Charles Gerrish declared a non-pecuniary interest in Item 8 as a member of BANES Inclusive Sports Association. Councillor Gerrish also declared an interest in this item regarding the proposals on the residential care for adults with learning difficulties.

49 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

50 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

There were none.

51 MINUTES - 16TH JANUARY 2012

The Panel confirmed the minutes of the previous meeting as a true record following the amendment set out below:

43 SERVICE ACTION PLANS *(last line)*

"Members noted the EIA which they used in their consideration of the report".

52 MEDIUM TERM SERVICE AND RESOURCE PLANNING 2012/13-2014/15, & BUDGET COUNCIL TAX 2012/13

Appendix 1

Councillor Bull questioned the phrase 'listening approach of the Council' (page 4). Councillor Bellotti - Cabinet Member for Community Resources explained that there was further information on page 13 but he acknowledged the point and said that he would get the phrase re-worded.

Councillor Jackson asked what had happened to the £235k dedicated to the homeless. Tim Richens - Divisional Director Finance, explained that this was part of the 'On-going Headroom Allocations'. (page 13).

Councillor Gerrish asked if spending on the Gypsy and Traveller site was being identified too soon in the budget. The officer explained that in theory, the some of the money could be made available as a one off but that the recurring cost had to be shown. Councillor Gerrish asked if there could be a breakdown of the £250k. Councillor Bellotti explained that the Cabinet instructions to officers was that there is a need for a Gypsy and Travellers site as soon as possible and the money is in the budget to do it.

Councillor Jackson asked what the £0.5m for Radstock Regeneration was for (page 23). Councillor Bellotti explained that it was a new scheme for a further boost to the area.

Councillor Gerrish asked about the change in the decision making process regarding Local Transport Improvement Schemes (page 25). He explained that in the previous process, there was a greater degree of openess in the pre-decision stage and that the new process takes away a level of engagement. The Cabinet Member explained that the new administration wanted as few single member decisions as possible. He accepted the point and stated that maybe the following year, a compromise could be reached.

Councillor Laming referred to the 20 MPH scheme (page 25) and asked what the £500k included. The Cabinet Member explained that this would fund the scheme, where required, for whole authority.

Councillor Watt entered the meeting at 6.10pm.

Councillor Laming asked about the £100k for River Safety (page 27). He explained that there had been ongoing efforts to find out who the relevant land belongs to so he was not sure how the Council would proceed with the safety measures. The

Cabinet Member explained that the RoSPA report was clear and that where necessary, the authority would take legal advice.

Councillor Jackson asked why the estimated reserves had gone into sharp decline (page 40). Andrew Pate - Strategic Director Resources, explained that some of the reserves had been used in 'invest to save' projects. There was a plan to recover the reserves.

Councillor Watt explained that when the three parishes were separated, Charlton Road was put into the Westfield area in the precept budget in error. The Strategic Director explained that the adjustment had been made and the Equalisation Grant was there to avoid any impacts in the first year.

Councillor Watt asked about 'Other Miscellaneous Budgets' (Appendix 1 Annex 1). The Divisional Director, Finance explained that this was a presentational issue and that there would be a presentation with more information on this at item 9 on the agenda. Councillor Watt asked that another description be used.

Comments on Annex 5

Children's Services

Councillor Bull asked about the absence of detailed financial plans for 2013/14 onwards in this area. The Panel noted the uncertainties associated with the fundamental review of the LEA (Local Education Authority) role in response to the creation of Academies and the new system of Local Government finance. The Cabinet Member explained that it was hoped that any new academies would use the services and expertise of the LEA. He also explained that he had asked that next year's budget be done on a zero based approach.

Adult Social Care and Housing, People and Communities - Saving Items

Councillor Bull stated that he had concerns that the Equalities Impact Assessment did not look at the global effect of the proposed savings on adults with learning difficulties. Councillor Jackson also made this point about the EIA.

The Panel had serious concerns about the proposed savings in the unit cost of registered residential care for adults with learning difficulties. The Panel noted that the robustness of the savings proposals would be reviewed.

The Cabinet member explained that there had been reservations within the Cabinet but the officers believe that these reductions can be made in the cost of the service. He explained that in this authority, the level of individual contributions was not as high as other authorities in the South West and also that the amount this authority paid to providers was higher. He explained that there would be close monitoring of the service.

Councillor Gerrish had some concerns about savings in 'Personal Budgets' as he felt this would remove choice.

Councillor Gerrish stated that while he realised that Somer Housing (page 9) was the largest provider of social housing, he was surprised that other providers are not mentioned regarding the Disabled Facilities Grants.

Heritage Services

The Panel had some reservations over the income trends in this area and asked if they were over optimistic. The Panel noted that officers would check the figures in the latest monitoring report and be sure that the budget reflected any downward trends.

Parking - Blue Badges (page 16)

Councillor Jackson spoke against the proposal to charge £10 for blue badges. The Cabinet Member explained that the cost of the badges was £17/18 and the cost was subsidised.

Highways - Drainage and Gully Cleansing (page 17)

Councillor Barrett had some concerns regarding cuts to this service (especially with regard to Weston) as he felt that the effects on road maintenance would be likely to offset any saving if not well managed and prioritised. Councillor Bull noted that the Planning, Transport and Environment PDS Panel had also raised concerns about this.

Waste Services - Reduce hours at Recycling Centres (page 18)

Councillor Gerrish stated his concern at the reduction in hours to this service and suggested that the centres opened later and closed later on Sundays.

End Mobile Library Service (page 20)

Councillor Gerrish asked officers to review the figures on this and obtain more clarity from the department as different figures had been referred to elsewhere. The clarity of the Equalities Impact Assessment on this service was noted. Councillor Bull noted the Economic and Community Development PDS Panel comments on this issue. The Cabinet member explained that the users fell into different groups some of which could be helped by the home book service. He explained that it was about getting the right service to the people who need it.

Reduce spend on leisure activity and local leisure events (page 18)

The Panel noted that more work was needed on the Equalities Impact Assessment in this area. Councillor Watt questioned the balance between activities to create tourism footfall and activities to increase local participation plus a concern about the reference in the service action plan regarding the expected impact of service cuts on people with low incomes. Councillor Watt suggested subsidising tickets for vulnerable groups.

Councillor Chris Watt asked about the lack of detailed scrutiny on the treasury management function. Councillor Bull explained that there was a presentation on this at the next item on the agenda. The Strategic Director further explained that the Corporate Audit Committee had a specific duty to scrutinise this area.

53 PRESENTATION ON CORPORATE BUDGET ITEMS

Tim Richens, Divisional Director - Finance gave a presentation on 'Analysis of Corporate Budgets 2011/12 to 2012/13'. *(A full copy of the presentation is held on the Council's minute book for the Panel in the Democratic Services office)*

Panel members raised the following points and asked the following questions:

Councillor Chris Watt stated that large figures can be lost in the assumptions made in the budget and he wanted more clarity and visibility, including further scrutiny of the corporate / treasury management function within the council and in particular assumptions made around internal rates of return. The Cabinet Member replied that the assumptions are prudent and that officers cannot predict interest rates, they can only project.

Councillor Gerrish stated that there has to be a degree of prudence as interest rates are not as historically stable as they have been over the last couple of years. He pointed out that the Council had chosen not to put money in Icelandic banks and sought reassurance of the continued use of robust assessments of risk. The Strategic Director commented that the Corporate Audit Committee get very involved in this.

Regarding savings on electricity, Councillor Watt explained the way electricity is supplied and charged and pointed to savings that could be made in the Council.

Councillor Watt asked about the 'Misc' column in the presentation and stated that there should be more clarity and visibility.

The meeting ended at 8.45 am

Chair(person) .....

Date Confirmed and Signed .....

Prepared by Democratic Services

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Bath & North East Somerset Council	
MEETING:	Resources Policy, Development and Scrutiny Panel.
MEETING DATE:	26 March 2012
TITLE:	Property Board Operation and Direction of Travel
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report: **Appendix 1 – Draft Property Board Terms of Reference 2012** **Appendix 2 – Draft Corporate Asset Management Plan 2012** **Appendix 3 – Schedule of projects past, present and future identified by Property Services to add financial value to the property portfolio.**	

1 THE ISSUE

1.1 To set out the basis upon which the Corporate Asset Management Plan has been framed and understand the role of the Property Board in the delivery of that plan.

2 RECOMMENDATION

The Resources Policy, Development and Scrutiny Panel are asked to note:

2.1 the Corporate Asset Management Plan 2012 and

2.2 the role of the Property Board and

2.3 the projects either undertaken or proposed to be undertaken by Property Services to add financial value to the property portfolio.

3 FINANCIAL IMPLICATIONS

3.1 There are no financial implications as a direct result of this report. The Asset Management Plan will lead to revenue savings due to the further rationalisation of the property portfolio and the generation of capital receipts from the disposal of surplus assets. Over the last 6 years £56million has been raised from the disposal of surplus property assets and developments.

4 THE REPORT

4.1 The Property Portfolio.

The Council owns a property portfolio comprising approximately 1,200 property assets. At 1st April 2010, this portfolio had an asset value of approximately £475million. The Council has registered its title over all its property assets.

The Council currently holds and manages these property assets in either its Operational or its Commercial Estates.

The Operational Estate - The property assets used by the Council in the delivery of its services are held within the Operational Estate. This estate was valued at 1st April 2010 at £247million.

The Commercial Estate - The Council owns a large and influential portfolio of investment property, mainly retail premises in the centre Bath, but also elsewhere including those planned for the Keynsham town centre development. At 1st April 2010 the capital value of this estate was estimated at £227million.

4.2 Alignment with the Council Vision

The purpose of the corporate asset management plan is to ensure that Bath & North East Council strives to own and retain only those properties which play a specific and clearly defined role in delivering the Council's objectives, whether these are as an operational or commercial property asset.

Accordingly, Property Services, through its asset management plan, has in place a continuous and cyclical review of all these property assets geared around ensuring that the property estate is rationalised and fit for purpose in delivering or supporting the delivery of the new Council Vision.

4.3 Governance arrangements

All property whether owned or leased by the Council is held corporately and the authority to acquire, dispose and manage property is delegated to the Chief Property Officer (CPO), who in turn delegates specific activities relating to these functions to officers either within Property Services or other services within the Council. The scheme of delegations, by the CPO, is formally embedded within Property Services and it is the intention that a similar scheme will be implemented across the Council, to replace the informal arrangements which currently exist.

4.4 Role of Property Board

The role of Property Board is to review performance and make recommendations in respect of the management, administration and development of the Council's Property Portfolio. The draft revised Terms of Reference of the Property Board for 2012 are attached at **Appendix 1** and are due for consideration at its next meeting on 29 March 2012.

The Property Board is not part of the formal decision making process of the Council. The management of the property portfolio is an Executive function and the extent to which decisions relating to property may be delegated is a matter for the Cabinet to decide. Decisions are made by the Chief Property Officer, within the policy framework set by the Council and the requirements of the Cabinet and the Cabinet Member for Community Resources.

The general objective in the management of the Property Portfolio is to achieve best financial return in terms of both capital and revenue.

The Board in particular provides challenge and direction in relation to the following specific areas:

- Property portfolio – objectives, policy reviews, strategic analysis and strategic plans
- Asset Management – programming and monitoring of AMP related activities
- Capital receipts - from the disposal of surplus property and delivery of the Council owned property developments.
- Revenue - Income generation, void levels and debt management
- Asset acquisitions, disposals, developments and investment opportunities – strategic and high level tactical options, medium term plan and regular updates of progress
- Performance reports

4.5 The Corporate Asset Management Plan

Any organisation may hold a property portfolio which has been acquired mainly in response to specific need rather than as part of a strategic plan. Over time this collection of property will eventually contain buildings possessing varying degrees of sufficiency and suitability in addressing the organisations operational and corporate needs.

Accordingly, unless there is a robust programme of systematic review in place to ensure that this estate is continuously challenged there is a risk that the portfolio will start to comprise property which has become surplus to service needs or obsolete in its construction or design. In certain cases the retention of property without good reason could be financially detrimental to an organisation.

The Corporate Asset Management Plan has been refreshed for 2012 and is currently in draft form. The entire document is comprehensive, running to some 70 pages, with some elements not yet published. The core Plan itself comprises 4 sides and this can be found at **Appendix 2**.

The remainder of the mechanisms and processes flow from the core Plan. These are also set out in **Appendix 2** and include the following:

- The vision for the overall asset base.
- Details of how the total asset register has been segmented and the objectives that apply to those portions.
- The challenge process which informs decisions on retention, Management or disposal.
- The work programmes that manage much of the day to day work of Property Services.
- The Property Protocol which sets out roles and responsibilities and the practical arrangements associated with the occupation of Council land and buildings.

The draft revised Corporate Asset Management Plan 2012. This AMP has yet to receive formal approval and its consideration by the Resources Policy, Development and Scrutiny Panel forms part of the consultation process.

The purpose of the AMP is to ensure there is programme of review and challenge for each and every property asset, which is either informed by or results in the various supporting or consequential programmes listed below including:

Programmes which inform asset reviews

- condition surveys of all buildings within the portfolio;

- Suitability and sufficiency surveys of operational building managers/users
- assistance with service areas to develop service and resource plans, which identify property needs to support service delivery and improvement

Programmes flowing from asset reviews

- capital receipt planning arising from surplus asset disposals and property developments.

Programmes in relation to the management of the portfolio

- capital and revenue planned maintenance across the entire portfolio;
- asset valuations; insurance valuations; rating valuations
- income profiling and monitoring of income generation – including rent review; lease renewal; debt management; voids and new lettings.

4.6 Emerging external challenge on Investment Portfolio, within the Commercial Estate

The recent property review exercise undertaken by Drivers Jonas Deloitte identified the benefits to be gained from engaging the services of a strategic property asset management function to work alongside the in house team within Property Services as part of its asset management of the commercial estate. Following debate at Property Board, the Chief Property Officer will be seeking to procure the services of such an adviser to work with the in-house team with the following outline specification of roles:

- An adviser to supplement the Council's professional skills base in areas where it is considered limited expertise / capacity exists.
- Work with in-house team to establish and develop key objectives and investment strategy for the Commercial Estate.
- Identify, examine and determine external and internal risks associated with holding the Commercial estate; and find ways of mitigating the identified risks and provide options to meet the key objectives which should include a clear means of re-investment, where appropriate.
- Provide support and advice in the review process and act as a sounding board for challenge and critique where necessary throughout the process.
- Using market knowledge to assist the in-house team in the development of key performance indicators, based on market practice, which may be used to demonstrate property performance in terms of management of the estate and the performance of the Department/teams involved.
- Assist in devising a strategy which will meet the Council's objectives for the retailing centre, and will include the delivery of the most appropriate tenant mix for identified areas of the City, using specialist retail knowledge.

4.7 Recent property projects past, present and future with added financial value.

Appendix 3 sets out a schedule of projects undertaken by Property Services, which have either added or have been identified to add financial value to the property portfolio. The current and future projects listed, which are the product of the review of property assets under the asset management plan, will be the subject of monitoring by Property Board and will be reported, as appropriate to other corporate working groups/boards within the Council.

This schedule does not include those properties which were the subject of straight freehold disposals, but which equally contributed towards the £56million generated to date.

It should also be noted that Appendix 3 does not include work or projects led by external service areas, which do not improve either the operational or commercial estate but where Property Services provide the property advice. It also excludes schemes which are specifically directed at improving operational service delivery, including new construction projects. All these areas of work, however, are the subject of monitoring by Property Board, where appropriate.

5 RISK MANAGEMENT

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

6 CONSULTATION

6.1 Cabinet Member; Section 151 Finance Officer; Chief Executive; Monitoring Officer

6.2 Consultation was undertaken through the circulation of draft papers

7 ADVICE SOUGHT

7.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	Tom McBain – Chief Property Officer, Divisional Director Resources, Property Services Richard Long – Estates Manager, Property Services
Sponsoring Cabinet Member	Councillor David Belotti, Cabinet Member for Community Resources
Background papers	None
Please contact the report author if you need to access this report in an alternative format	

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PROPERTY BOARD

TERMS OF REFERENCE

1. Purpose

To review performance and make recommendations in respect of the management and administration of the Council's Property Portfolio:

2. The Property Portfolio

The Council owns a property portfolio comprising approximately 1,200 property assets. At 1st April 2010, this portfolio had an asset value of approximately £475million.

The Council currently holds and manages these property assets in either its Operational or its Commercial Estates.

The Operational Estate

The property assets used by the Council in the delivery of its services are held within the Operational Estate. This estate was valued at 1st April 2010 at £247million.

The Commercial Estate

The Council owns a large and influential portfolio of investment property, mainly retail premises in the centre Bath, but also elsewhere including those planned for the Keynsham town centre development. At 1st April 2010 the capital value of this estate was estimated at £227million.

3. Role of the Board

The board will review performance and make recommendations in respect of the management and administration of the Council's Property Portfolio.

Decisions are made by the by the Chief Property Officer, within the policy framework set by the Council and the requirements of the Cabinet and the Cabinet Member for Community Resources.

There is a requirement to achieve best financial return in terms of both capital and revenue.

The Board will receive reports which consider:

- Property portfolio – objectives, policy reviews, strategic analysis and strategic plans
- Asset Management – programming and monitoring of AMP related activities
- Capital receipts - from the disposal of surplus property and delivery of the Council owned property developments.
- Revenue - Income generation, void levels and debt management
- Asset acquisitions, disposals, developments and investment opportunities – strategic and high level tactical options, medium term plan and regular updates of progress
- Performance reports

4. Accountability & relationship with the governance structure

The Property Board is not part of the formal decision making process of the Council.

The management of the property portfolio is an Executive function and the extent to which decisions relating to property may be delegated is a matter for the Cabinet to decide.

The Cabinet may decide to delegate certain property related functions to the Cabinet Member for Community Resources who in turn may decide the extent to which those functions may be exercised on his behalf by the Divisional Director of Property.

The Divisional Director of Property is responsible for the day to day management and administration of the property portfolio.

The Chief Property Officer is directly accountable for the development and implementation of the Property Policy of the Council and the Strategic Asset Management Plan, with sole authority and responsibility for the valuation, acquisition, development, disposal and management of all interests in real property.

The Board will report its recommendations into the Placemaking Board and Cabinet, as appropriate..

5. Meetings

The Property Board to meet bi-monthly. Those meetings are to be fully minuted.

6. Membership of the Property Board

The Board will comprise of a membership as detailed in the table below.

The Property Board

BOARD MEMBERS	
Chief Executive	John Everitt
Strategic Director – Resources	Andrew Pate
Council Solicitor **(Monitoring Officer)**	Vernon Hitchman
Chief Property Officer / Divisional Director Property	Tom McBain
Cabinet Member (Community Resources)	Cllr David Belotti
Council Leader	Cllr Paul Crossley
Divisional Director – Support Services (Finance) **(S151 Officer)**	Tim Richens
Non-executive challenge	TBC
REPORTING OFFICERS	
Estates Manager	Richard Long
Building Consultancy Manager	Stephen Sheppard
Property Finance Officer	Julie Bromley

Date – February 2012

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Bath & North East Somerset Council

Asset management plan

Malcolm Grainger
1/4/2012

FOREWORD AND INTRODUCTION FROM THE CABINET MEMBER FOR COMMUNITY RESOURCES AND THE CHIEF PROPERTY OFFICER

OUR CORPORATE VISION FOR THE PROPERTY PORTFOLIO

Councillor David Bellotti	Tom McBain
Cabinet Member for Community Resources	Divisional Director - Property Services Chief Property Officer

Welcome to the first Corporate Asset Management Plan produced since the elections in 2010 and publication of the refreshed vision which puts People and Communities first.

The council'sproperty resources are valued c£500million at current prices and the proper management of these resources gives rise tosignificant opportunities to provide facilities that are both fit for purpose and demonstrate Value for Money (VfM).

This is embodied in a truly corporate and strategic philosophy reflecting service delivery needs whilst encouraging collaboration with partner organisations. The revenue portfolio(c£200m) and all other non-operational assets are judged on purely financial criteria.

The vision for asset management is articulated through the Asset Management Plan(AMP) and in particular the Estates Strategy which sets down the programmesand other mechanisms which contribute to a 5 yearly programme of ongoing comprehensive challenge through the review of assets that reflects service action plans and other service delivery aspirations. Effective management in this way leaves departments to concentrate on developing services from the premises they occupy.

Our vision itself is built around 6 main themes as set out in the Appendix which gives examples of these themes.

1. Strategic and corporate assets
2. Fitness for purpose and VfM
3. Development potential
4. Collaboration and sharing
5. Sustainable assets
6. Investment returns

We continue to face challenging times however the AMP provides a key enabling mechanism to achieve the efficiencies that are required in the future.

OUR CORPORATE VISION FOR THE PROPERTY PORTFOLIO

Our aim is to develop a property portfolio which……..

Treats all assets strategically and corporately.	**Demonstrates Value for Money and Fitness for Purpose.**	**Realises development potential.**	**Encourages collaboration and sharing.**	**Promotes sustainable assets.**	**Produces acceptable Investment Returns.**
To ensure assets are managed strategically so as to support corporate priorities and supplement service delivery.	*To manage assets effectively and efficiently through constantly challenging levels of occupation and utilisation.*	*To use and develop assets in such a way that stimulates the economic activity and encourages the vitality of the area.*	*Encourage collaboration with local communities and partner organisations to bring forward savings through effective use of assets.*	*Minimise the effect on the environment by ensuring assets are sustainable in design, construction, maintenance and operation.*	*Ensure all non-operational assets produce a satisfactory level of financial return.*

Treats all assets strategically and corporately.	**Demonstrates Value for Money and Fitness for Purpose.**	**Realises development potential.**	**Encourages collaboration and sharing.**	**Promotes sustainable Assets.**	**Produces acceptable Investment Returns.**
Retain R&M as a corporately funded matter. Centralise all costs of occupation. Undertake 5 yearly programme of asset valuations. Integrate with Asset Register and Balance sheet. Complete the implementation of IFRS. Develop compliance arrangements with Building Officers. Centralise data management arrangements.	Challenge occupation and utilisation through asset reviews. Achieve rationalisation of the estate. Reduce running costs. Reduce R&M backlog. Benchmark performance. Introduce simple asset statements as part of preparation of service action plans. Suitability surveys as part of asset reviews or by separate programme.	Promote the single Bath Development Project. Maximise capital receipts through disposals and developments. Action individual projects as per approved project plans.	Total Place pilot mapping exercise. National Demonstrator Map. Engagement with partner organisations. Coal Authority data. DCLG Transparency Agenda Disposal policy towards partners.	Reduce energy and water consumption. Reduce CO2 emissions. Encourage sustainable design and construction including BREEAM. Sustainable travel and access policies. Sympathetic management of heritage assets. Recycling. Create local training and employment opportunities. Improve access to buildings through targeted DDA budget.	Calculate individual and portfolio IRR's as part of regular asset valuations. Compare IRR to hurdle/benchmark. Ensure all 3rd party occupations are on full market terms and any financial assistance is transparent and real. Dispose of underperforming assets. Consider investment needs for underperforming assets.

Corporate Asset Management Plan

Introduction

The Council's property asset base comprises some 1,200 assets with current asset (book) value of c£500m.

This significant resource is essential to assist in the provision of the vast majority of Council services provided in B&NES. The optimum benefit from these resources can only be achieved as a result of properly targeted and effective strategic asset management.

This Corporate Asset Management Plan (AMP) sets out arrangements necessary to achieve this through

- Clarifying roles and responsibilities between the Property Services Department and all other departments of the Council.
- Setting out clear responsibilities and financial accountabilities and
- Introducing structured arrangements for challenge and review which assist in dealing with underperforming assets through either disposal of surplus assets or rationalisation and improvement to reflect developing service aspirations.

By adopting these mechanisms Property Services undertakes to manage assets in a strategic and corporate way which allows departments to focus on the delivery of high quality services through the assets they use and occupy.

This AMP reflects the refreshed Council vision which was endorsed by the Council early in 2012.

Structure of the Plan

The Core Asset Management Plan has been reduced to 4 pages together with a number of associated documents as set out in the chart at the end. In order to access these additional papers please use the links provided.

Organisational Framework

The Property Board (PB) is the client body providing the strategic steer on all property matters. Terms of Reference have recently been reconsidered and are reproduced as part of the background information.

Delegated Authority for all property related transactions and expenditure is vested in the Chief Property Officer through the Constitution

The AMP reflects and responds to all current governance arrangements and performance requirements.

Segmentation

In order to understand clearly why we hold each asset, what performance and challenge criteria are relevant and how decisions around retention, management and disposal should be made, the entire asset base has been segmented. This takes into account the high level budgetary breakdown between the Commercial and Corporate Estates but also includes further portfolios dealing with specific asset groups.

Property Aims and Objectives – Asset Vision

Asset Management objectives in Bath & North East Somerset are influenced by

- Financial pressures on both the capital programme and the revenue budget.
- Developing service requirements and changing ways of working.
- The wealth of guidance and instruction from central government and the professional bodies.
- The Sustainable Community Strategy and the wider objectives of partner organisations.

Current property objectives revolve around the concept of best financial return which, in the case of the operational portfolio manifests itself in efficient and effective use whereas revenue properties are assessed directly by reference to internal rate of return (IRR).

The Council's vision for the asset base is built around 6 main themes

7. A model that treats all assets strategically and corporately
8. Demonstrating Fitness for Purpose and VfM
9. Realising Development potential where this is identified
10. Encouraging collaboration and sharing
11. Promoting sustainable assets
12. Non-operational assets that demonstrate acceptable investment returns

Asset Management Priorities for 2012

- The establishment of a cross departmental **asset management group** and the engagement of departmental **property champions**. These representatives provide the link between corporate **Asset Review** and departmental **Service Planning**.
- Closer **liaison with services** to work alongside them in developing the asset base to align with service action plans and other emerging service aspirations whilst recognising the corporate and strategic aspect of the estate.
- Increasingly **Asset Review** is moving towards consideration of geographical areas rather then discrete services and the programme in the **Estates Strategy** reflects this.
- Understanding **financial accountabilities** with a clear demarcation between budgetary responsibility and operational activity.

- The **Property Protocol** sets out clear roles, responsibilities and accountabilities between Property Services, occupiers and others. For historical and other reasons these arrangements have never been embedded in the Council however this will be a key outcome from the establishment of the Asset Management Group referred to above. This will also reduce any financial inconsistencies and reinforce the corporate client as the notional property landlord.
- Continuing to operate the programmes of Asset Reviews to understand the performance of assets or groups of assets so as to enable informed decisions around possible retention, management or disposal. The Asset Review is the culmination of the assembly of intelligence comprising condition, suitability and other factors arising from the various programmes of work contained in the **Estates Strategy**.

Process

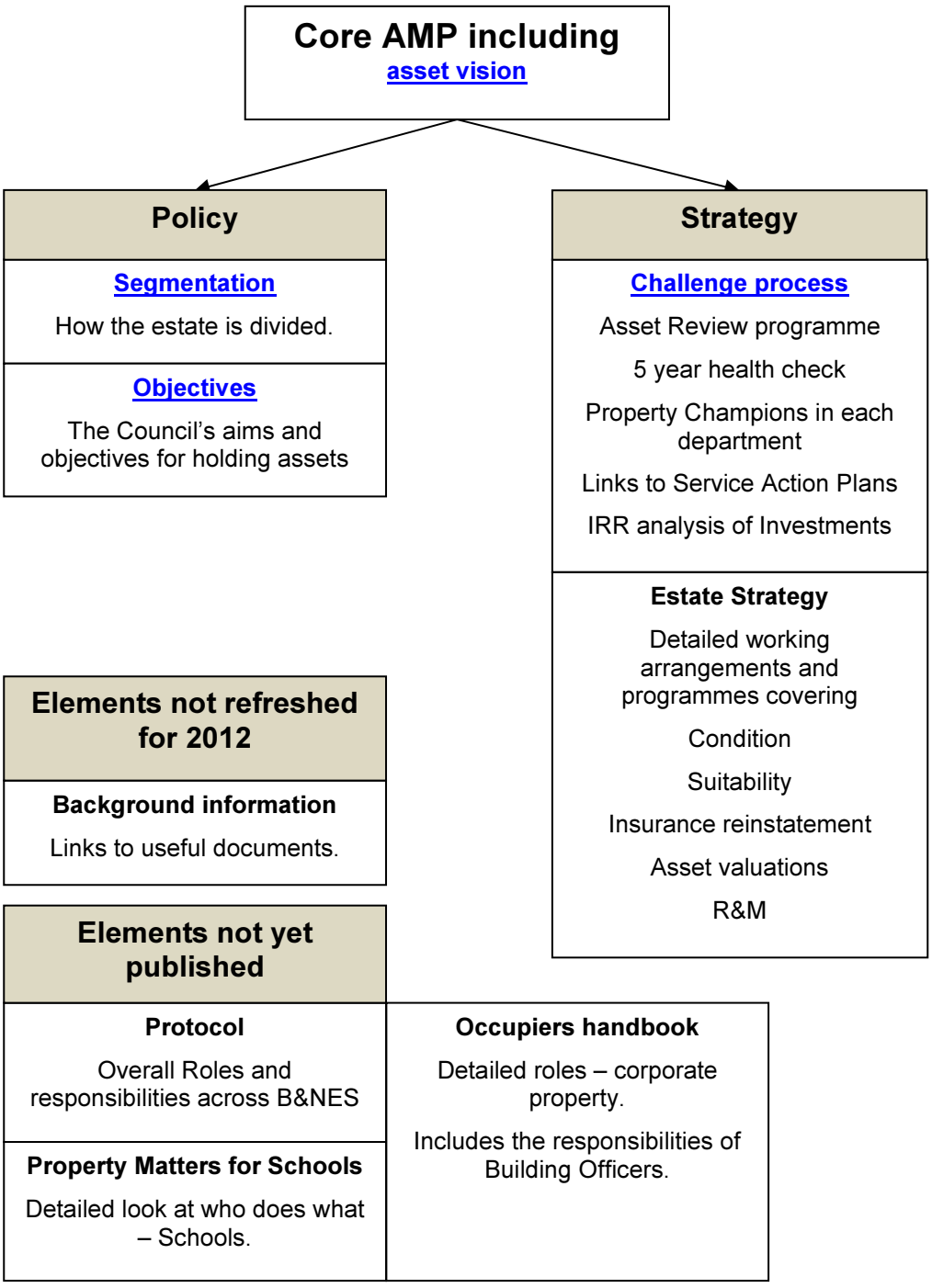
The 5 yearly programme of Asset Reviews ensures that each and every asset is looked at comprehensively at least once during this timescale and a recommendation made around retention or other action including disposal.

Where a property satisfies the relevant portfolio performance criteria then it will be retained in the appropriate primary portfolio and brought forward for review during the subsequent 5 year cycle.
Where these criteria are not satisfied then the property will be considered for reallocation to one of the secondary portfolios for appropriate action.
Detailed assessment is undertaken using performance models however this exercise is not totally scientific and final decisions will become increasingly subjective depending on overall circumstances.

B&NES Asset Management Structure 2012

The following diagram illustrates the overall structure of the AMP for 2012. The links below can be used to access individual sections. These divide into 2 distinct threads

- static information covering core information, segmentation, objectives, roles and responsibilities etc.
- the dynamics of the challenge process and the programmes that support and inform this.



Segmentation

1 Why the estate has been segmented

In order to implement the various items of the AMP the entire estate has been segmented so as to understand clearly why we hold each asset, what performance and challenge criteria are relevant and how decisions around retention, management and disposal should be made. This is constantly evolving as assets are reviewed and circumstances change.

This segmentation has 2 elements

- Firstly all assets have been allocated to one or other of the Divisional Directors and recorded against that Director in the Asset Register. This takes the form of an allocation rather than ownership thus reinforcing the corporate nature of assets whilst giving clear stakeholder responsibilities pursuant to the Property Protocol.
- Secondly all assets have also been allocated to a portfolio which confirms the purpose for holding a particular asset. Portfolios are either primary or secondary; all assets are allocated to a primary portfolio initially.

This portfolio segmentation is expressed in diagrammatic form in the chart at the end of this document.

2 Primary Portfolios

- **Operational** Assets held primarily in support of service delivery. Performance assessment in this respect revolves around efficient and effective use, minimising costs of occupation and exposure to risk. Within this portfolio there is a further division to distinguish between conventional service delivery and services that are provided through a partner or other 3rd party organisation.
- **Commercial** Non-operational Investment Assets held in order to maximise direct financial return. Performance is judged in terms of internal rate of return (IRR). This comprises the core Commercial Estate and other non-operational assets which do not directly support service delivery but which are not appropriate for either development or disposal.

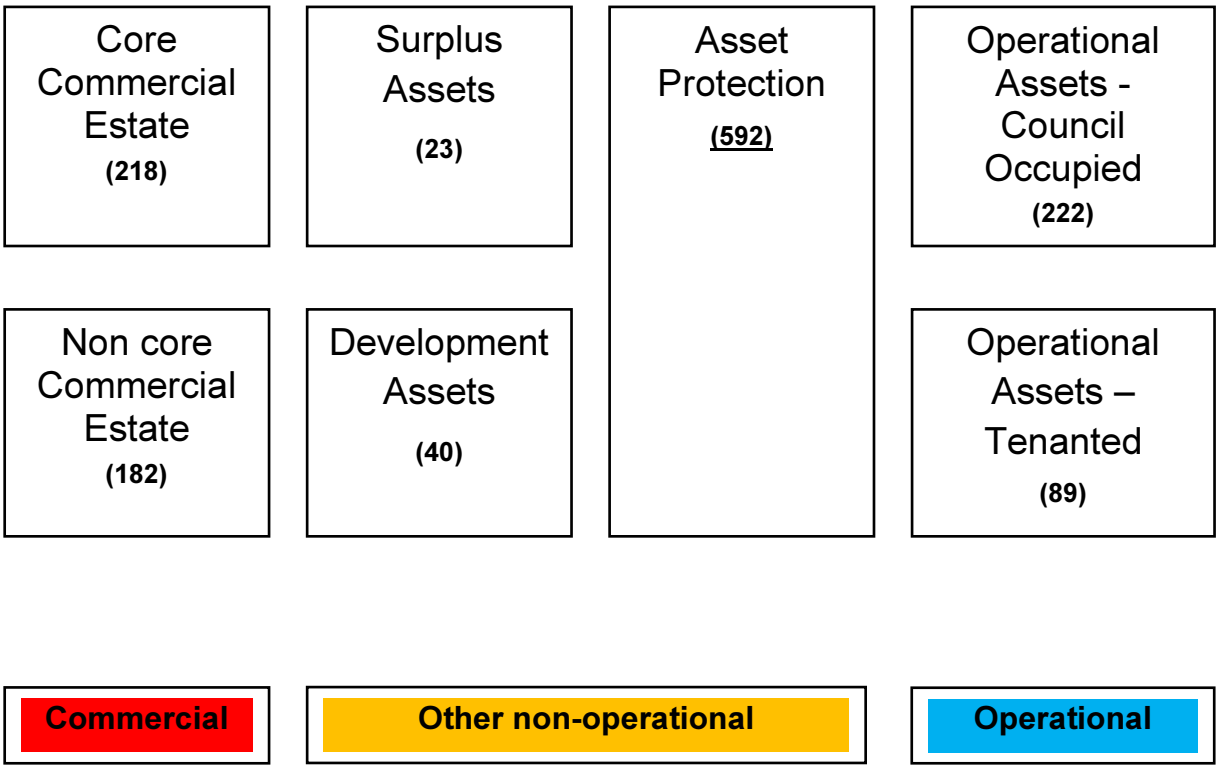
In addition the following, although primary assets, are not subject to review and challenge because they have no defined useful life and are incapable of realisation.

- Community assets - Includes Parks and Gardens, Play Areas etc.
- Infrastructure assets - Includes roads, bridges etc.

3 Secondary Portfolios

Pursuant to the programme of reviews described in the Estates Strategy or through service development, underperforming assets are identified and will be reallocated to one of the secondary portfolios for individual action. The potential secondary portfolios are set out below

- Development – properties identified for redevelopment, ie where potential alternative value exceeds existing use.
- Disposals - surplus land and buildings. In most cases the property will be available for immediate sale however in certain circumstances it would be appropriate to retain it in the short term to enable greater value to be realised from (eg) the grant of planning permission.
- Asset Protection assets which do not directly support service delivery but which are not appropriate for either development or disposal. Policy for ongoing retention surrounds mitigation of any risks and costs associated with that ownership.


Core Commercial Estate (218)
Surplus Assets (23)
Asset Protection (592)
Operational Assets - Council Occupied (222)
Non core Commercial Estate (182)
Development Assets (40)
Operational Assets – Tenanted (89)
Commercial
Other non-operational
Operational

Asset Management Objectives

1. Corporate Vision and Objectives

The Council's overall corporate vision has recently been refreshed around putting People and Communities first. This can be viewed via the Council Website at http://www.bathnes.gov.uk/news/visionandvalues2012/Pages/default.aspx The vision provides that

Bath and North East Somerset is an area:

Where everyone fulfils their potential

With lively, active communities,

With Unique places and beautiful surroundings.

This vision is linked to corporate objectives as below

Promoting independence and positive lives for everyone

Creating neighbourhoods where people are proud to live

Building a stronger economy

2. Property Objectives

The ways in which the above corporate objectives and priorities link to the asset base are set out at a high level in the vision for the property portfolio.

Property Board has given clear instructions that the property portfolio is to be managed so as to maximise best financial return. This can manifest itself in 2 ways depending on the primary portfolio.

- Operational property will demonstrate financial return through efficient use of assets, minimising operating costs and mitigating exposure to risk. Performance is assessed through a series of KPI's that reflect the corporate priorities and vision.
- Revenue property will be judged on pure financial return in the shape of the internal rate of return (IRR). Sub portfolios are assigned differing target rates to determine management actions. Other non-operational property will be managed with the aim of minimising risk and expenditure.

The portfolio as a whole does not support corporate priorities directly however across the board it supports all priorities through providing a financial contribution to the Council.

In addition to the above factors the following statements support the Council's vision for assets

The Council will

- Use and develop assets to help deliver corporate priorities, service delivery needs and the wider objectives of the Sustainable Community Strategy.
- Collaborate with partner organisations to ensure the needs of the community are reflected in all asset decisions.
- Improve the accessibility to properties in response to the community's choices.
- Wherever possible utilise Council assets to enable community empowerment.
- Make a significant investment in the quality of operational property, whilst optimising the utilisation of land, buildings, energy and other resources.
- Protect assets by active management to eliminate encroachments, claims for adverse possession or any other difficulties.
- Ensure fitness for purpose and value for money.
- Ensure that the revenue portfolio achieves financial targets established and managed by reference to industry standard performance indicators.
- Manage all properties in the most economic, effective and efficient manner.
- Support the Council in the progression of its major property based strategic developments.
- Maintain the contribution to the built environment and the tourism economy derived from the Council's property assets.

Review and Challenge

4 Challenge Objectives

Proper and effective challenge of the performance of assets provides the cornerstone of the AMP. Every Asset is subject to full scrutiny at least every 5 years in accordance with the programme set out in the strategy. Additional challenge may result from the need to review discrete groups of assets either on a geographical or service basis. Typical outcomes are summarised below.

- release of capital for re-investment or debt reduction;
- improved running costs;
- better public service provision by improved propertyand co-location of services;
- property in good condition;
- improved property utilisation and bringing togethersimilar uses into the same property, ratherthan providing them separately;
- improved productivity, changes in corporate cultureand facilitation of corporate change;
- improved delivery of community objectivesthrough the more effective use of property;
- innovative strategic procurement.

The Council is experiencing pressures on both the revenue budget and the capital programme.Effective challenge and the above results will help to ease these pressures as well as providing the opportunity to support the Council's corporate and service objectives.

5 Possible outcomes

Where a property satisfies the predetermined criteria set for the portfolio in question then it will be retained in the appropriate primary portfolio and brought forward for review during the next 5 year cycle.

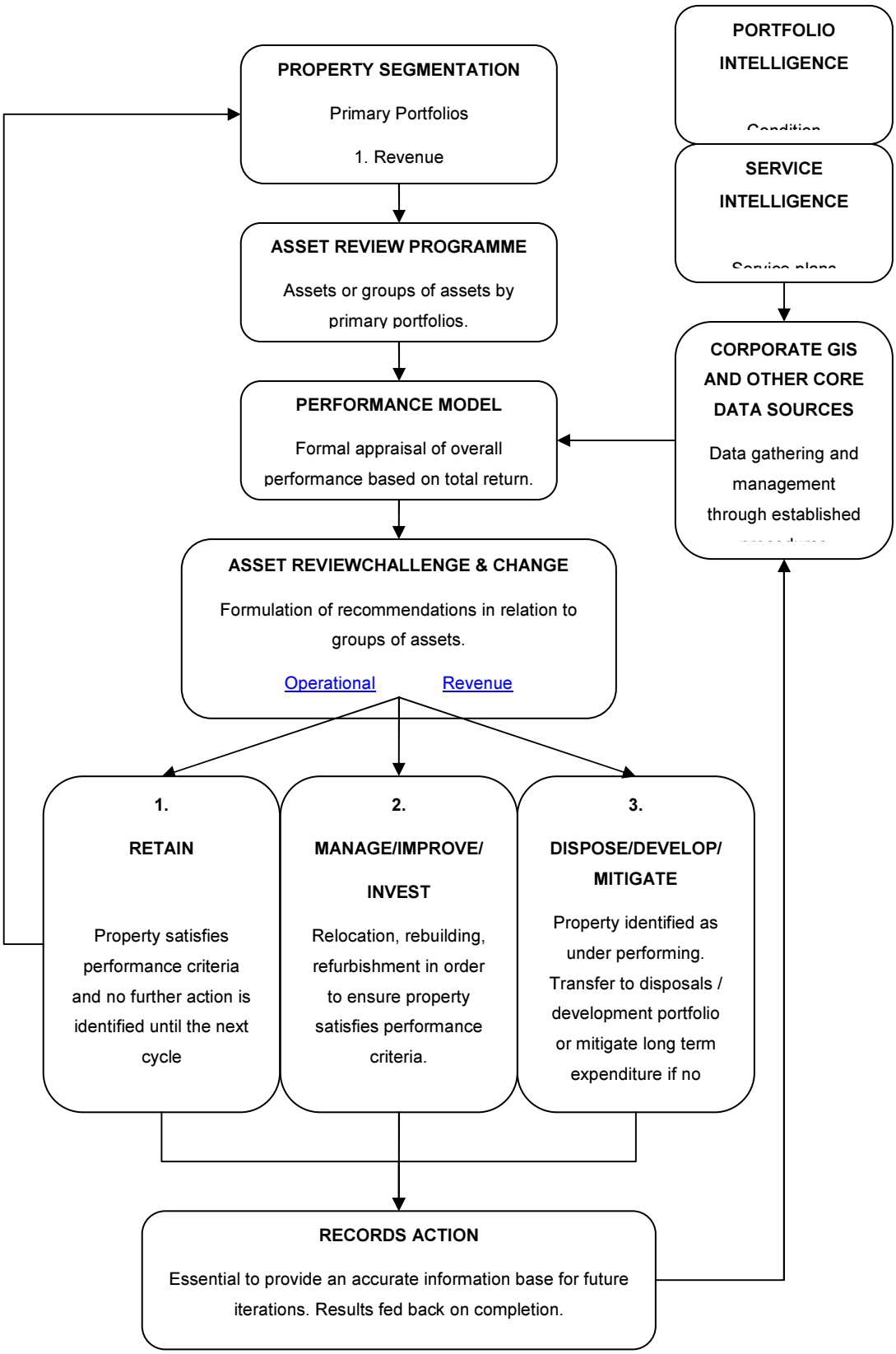
Where these criteria are not satisfied however, then the property will be considered for allocation to one of the secondary portfolios for appropriate action.

The potential courses of action include

- Retention for operational need – the asset satisfies the criteria and will be retained.
- Development – properties identified for redevelopment, ie where potential value exceeds existing use value.
- Disposals - surplus land and buildings. In most cases the property will be available for immediate sale however in certain circumstances it would be appropriate to retain it in the short term to enable greater value to be realised in the future.
- Retention other than for operational need – where disposal is not a realistic option then it may be necessary to retain ownership of an asset and mitigate any risks and costs associated with that ownership.

This whole process is illustrated in the flowchart on the following page. Operational and Revenue assets exhibit differing characteristics and the flowchart includes links to more detail by primary portfolio.

(a) Asset Review Flowchart



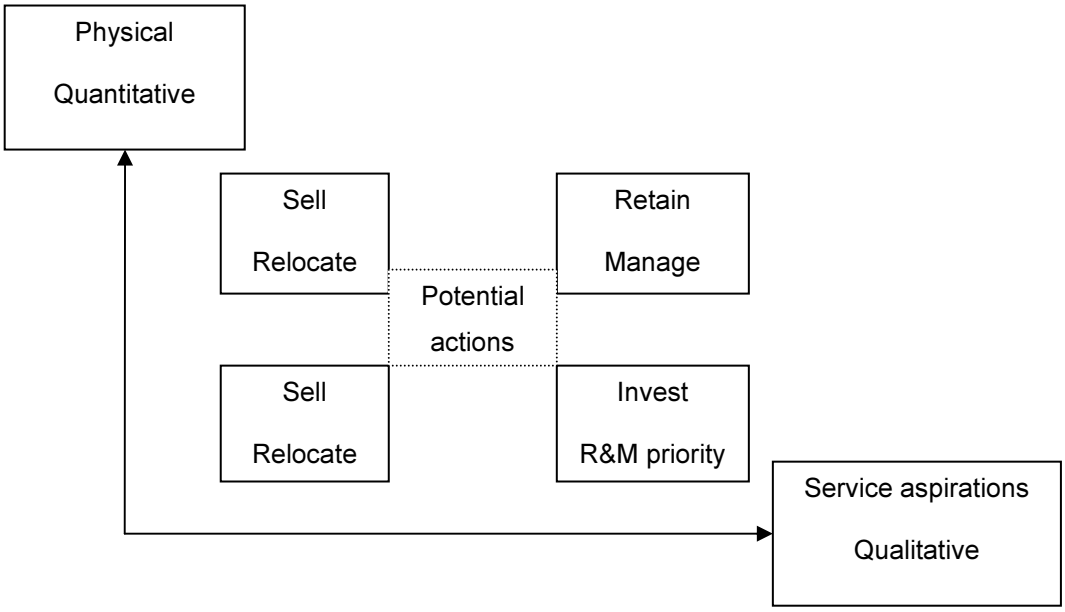
Review and Challenge - Operational Portfolio

6 The property performance model and asset review

6.1 Introduction

Ongoing challenge of the occupation of the operational portfolio is facilitated by information gathered pursuant to procedures explained elsewhere in this AMP. This information then needs to be analysed through a model which will produce an objective assessment of the various factors leading to an overall score by which properties can be assessed, compared and appropriate recommendations made. The model judges performance on a combination of quantitative, ie physical, and qualitative, ie subjective, factors.

This is represented diagrammatically below.



6.2 Components of the Model

The factors which need to be considered fall into the 2 main headings described above, ie quantitative and qualitative. Within these 2 large areas the following gives an indication of the sorts of considerations that may apply:

a) Running costs.
b) R&M and Condition.
c) Legal Title.
d) Development and Planning.

e) Suitability.
f) Council Policy.
g) Service objectives.

6.3 Outcomes

The model can produce a straightforward score per property however where a group of properties is being considered (at a geographical or service level) the results will become more subjective and contribute to informed decisions embellished by service needs and any other relevant factors.

Hence a property that is inherently fit for purpose and suitable from the occupier's perspective but in poor condition should be targeted in terms of Repairs & Maintenance and other investment wheras a property in good condition but which is in a poor location or unsuitable for other reasons is unlikely to be retained and consideration should be given to relocation and/or disposal of the asset.

At the completion of any review the options will present themselves as a combination of the results from the model tempered by more overall considerations including political, service delivery, cost and timing. Possible recommendations could include

a) Retain as existing - do nothing.
b) Invest/improve.
c) Amalgamate service areas or properties.
d) Reallocate or rehouse.
e) Dispose of surplus property.

Review and Challenge – Commercial Portfolio

7 The property performance model and asset review

7.1 Introduction

In contrast to the operational portfolio, the revenue portfolio is judged on financial performance based around an assessment of the Internal Rate of Return (IRR) and whether such IRR is greater than a pre determined hurdle.

7.2 Assessment of the objectives for the revenue portfolio

Current objectives are now formulated around the concept of total financial return. The mechanics of this is known as Internal Rate of Return (IRR) which is the rate of return that equates to a Net Present Value (NPV) of zero taking into account the capital value of the asset, all rental flows and other relevant physical and management costs.

7.3 Consideration of the portfolio mix

The revenue portfolio comprises many different types of property, which each exhibit subtly different characteristics and therefore requires differing strategies to maximise performance. Details of the portfolio mix are contained in the Estate Strategy Appendix 2

7.4 The process of Asset Review

Asset Review in relation to the revenue portfolio includes the following stages

- An ongoing assessment of the current objectives.
- Analysis of the mix of properties within the portfolio to enable individual strategies to be formulated. Each property category will have different characteristics that require different considerations.
- The construction and implementation of a Property Performance Model (PPM) to carry out an analysis of total financial return.
- Ongoing reassessment and review of properties either individually, geographically or by sector/category.
- The creation of a re-investment mechanism to provide resources for projects to improve the estate as a whole.

7.5 Property performance model

The model will have two purposes:-

- To provide an objective decision making framework for comparison of properties in order to analyse the costs and benefits of holding a non-operational property portfolio.
- To provide a basis for year-on-year measurement of the past performance of the portfolio.

The PPM will essentially comprise two levels of assessment.

Level 1:

An analysis of the current and projected income streams using a discounted cashflow approach. The resulting IRR will then be compare against a benchmark or hurdle rate.

Where an asset exhibits an IRR above the benchmark or hurdle it will be retained and brought forward for reassessment in the next cycle.

Level 2:

All properties that do not achieve the primary financial benchmark will need to be considered further in the context of the Council's wider service and strategic objectives. This will include an examination of whether an asset should be retained, improved, appropriated or sold.

Depending on the outcome of this further examination properties may be reallocated to one or other of the secondary portfolios for further action.

(b) Internal rate of Return

Discounted cash flow (DCF) analysis may be used to assess the internal rate of return (IRR) received from a property asset. By applying an anticipated income stream over a given holding period, while allowing for growth and outgoings, the DCF will calculate a discount rate that will produce the equivalent capital value. The IRR accordingly represents the overall annual rate of return that the investment will generate.

The DCF comprises three basic elements:

Entry Value.

Income and expenditure stream over the holding period

Exit Value

The DCF starts with an entry value, which represents the opportunity cost of acquiring that asset. This value is generally taken as the current asset value of the property. An income stream is then applied over a specified holding period, net of any expenditure. A growth rate will be selected which can then be applied to the property's full rental value at any review of rent during the holding period. At the end of the holding period the DCF will show an exit value, calculated by applying a reversionary yield to the FRV with applied growth as at the exit date.

(c) The "Hurdle" Rate

The internal rate of return produced from a property asset will be assessed against a hurdle rate. If the property produces an IRR, which exceeds the hurdle rate then it can be deemed to be performing well as an investment asset and should be retained.

It is proposed that the hurdle rate is represented by either the opportunity cost of an alternative investment or the cost at which the Council could borrow capital.

It is suggested that further consideration is given to identifying and eventually selecting the most appropriate indicator to use as the "Hurdle" rate.

Estates and R&M Strategy

Introduction

This Strategy provides the implementation arrangements for the Corporate Asset Management Plan (AMP) and includes all relevant programmes which contribute to the assessment of the overall performance of assets. Reporting mechanisms for these programmes, where relevant, follow the timetable for Capital Strategy Group (CSG), Projects Programme Board (PPB), Property Board and the Change Programme Board as well as individual project boards.

Programmes generally are managed under a project management philosophy including establishment of project plans incorporating milestones, gateways and individual reporting arrangements.

Details of individual programmes are not published however an explanation of the methodology is given below together with a summary detailing the mechanisms for management. Detailed monitoring is undertaken at project/programme level.

The overall aim of the strategy is to contribute to the efficient use of assets through the regular programme of asset review which is informed by the assembly and confirmation of accurate intelligence surrounding subject assets. The elements of intelligence are set out in the following sections.

A. **Condition Surveys**
B. **Repairs & Maintenance**
    1. **Capital Planned Maintenance**
    2. **Revenue Planned Maintenance**
    3. **Service Contracts**
    4. **Equality (formerly DDA) improvements**
    5. **Responsive**
C. **Asset Valuations**
D. **Insurance Reinstatement assessments**
E. **Development Sites**
F. **Surplus Property (disposals portfolio)**
G. **Asset Protection**
H. **Asset Review**

A. Condition Surveys

Every asset owned by the Council is subject to a full elemental Condition Survey every 5 years. The surveys are used to populate core systems with ORMS (outstanding repairs & maintenance items) which form the base intelligence for prioritisation of repair programmes in order to minimise responsive expenditure. This is set out further in the R&M Strategy below.

The full 5 yearly surveys are supplemented by an annual inspection and compliance check which updates existing ORMS and ensures all statutory responsibilities are discharged.

B. Repairs & Maintenance Strategy

Aims and objectives

The aim of this strategy is to articulate the ways in which Property Services manage Repairs and Maintenance (R&M) and how this contributes to the best use of property by understanding the condition of the stock, the priorities for dealing with maintenance requirements leading to the most efficient allocation of scarce resources.

This is achieved by setting out the broad processes by which the Council's maintenance needs are identified, managed, monitored and reported. This leads to constant improvement and an understanding of how Repairs and Maintenance (R&M) contributes to service delivery and ultimately the Council's core values. This is undertaken largely through a series of programmes, more details of which are set out below.

Introduction/Background

The Chief Property Officer (CPO) through Property Services is the custodian of the Council's building assets and has ultimate responsibility for ensuring that they are maintained to an appropriate level.

Maintenance has previously been subject to the regulatory backdrop pursuant to the Key Lines of Enquiry (KLOE) under CPA 2008 and CAA 2009. This governance framework no longer endures however many of the performance standards remain.

Particular to B&NES and the City of Bath is the physical characteristics of the stock, being within a World Heritage Site and subject to Conservation Area and Listed Building regulations.

This has 2 effects; firstly to increase the level of expenditure necessary to put in place effective maintenance but in contrast giving the opportunity for the Council to demonstrate exemplary practice in maintaining its own buildings as a way to encourage other landowners to do the same.

Roles and Responsibilities

As set out above, Property Services is responsible for all R&M. For all operational properties other than schools this is administered through either the revenue R&M budget or via the Capital Programme. Schools have their own arrangements depending on the status of the school and in limited cases budgets have been devolved to occupying departments.

In the case of the revenue portfolio many of the leases are on fully repairing terms which means that the responsibility for repairs rests with the tenant however in certain circumstances the Council retains responsibility for the repair of the main structural components and common areas such as staircases. Some leases also contain provision for the recovery of R&M expenditure through service charges or by direct recharge.

Need

Buildings require maintenance over a period of time for a variety of reasons. These needs may be categorised in a number of ways including

- In order to retain a level of comfort and satisfaction from the occupier's perspective.
- To prevent deterioration of the stock.
- For Health and Safety reasons.
- To satisfy legislative requirements.

Types of R&M

The R&M Budget is divided into 3 distinct elements

- Planned
- Responsive
- Servicing and regular inspections of plant and equipment.

R&M expenditure, like all other, is also divided into Capital and Revenue. The definition of Capital Expenditure is governed largely through accounting rules and relies on the expenditure prolonging the life of the asset, ie going beyond simple replacement and repair of existing.

In terms of undertaking R&M, all revenue expenditure is funded through the R&M Budget and subject to ongoing financial control and management. Capital expenditure on the other hand is sourced from the Capital programme and is subject to the PID process which provides for an annual approved programme which is managed in accordance with established project management arrangements.

Planned maintenance may include regular servicing but also items that occur less frequently such as redecorating and replacing roof coverings. The latter provides an irregular pattern of expenditure over time and is usually discharged through an approved programme of works. Such programme is based on settled intelligence derived from ORMS held within Property Services core data systems. Each year the priority list of planned maintenance is formulated and approved by the Property Board.

Good practice dictates that a high level of planned maintenance as opposed to responsive will result in

- A more orderly process.
- A more cost effective solution.
- Less disruption for occupiers.

The strategy is therefore geared to reducing responsive maintenance and increasing the level of planned maintenance.

Intelligence and Methodology

Condition Survey Programme

The previous section explains the high level programme of Condition Surveys. This takes the form of a full 5 yearly elemental survey. In the intervening years this intelligence is updated through annual (largely) desktop surveys which also verify compliance with statutory obligations and analyse risk of non-compliance.

Surveys also have regard to the terms of any occupation and identify where responsibilities have been devolved to tenants or other occupiers.

(d) Scoring

The condition rating has two components; the first is a condition grading from A-D and the second a priority rating from 1-4. This standard methodology is derived from a number of sources including that emanating from central government, particularly in relation to schools, but also guidance from CIPFA and other professional bodies.

(e) Condition

Grade A - Good. Performing as intended and operating efficiently.

Grade B - Satisfactory. Performing as intended but exhibiting minor deterioration.

Grade C - Poor. Exhibiting major defects and/or not operating as intended.

Grade D - Bad. Life expired and/or serious risk of imminent failure.

(f) Priority grading

Once the condition of premises has been assessed, priorities are allocated to each item according to the seriousness of the condition revealed and the urgency associated with any need to repair, taking into account all factors including potential breaches of legislation or other regulation.

Priority 1. Urgent work that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach of legislation.

Priority 2. Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and/or remedy a less serious breach of legislation.

Priority 3. Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.

Priority 4. Long term work required outside the five year planning period that will prevent deterioration of the fabric or services

Thus a rating of D1 represents the most urgent items with a rating of C3 representing work required in the medium term. Items rated A4 being the least onerous in terms of the urgency of any repair works.

(g) Work programmes

Results from the Condition Surveys and the resultant ORMS form the basic intelligence upon which to prepare and manage programmes of necessary repair. See below for details of the programmes that currently operate.

(h) Procurement

All R&M is subject to the Council's financial and procurement rules depending on the nature of the work involved. This governance structure includes

- Financial Regulations,
- Contract Standing Orders,
- The scheme of delegations within Property Services.

At the smaller end of the financial spectrum individual items are procured by simple maintenance order using established approved contractors, wheras in the case of larger value matters more formal arrangements are dictated including where relevant formal tenders with full legal documentation.

(i) Performance

The above processes are geared around understanding the needs and requirements and ensuring that resources are spent in the most efficient way in response to those needs. Much of this will be achieved through traditional budgetary and cost control but increasingly a formal project management methodology is being adopted.

Performance outputs link to corporate need but within Property Services a set of KPI's is in the course of being introduced that will inform performance of the asset base as well as elements within it, either geographically, by type or through other segmentation. This performance reporting also forms part of the overall asset review programme intended to identify assets for retention, management or disposal.

(j) Programmes

As indicated above R&M is categorised at a high level as planned or responsive with an overall aim of increasing planned with a consequent reduction in responsive. Where the element of R&M is provided through a programme the detail of that programme is set out below.

1) Capital Planned Maintenance

To confirm, what qualifies as capital expenditure is set out within accounting arrangements. Outputs from the Condition Survey process are split between capital and revenue and the capital items used as the basis for a capital programme of R&M. All capital expenditure is subject to the Council's capital planning arrangements which require the submission and approval of a Project Initiation Document (PID) before any commitment to the capital programme can be made.

2) Revenue Planned Maintenance

All revenue expenditure is managed within service budgets, and in the case of R&M this is managed within the overall Property Services budget structure. Although not subject to the Council's capital arrangements, in practice this budget is managed in a similar manner.

3) Service Contracts

Certain elements of R&M are undertaken through regular contractual arrangements. The existence of a new contract is recorded and the anticipated spend against that contract profiled on an annual basis with a retrospective reporting and analysis regime per contract.

4) Equality (formerly DDA) improvements

Works to satisfy the Equalities Act 2010 (formerly the Disability Discrimination Act) are regarded as capital and dealt with in exactly the same way capital planned maintenance above.

The works to satisfy this legislation rely on access audits as the basis of intelligence. These audits were put in place some while ago and the overall compliance in this area is good

however a refresh of the access audits is now due. This will reflect changes to the legislation and additions or changes to the physical assets.

5) Responsive

Although not strictly a programme it is considered that this is an area where the potential for efficiency savings is greatest. This area of expenditure is currently subject to a retrospective reporting regime as the means of cost control and budget management.

C. Asset Valuations

In accordance with CIPFA and other requirements a programme of RICS Red Book Asset Valuations are carried out at least every 5 years and more frequently in the event of a material change in the assets and/or its value. These valuations are recorded on Property Services core systems and used in the preparation of the Balance Sheet every year.

D. Insurance Reinstatements

Insurance reinstatement cost assessments are undertaken by Building Consultancy in accordance with an agreed programme based on regular output from ECS. This programme is based on a 5 yearly iteration with individual instructions in the case of new buildings, substantial changes to existing assets and the sale of surplus assets. The assessed reinstatement cost is then used as the basis for cover arranged by Insurance within 3 main policies, Commercial, General and Schools.

E. Development Sites

Development sites are characterised by the difference between potential values compared to that based on the existing use.

Each potential site will be assessed by the preparation of individual project plans which set out anticipated outcomes and key milestones throughout the project period.

Targets include projected outcomes in terms of both capital receipts and/or enhanced revenue flows both of which being reported to Property Board, Capital Strategy Group and Projects Programme Board. Project plans also include arrangements for collection of income and payment of outgoings during the project period.

Delivery of projects includes management of building contracts, building agreements and leases.

(k) Aims and objectives

- Identify Opportunities for development opportunity.
- Prioritise competing claims and bids.
- Produce detailed project plans for all development schemes
- Reflect opportunities in terms of capital receipts and/or revenue flows

F. Surplus Property

All property assets of the Council are allocated to one or other of the Divisional Directors.

Where assets or groups of assets are considered surplus, either through service planning, formal asset review or by other means they are processed through the surplus land procedure. This circulates all details to all Divisional Directors and other stakeholders inviting expressions of interest. This results either in the property being reallocated or, in the event of no interest, considered further with the aim of disposal.

(l) Aims and objectives

- Operate surplus land procedure pursuant to the AMP
- Reallocate assets to most appropriate user.
- Where no interest process disposal
- Identify appropriate method of disposal
- Report through the Council's governance.

G. Asset Protection

The majority of assets of the Council will be held either for operational reasons, ie to support front line service delivery or for revenue reasons in order to maximise real income.

Certain assets do not share these characteristics however and will be held for asset protection objectives. The main focus in the management of such assets will be to prevent deterioration, unnecessary expenditure and exposure to risk. Many of the reasons for holding these assets will be historical.

Identification of asset protection issues and any proposals for regularisation will form part of the asset review process.

(m) Aims and objectives

- The focus of estate management action will be to minimise risks associated with the asset and take such action as is necessary to protect the value and integrity of the asset.
- This may result in regularisation of encroachments and other occupations.
- Alternatively this will demand cessation of any unauthorised activity.

H. Asset Review

i. Operational portfolio asset challenge

The cornerstone of this aspect of the strategy is the combination of all the asset intelligence to provide a clear challenge of each and every property asset held by the council.

An indicative programme has been prepared alongside the 5 yearly programme for Asset Valuations across the whole Estate. This is based on service areas as designated in the

Asset Register however future programmes may include an element of geographical reviews.Formal reviews can be undertaken on an individual basis, or alternatively using a service or geographical approach.

ii. Commercial portfolio asset challenge

The commercial or revenue portfolio provides the Council with income to support the delivery of its services. This portfolio has now been split between core commercial investments largely in the retail centre of Bath, other revenue assets in more peripheral locations and revenue producing assets which are more closely linked to service delivery aspirations. In a small number of cases revenue producing assets are held pending development or disposal and in those cases revenue expectations are set out in the individual project plans.

The key driver for core commercial investments is to maximise income through total financial return.

List of projects undertaken that have added value to the property portfolio

Property	Brief description
7-14 Milsom Street (Jolly's)	Restructure of complex freehold and leasehold ownerships to rationalise commercial lease to House of Fraser, resulting in substantially increased rental. With the anticipated additional benefit from House of Fraser's long term commitment to Milsom Street will have on the value of adjoining Council properties.
Duck Son & Pinker	Re-gearing of long leasehold interest in return for a capital receipt
22/23 Westgate Street (Komedia)	Letting of a disused cinema at the end of its useful life as a new entertainment venue, unique to Bath, in consideration for an increased rental stream.
Milsom Place	Merger of former Shires Yard shopping centre with adjoining redundant, but listed, Octagon building, creating a larger shopping destination, resulting in consolidation of rental income and a capital sum as well as removing the associated liabilities of significant listed building from the Council.
7/9 Broad Street	Relocation of Postal Museum, conversion of upper floors to residential use and refurbishment of ground floor & basement retail, resulting in increased rental.
1-9 New Bond Street (Post Office block)	Working in partnership with the head leaseholder a lease restructure linked to development to allow very under-utilised prominent city centre building to be brought into retail and residential use, including extension of retail pitch along New Bond Street. Also providing a new home for the Postal Museum, in return for a capital receipt
Kingsmead Motors Site (Now Multiplex)	Development and lease restructure to facilitate the creation of a multiplex cinema and leisure complex. Development by way of building agreement followed by long lease, in return for a capital receipt.
7-9 Lower Borough Walls	Strategic acquisition for redevelopment
66 Walcot Street	Refurbishment of vacant grade II listed building to provide self-contained office accommodation.
Arlington House	Major lease restructure to release substantial marriage value, in return for a capital receipt.

Property	**Brief description**
Southgate	Property negotiations to enable the development, by way of building agreement and lease restructure, to allow major mixed use redevelopment, including re-provision of public car parking and residential use on upper floors, in return for a capital receipt. Followed by subsequent sale of the freehold in the resulting development generating further marriage value.
Charlton Road, Keynsham	Development of derelict depot and rough car park area to provide major new food-store adjoining the High Street. Work in partnership with local developer resulted in capital receipt and positive benefits to the High Street.
Green Park House	Disposal of redundant elderly persons home for a substantial capital receipt to allow redevelopment opportunities to be realised at considerably above basic value by exploiting the marriage value by merging ownership with the adjoining property.
Linear Way	Creation of Print Services workshop together with market letting of disused building, resulting in both increased rental income to the Council and assisting major educational organisation (and employer) in retaining facilities within the City, whilst generating a new income to the Council.
9A York Street	Splitting of this unused part of the building from offices and converting to shop, resulting in increased rental income.
Binks Café	Use of Council asset to allow major refurbishment for catering facility associated with the city's Roman Baths.
2 Stall Street	Conversion from public house to retail shop, resulting in increased rental income.
Northgate House / Lewis House	Property swap involving the acquisition of the freehold of Lewis House. This formed part of the then Long Term Office Accommodation Strategy and facilitated the development of Lewis House as a key long term office.

List of short/medium term opportunities (completion anticipated within 5 years) that are currently being progressed that will add value

Property	**Description**
Broad Street	Release and sale of flats as result of lease restructure.
Northgate Street	Lease amendments to commercial element to allow conversion of upper floor to residential for disposal.
Hot Bath Street	Accept lease surrender & split into separate residential/shop/commercial hereditaments to release latent value.
Bluecoat House	Disposal by way of building agreement and long lease of historic landmark building, presently obsolete in its current configuration, for conversion to mixed restaurant and residential use, in consideration for a capital receipt.
Sawclose	Key city centre regeneration site. Disposal being negotiated of long leasehold interest in site, linked to a building agreement, to allow mixed restaurant and hotel/casino development, in consideration for a capital receipt.
Bath Quays South	High profile, major employment redevelopment site fronting the River.
Sainsbury's	Development combined with lease restructure to release marriage value from major food-store
Roseberry Place	Strategic riverside redevelopment opportunity for retail or employment use furthering the improvement of the Lower Bristol Road. Part owned by the Council, this site could form part of a chain of transactions with other sites both in Council and private ownership, which could in aggregate generate substantial marriage value.
Stall Street	Combining the two existing units to create residential on upper floors
Milward House	Sale of obsolete office building for residential development. Forming further stage in the regeneration of the Northern end of Keynsham following the development of the new Tesco food-store (see above)
Kingsmead North	Sale of low density workshop sites for hotel development. This forming the next stage of the regeneration of the James Street West area started with the multiplex development (see above) and

	strengthening links to the new Western Riverside district.
K2, Keynsham	Sale of strategic residential site, in return for a capital receipt.
Milsom Place	Incorporation with adjoining unit to release marriage value by way additional rent from the head-lease.
Cattle Market	Major employment / mixed use redevelopment site, the development of which will provide better link between the City Centre and the Walcot retail areas, so potentially enhancing off site rental values in due course, in consideration for a capital receipt.
Podium	The planned comprehensive development / reconfiguration of the Podium will result in an improved offer for the Library accommodation
Manvers Street Car park	Major employment redevelopment site. Current negotiations for relocation to the site of two local businesses to facilitate their expansion.
7-9 Lower Borough Walls	Redevelopment opportunity, for potential alternative use.

Bath & North East Somerset Council

Property Services

Presentation by the Chief Property Officer to

Resources Policy, Development and Scrutiny Panel

26 March 2012

"Property Board Operation and Direction of Travel"

Bath & North East Somerset Council

The Property Portfolio

- 1,200 Property assets - £475million
- The Operational Estate - £247million
- The Commercial Estate - £227million
- Community/Infrastructure/Non-operational portfolio - £1million

(01 April 2010)

All property assets (with the exception of Schools and Heritage buildings) are corporately held

Bath & North East Somerset Council

Property Board Operation and Direction of Travel – Terms of Reference

The board reviews performance and makes recommendations in respect of the management and administration of the Council's Property Portfolio. The Board provides a steer in relation to three key areas, in relation to this portfolio :

- Objectives, policy and strategy
- Opportunities for added value
- Asset management related programmes

Bath & North East Somerset Council

Property Board Operation and Direction of Travel – Policy and strategy

» Objectives, policy and the strategic direction of the property portfolio – **The Corporate Asset Management Plan**

» A Placemaking Group has been created to take an over view of both property and development, each of which will have its own separate board.

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Corporate Asset Management Plan

What is the Corporate Asset Management Plan?

The AMP introduces a regular process of challenge to ensure the portfolio is demonstrating best financial return measured in terms of :

» suitability and sufficiency for operational buildings and

» internal rate of return for its commercial stock.

Bath & North East Somerset Council

Corporate Asset Management Plan

What has the AMP delivered to date?

- £56million released over the past six years
- Capital generated with no loss of revenue to the Council
- The capital value of the corporate and commercial estates has increased over the same period.

Bath & North East Somerset Council

Corporate Asset Management Plan

What is the future value of the AMP?

» As access to releasing capital from surplus property becomes more difficult to identify from a fixed asset base, the role of the AMP in continuing to realise potential disposals is becoming critical

» Not only is capital generated but revenue savings will be released through the continued challenge and identification of opportunities for co-location, rationalisation and disposals of surplus or obsolete property assets.

Bath & North East Somerset Council

Property Board Operation and Direction of Travel – Opportunities for added value

Options for acquisitions, disposals, development and management of the property portfolio

Appendix 3 to the main report sets out a schedule of projects undertaken by Property Services, which have either added or have been identified to add financial value to the property portfolio.

The current and future projects listed will be the subject of monitoring by Property Board and reported, as appropriate, to other corporate working groups / boards within the Council.

Bath & North East Somerset Council

Property Board Operation and Direction of Travel - Programmes

The Board monitors and receives reports which consider asset management related programmes and activities including:

- Condition Surveys
- Repair and Maintenance
- Asset Review - Challenge of asset performance
- Capital receipt programme – surplus property disposals and enabled developments
- Revenue programme – Income, debts and voids

Bath & North East Somerset Council

Condition Surveys

Every asset owned by the Council is subject to a five yearly full elemental condition survey, which form the base intelligence for asset reviews and where appropriate prioritisation of repair programmes.

» Corporate property condition backlog of £11.5million

» DDA backlog now stands at £1.5million

Bath & North East Somerset Council

Repair and Maintenance

- Capital planned maintenance programme - £905,000 for 2012/13
- DDA programme - £552,000 for 2012/13
- Revenue planned & responsive maintenance and contractual servicing programme - £2.4million per annum. (This excludes the Commercial Estate, where the majority of R&M is recoverable from tenants).

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Repair and Maintenance initiatives

"Living in Context" is a new and innovative educational partnership instigated by Property Services working with UWE to give its Building Surveying students access to live projects, providing them with first hand experience of working in an heritage environment

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Asset Reviews

The challenge of asset performance is the practical application of data intelligence against benchmarks to assess the retention or alternative use strategy for Council owned buildings, through the application of performance modelling.

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Performance models

The performance models are set out within the AMP. Current property objectives revolve around the concept of best financial return. The models assess:

- Operational Estate – Efficient and effective use of assets in terms of suitability, sufficiency & condition

- Commercial Estate – The internal rate of return

Bath & North East Somerset Council

Asset Reviews

Asset reviews are built around 6 key themes:

1. A model that treats all assets strategically and corporately
2. Property demonstrates fitness for purpose and VfM
3. Development potential is realised
4. Collaboration and sharing is encouraged
5. Promotion of sustainable assets
6. Non-operational properties demonstrating acceptable returns

Bath & North East Somerset Council

Capital receipt programme – disposals

- £56million in capital generated in last six years from the disposal of surplus property assets and enabled developments.
- £30million in capital receipts (approx.) targeted for realisation over next six years
- There is a joint project with Development and Major Projects to determine the costs and benefits of the growth agenda. This is known as the PAFF Group.

Bath & North East Somerset Council

Capital receipt programme

Disposals of key sites to enable third party development include:

- Riverside, Keynsham
- Sawclose
- K2
- Bluecoat House
- Cattlemarket / Cornmarket
- Manvers Street
- Bath Quays (South)

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Revenue programme

- £15million rent role of income generated per annum, despite prevailing market conditions
- £300k average debt representing 2% of rent roll, substantially below market indicators
- An average 3% void property rate, again well below market indicators
- The estate management service is delivered by Property Services at a fee of less than 5% of the gross rental income.

Bath & North East Somerset Council

Future Asset Management Priorities for 2012

Corporate asset management plan

Embedding the Corporate Asset Management Plan across the Council, instilling the approach that all property assets are corporately owned

Bath & North East Somerset Council

Future Asset Management Priorities for 2012

Cross-departmental property champions

The engagement of cross-departmental property champions:

- in the recognition of property as a corporate asset
- embedding the principles of asset management planning across Council departments
- reflecting asset utilisation within Service Actions Plans.

Bath & North East Somerset Council

Future Asset Management Priorities for 2012

The recent external review by Drivers Jonas Deloitte:

- acknowledged the very high level of work undertaken by the Council in-house team in relation to the day-to-day management of the Commercial Estate.
- identified the benefits to be gained from appointing a strategic adviser to work alongside the in-house team. The process of engagement is underway.

Bath & North East Somerset Council

Future Asset Management Priorities for 2012

» Maintenance of the property portfolio is effectively self-funding from disposals

» In addition to providing capital funding for delivering other capital programmes as directed by the administration, the capital receipts programme provides the funding to ensure buildings are maintained and remain open to deliver front-line and back office services.

Bath & North East Somerset Council

Future Asset Management Priorities for 2012

» With reducing opportunities for easily identifiable receipts, the AMP becomes more critical in facilitating the identification and release of surplus assets to generate capital and realise revenue savings.

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Activities beyond the scope of this report but delivered by Property Services

- » Workplaces
- » Design-build construction projects
  - Including new-build projects at Bathampton Primary School; Moorlands Infant School; Newbridge Primary School
- » Other externally lead projects
  - Solar panels on school roofs; 11/12 Abbey Churchyard (former Binks unit)

Bath & North East Somerset Council	
MEETING:	Resources Policy Development and Scrutiny Panel
MEETING DATE:	12th March 2012
TITLE:	The Council's Use of Consultants: Councillor Working Group Report
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report: 1. Working Group's Report	

THE ISSUE

In August 2011, the Resources Policy Development and Scrutiny Panel agreed to setup a small working group to investigate how the Council uses consultants by undertaking a series of interview case studies and desk research. This report is a summary of their research, findings and recommendations to be agreed by the Panel.

RECOMMENDATIONS

The Panel is asked to consider the report and make any further comments on the findings and recommendations.

Specifically, the Panel is asked to consider adding the following items to their workplan:

1. To strengthen transparency and accountability the working group recommend that the individual Service Action Plans which are presented to the Resources Panel for scrutiny as part of the budget process in January of each year, should detail the existing and proposed service needs for consultants within the workforce planning section of these plans.

2. The working group recommend that the Panel adds a report on the results from the latest staff satisfaction survey and how this compares to the previous years to their list of potential future items on their workplan.

FINANCIAL IMPLICATIONS

The costs associated with this investigation were met from within the annual budget available to the Panel

THE REPORT

The working group held an initial meeting in September 2011 to define the aims and objectives of the research and to identify potential case studies and questions. This was followed up by meeting the Divisional Director of Finance to finalise the interview questions.

The three case study interviews were conducted over September and November 2011. The working group also met with the Head of Audit, Risk and Assurance and the Corporate Procurement Manager to discuss the Council's Procurement toolkit.

The working group discovered the following:

- The Council has a comprehensive procurement toolkit that includes a section on engaging the use of consultants. This toolkit supports the Council's Contract Standing Orders which are in the process of being reviewed.

- The case studies revealed four potential reasons for using a consultant that complied with those set out in the procurement toolkit. Either to assist with managing capacity on a short-term basis, to provide specialisms that were not available in-house, to offer greater flexibility within a workforce to manage peaks and troughs of workflow and to demonstrate independence.

- The report also highlighted a number of good practice examples.

RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

EQUALITIES

Equalities issues are considered by the panel as part of their work in formulating their recommendations at the end of this review process

CONSULTATION

Overview & Scrutiny Panel; Staff; Other B&NES Services; Section 151 Finance Officer; Monitoring Officer

The working group consulted with the Divisional Director of Finance whilst scoping their investigation. The group then conducted interviews with three Divisional Directors. The draft report was written with input from the Strategic Director of Resources, Divisional Director of Finance/Section 151 Officer and Head of Audit, Risk and Assurance.

ISSUES TO CONSIDER IN REACHING THE DECISION

Customer Focus; Human Resources; Corporate; Impact on Staff;

ADVICE SOUGHT

The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	*Lauren Rushen- Policy Development and Scrutiny Officer 01225 396410* *Councillor John Bull- Chair of Resources Policy Development and Scrutiny Panel*
Background papers	*National Audit Office Report: Central Government's Use of Consultants and Interims*
Please contact the report author if you need to access this report in an alternative format	

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Bath & North East Somerset Council

Bath and North East Somerset Council

A Review of the Council's Use of Consultants

An Investigation by the Resources Policy Development and Scrutiny Panel

Councillor Working Group

Review Panel Members

Councillor John Bull (Chair)
Councillor Colin Barrett
Councillor Dave Laming
Councillor Nigel Roberts

Supporting Officers:

Lauren Rushen (Policy Development and Scrutiny)

For more information about the report please contact the Policy Development and Scrutiny Team:

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Recommendations

Recommendations to the Resources Policy Development and Scrutiny Panel:

1. To strengthen transparency and accountability the working group recommend that individual Service Action Plans which are presented to the Resources Panel for scrutiny as part of the budget process in January of each year, should detail the existing and proposed service needs for consultants within the workforce planning section of these plans.

2. The working group recommend that the Panel adds a report on the results from the latest staff satisfaction survey and how this compares to the previous years to their list of potential future items on their workplan.

Recommendations to the Council's Corporate Audit Committee:

3. As part of considering the revised CSOs (Contract Standing Orders), we recommend that the Corporate Audit Committee considers the introduction of a proportionate risk assessment as part of planning an engagement process for recruiting a consultant.

Recommendations to the Cabinet (lead Member: Community Resources):

4. When the revised CSOs have been agreed by full Council, the role out of the supporting documentation should:

    a. Incorporate an outline of the 'procurement toolkit' as part of any new third tier and above management induction pack or online induction course.

    b. Include compulsory training for staff involved in the commissioning/procurement process to ensure that staff feel confident using the new CSO and can demonstrate that there is transparency in the procurement of consultants.

5. The Cabinet should encourage:

    a. Sharing of successful good practice examples (e.g. shared contracts, joint working with other local authorities and up-skilling internal employees) between senior officers e.g. Divisional Directors group, to ensure good communication between departments and to promote cross-service and partner working.
    b. The use of corporate contracts for specific skills requirements to reduce costs and ensure higher levels of control and transparency.
    c. An increase in collaboration with other local authorities/public bodies to establish joint contracts or use existing national or regional framework contracts for specific skills sets that the Council does not possess nor has the capacity to deliver in-house.

Introduction

At their Panel meeting on the 1st August 2011, the Resources Policy Development and Scrutiny Panel agreed to set up a small working group to investigate the ways in which consultants have been used by Bath & North East Somerset Council.

The working group had an initial meeting to scope the project and decided that as well as investigating how the local authority was using consultants, they would also look at how we seek to attain good value for money.

Aims and Objectives

Aim: The overall aim of this investigation is to find out whether the Council's use of consultants is providing value for money.

Objectives:

1) Conduct desk research to find other examples of reports on the use of consultants in the public sector
2) Examine financial figures provided by the Divisional Director of Finance on the use of consultants across the Council
3) Compile three case studies based on interviews with divisional directors on their use of consultants. The group would also investigate the possibility of interviewing consultants on their experiences of working for Council.

Methodology

Phase One:

Initially the working group undertook a brief desk research exercise and identified a report by the National Audit Office (NAO) entitled *"Central Government's Use of Consultants and Interims"* (2010). The report examined the spending of 17 central government departments and compared them against best practice for the recruitment of consultants and interims. The key findings/recommendations from the report were:

- Management of information about consultants was poor. Few departments could identify the role or number of consultants they employed, the length contracts or the classification of spending (NAO, 2010:5)
- Departments were not smart customers i.e. there was often no clearly defined specification for consultancy use; departments were not clear how the use of consultants were contributing to achieving their overall aims and objectives; inadequate training was provided to staff responsible for supervising/recruiting consultants, consultants were not held to account during monitoring of their contracts (NAO, 2010:6)
- More involvement from staff outside of procurement teams was required if services were going to make difficult changes that deliver better value for money (NAO, 2010:7)
- There was an overreliance on consultants rather than seeking to fill skill gaps with internal staff (ibid)
- Departments should be collating and sharing information about consultancy use (ibid)

The group were also provided with a set of financial figures from the Divisional Director of Finance which detailed spending across all Council departments on consultants for the years 2009/2010 and 2010/2011.

Based on the NAO report and analysis of the financial figures, the group developed a set of potential interview questions and identified three directorates within the Council which had a consistently employed the use of consultants.

The group then discussed these potential questions and the financial figures with the Council's Divisional Director of Finance. This meeting helped the group to gain a greater understanding of the financial figures and refine the questions they planned to ask directors.

Phase Two:

The second phase of the research process was to undertake interviews with three Divisional Directors. These were conducted during September-November 2011. Each interview lasted for approximately an hour and was based on a core set of questions identified by the Panel. All interviews were conducted with at least two members of the working group and an officer from the Policy Development and Scrutiny team attended to take notes.

In addition to speaking to Divisional Directors, the working group also met with Jeff Wring (Head of Audit, Risk and Information) and Eddie Hale (Corporate Procurement Manager) to discuss what support they provide to departments looking to recruit a consultant, refresh a framework contract and what research has been undertaken with other Councils to ensure value for money.

Phase Three:

Finally, the working group met to discuss what the key findings from the interviews and their research in the form of a SWOT (Strengths/Weaknesses/Opportunities/Threats) analysis. This was followed up with a recommendations workshop to discuss the draft report and recommendations.

Findings

Spending on consultants:

The working group discovered that over the past three years, spending on consultants has remained relatively static with spend in 2008/09 at £1.762mn, 2009/10 £1.957mn and in 2010/11 £1.918mn.

Panel Recommendation: To strengthen transparency and accountability the working group recommend that individual Service Action Plans which are presented to the Resources Panel for scrutiny as part of the budget process in January of each year, should detail the existing and proposed service needs for consultants within the workforce planning section of these plans.

Procurement Toolkit:

The Council's Contract Standing Orders (CSO) set out the procedural framework for procurement activity and also form part of the Council's Policy and Budget Framework. To support the CSO, there is a comprehensive procurement toolkit which sets out a pack of guidance to support the formal rules and procedures. This toolkit includes a section on the 'Engagement and the Use of Consultants' and if used correctly should ensure the Council is seeking good value for money from consultancy use. This section of the document covers the following areas:

- Defining what a 'consultant' is and why/when they should be used
- Planning an engagement process for recruiting a consultant
- Monitoring and reporting arrangements

The working group were impressed with the guidance document but noted that it was not easy to locate on the Council's intranet and were therefore concerned that there could be a lack of awareness of the guidelines within the Council. If used correctly there should be clear audit trails for all consultancy use but Councillors were concerned that not all tiers of management were aware or/using the 'Procurement Toolkit'.

The working group learnt that the Contract Standing Orders and Procurement toolkit will be refreshed and revised during the coming year as part of a larger project to improve Strategic Commissioning. They will then be subject to formal scrutiny through the Corporate Audit Committee before being taken to Full Council for final approval.

The working group felt that whilst the toolkit contained pertinent information about consultancy use, this could be presented in a more user-friendly way for Officers using the toolkit, such as having more robust templates or checklists for establishing the arrangements. The existing toolkit does contain different procurement thresholds for recruiting a consultant but the working group felt that part of this re-design should incorporate building in a wider risk assessment to the scoping and tendering process that did not rely on a price threshold alone.

The purpose of the risk assessments would therefore be to assist the officers in applying an appropriate and proportionate approach within the rules on the appropriate pathway to the market.

The working group also felt that when the revised CSO are agreed, there should be a clear communications and engagement plan to roll them out across the Council. This should include as a minimum training for staff involved in the commissioning/procurement process to ensure that staff have the confidence to negotiate good value for money and know how to effectively evaluate contracts in a transparent way.

Councillors also felt that the public would feel more assured about the Council engaging the use of consultants if they were aware of the comprehensive guidelines we have in place.

Corporate Audit Committee Recommendation: As part of considering the revised Contract Standing Orders (CSOs), we recommend that the Corporate Audit Committee considers the introduction of a proportionate risk assessment as part planning an engagement process for recruiting a consultant.

Cabinet Recommendation: When the revised CSOs have been agreed by full Council, the role out of the supporting documentation should:

a. *Incorporate an outline of the 'procurement toolkit' as part of any new third tier and above management induction pack or online induction course.*

b. *Include compulsory training for staff involved in the commissioning/procurement process to ensure that staff feel confident using the new CSO and can demonstrate that there is transparency in the procurement of consultants.*

Reasons for using consultants:

From the three interviews undertaken, Councillors identified four possible reasons for recruiting a consultant:

1) The department was under capacity and needed to recruit staff on a short-term/temporary basis to provide more capacity
2) To bring in specialisms that were not available in-house and/or not financially viable to employ full-time
3) To offer greater flexibility within the department's workforce to manage peaks and troughs of workflow
4) To demonstrate independence (NB: This last reason was not applicable to all Divisional Directors that were interviewed but it was apparent in some areas)

This corresponds with information given in the Council's procurement toolkit which suggests that at Divisional Director level, the guidance is being followed.

All three interviewees stated that they felt we had excellent in-house staff and tried to ensure any consultants they employed integrated with the department. One interviewee stated that if it were feasible, it would be worthwhile investigating whether the Council could set up an in-house register or database of employee's skills/qualifications which other services could look at when trying to fill a skills gap within their team. The working group did consider this and felt that whilst it is a good idea, actually establishing and maintaining the database would be too time and resource intensive.

Despite assurances, Councillors were concerned that with cutbacks across the public sector, employing consultants could be seen as a tempting stopgap and as such the working group felt it was important to maintain a consistent dialogue with permanent staff and to monitor staff satisfaction levels.

Panel Recommendation: The working group recommend that the Panel adds a report on the results from the latest staff satisfaction survey and how this compares to the previous years to their list of potential future items on their workplan.

Good Practice and Information Sharing:

Overall, the working group were pleased to see that the issues identified in the National Audit Office report were not present in Bath & North East Somerset Council:

- Overall spend on consultants across the Council appears to relatively static
- The number of ex-employees returning as consultants has reduced and if this does occur it is as a result of a full procurement process
- All interviewees were using framework contracts
- All directors obtained both formal and informal references from any consultant they engaged with
- All directors had agreed objectives and specifications with consultants which they monitored on a regular basis
- At Divisional Director level there appeared to be a clear understanding of the procurement process for consultants and good working relationships with the Council's Procurement Team
- All of the Directors interviewed were in regular contact with counterparts in other local authorities to share good practice.
- The Council was working more collaboratively across the region and using national frameworks to reduce bureaucracy and maximise value.

Specific examples of good practice included:

Below are some of the examples of good practice that the working group discovered during their case study interviews with Divisional Directors.

Good practice: One interviewee stated that they had recently appointed a consultant who offered specialist project management skills. The consultant worked closely with two members of permanent staff, who were able to learn from the consultant and are now excellent project managers. As a result, there is no longer a skills gap in this area so this type of work can be completed in-house in future.

Good practice: The interviews highlighted that in certain areas, B&NES were working actively with other Councils/public bodies to share our expertise. The Council had recently set up an arrangement with Bristol City Council to increase collaboration over a number of different areas of spend and share resources and skills. This had already seen savings from its early work and had improved control and transparency with clear plans for the future.

Good practice: One interviewee stated that before considering using a consultant, they consider the skill set of their own department and also other departments within the Council and may seek to build project teams from different departments to complete projects

Good practice: All interviewees stated that they agree a set financial budget and objectives with consultants at the start of a project and then monitor the consultant's progress against these objectives and if these objectives were not achieved, they may consider using penalty payments.

Good practice: The interviews highlighted the significant work on-going through the Change Programme to create a 'Community-Led Commissioning' organisation and noted the detailed work required to align commissioning and procurement frameworks and incorporate them within the programme for up-skilling of officers. The panel would like to recommend that officers continue to ensure procurement and commissioning resources are aligned to maximise the skills and resources we have available.

The working group were pleased to find examples of good practice and would encourage these to be shared amongst senior officers across the Council.

Cabinet Recommendation: The Cabinet should encourage:

a. *Sharing of successful good practice examples (e.g. shared contracts, joint working with other local authorities and up-skilling internal employees) between senior officers e.g. Divisional Directors group, to ensure good communication between departments and to promote cross-service and partner working.*
b. *The use of corporate contracts for specific skills requirements to reduce costs and ensure higher levels of control and transparency.*
c. *An increase in collaboration with other local authorities/public bodies to establish joint contracts or use existing national or regional framework contracts for specific skills sets that the Council does not possess nor has the capacity to deliver in-house.*

Conclusion

In conclusion the working group set out to discover how consultants were being used at Bath & North East Somerset Council and how we seek value for money from the consultants we used.

The working group found that spend on consultants had been relatively static over the past three years and through case studies, identified clear reasons for using consultants as well as a number of good practice examples.

The working group also learnt that whilst there is a Procurement Toolkit available for staff, this is current subject to revision as part of a review of the Council's Contract Standing Orders (CSOs). The working group support the review of CSOs and the desire to link this to training for officers involved in procurement.

This report will be discussed and finalised at the Resources Policy Development and Scrutiny Panel on the 26th March. Once the report has been agreed, the recommendations will be sent to the Corporate Audit Committee and the Cabinet, as identified on pages 3-4.

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Bath & North East Somerset Council

MEETING: **Resources Policy Development & Scrutiny Panel**

AGENDA ITEM NUMBER

MEETING DATE: **12th March**

TITLE: **Review of Electoral Services during the 2011 elections**

WARD: All

List of attachments to this report:

Appendix 1: Report of Electoral workshop findings

Appendix 2: Workshop briefing pack including information on Individual Voter Registration, Review of Polling Districts and the schedule for the workshop session.

1 THE ISSUE

1.1 After any elections there are often issues that arise from candidates and agents as to the operation of the event. The workshop session which was held on the 14th December 2011 provided the opportunity to review how the recent elections went and identify any issues that may have arisen from the operation or process. This would enable the Council to learn from these issues and make any necessary improvements for future elections.

1.2 A mixture of Council/ Parish Members, Officers and Election Agents were invited to the session. On the day the turnout was fairly low, however the smaller number of groups enabled more detailed discussions to be made

1.3 This review excluded the Parliamentary Boundary Commission Review; the borders and names of local authorities, and also electoral areas within Local Authorities.

1.4 It was agreed by the steering group that the findings from the workshop session would be formally presented to the Resources Policy Development Panel and any recommendations would go to full Council during 2012. (The key findings from the workshop session and recommendations are attached as Appendix 1.)

2 RECOMMENDATIONS

At the Resources Policy Development & Scrutiny Panel meeting on the 12th March the Panel are asked to:-

2.1 Consider and make any further comments on the findings and recommendations from the Report of Electoral workshop findings.

3 FINANCIAL IMPLICATIONS

3.1 The costs associated with this review are being met from within the annual budget available to the Panel

4 THE REPORT

4.1 The full details for this review are contained in the Report of workshop findings attached at Appendix 1.

5 RISK MANAGEMENT

A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

6 EQUALITIES

Equalities issues should be considered by the panel as part of their work in formulating their recommendations at the end of this review process

7 ADVICE SOUGHT

The Council's Monitoring Officer (Council Solicitor) and Section 151 Officer (Strategic Director - Support Services) have had the opportunity to input to this report and have cleared it for publication.

Contact person(s)	Donna Vercoe, Policy Development & Scrutiny (01225 396053) Lauren Rushen, Policy Development & Scrutiny (01225 39 4456) *Task & Finish Group Members:* Cllr John Bull (01225 835100) Cllr Charles Gerrish (0117 9868426)
Background papers	None attached
Please contact the report author if you need to access this report in an alternative format	

Bath & North East Somerset Council

Bath and North East Somerset Council

Electoral Services Review

A review by the Resources Policy Development and Scrutiny Panel

Workshop

Making Bath & North East Somerset an **even** better place to live, work and visit

Review Panel Members

Councillor John Bull (Chair)
Councillor Charles Gerrish

Supporting Officers:

Vernon Hitchman (Monitoring Officer and Divisional Director for Legal and Democratic Services)
Aurora Loi Wright (Electoral Services Officer)

Donna Vercoe (Policy Development and Scrutiny)
Lauren Rushen (Policy Development and Scrutiny)

For more information about the report please contact the Policy Development and Scrutiny Team:

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Foreword

Elections are an indispensable part of the democratic process but can be stressful occasions for candidates, those organising them and even voters if things do not go smoothly.

The Panel decided that the review would draw upon recent experiences of BANES elections and the General Election in order to identify any such problems and learn lessons which may help avoid these in the future and provide us with the opportunity to help make any necessary improvements for future elections

The resources Panel undertook a workshop session on the 14th December 2011, the session sought to identify any issues with the Voter experience of access to the electoral process, polling stations and the general operations of the polling day. The session also examined the Information that was provided to candidates and agents on the electoral counting systems and general electoral process.

The results and recommendations will be presented to the Policy Development & Scrutiny Resources Panel in March and to Full Council during May 2012

Councillor John Bull
Chair of the Resources Policy Development and Scrutiny Panel

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Recommendations

Recommendation 1: Electoral Services could identify wards with care/residential homes and contact them to find how if/when any of their residents were planning to vote at their local polling station and then speak to relevant Presiding Officers to ensure that all their additional support needs are met in a timely and appropriate manner.

Recommendation 2: Training for Poll Clerks/Presiding Officers should include how to deal sensitively with voters who require additional support.

Recommendation 3: The Council's website could be utilised to provide a link to the Electoral Commission's 'How to Stand as an Electoral Candidate' permanently rather than just in the run up to an election.

Recommendation 4: The Council, through Electoral Services, should capture feedback from new candidates to find out whether additional information could be provided in future.

Recommendation 5: The Council should seek clarification and guidance from the Council's Monitoring Officer on signing of nominations, which could provide a better understanding for new candidates and help to improve the process.

Recommendation 6: The Council should write to the Electoral Commission asking them to ensure that the verification procedure for any future referendums does not slow up the counting process or declaration of results.

Recommendation 7: At the count, candidates and agents should be told by the Deputy Returning Officer at the counting centre which counting system is going to be used and kept informed of how the count is going at each stage of the process

Recommendation 8: Electoral Services should investigate the options suggested for future polling stations at Keynsham East and Midsomer Norton.

Recommendation 9: Electoral Services should consider whether Timsbury or Wellow have the facilities to host the counts for Bathavon West and Bathavon South

Recommendation 10: Electoral Services to undertake future research in order to identify the different languages spoken in our Local Authority area and the impact that this may have on their voting experience.

Introduction

On 5th May 2011, Bath & North East Somerset Council held local, town and parish Council elections along with a referendum on whether to have an alternative voting system.

As good practice the Resources Policy Development and Scrutiny Panel, hosted a workshop to find out how people felt the elections went, whether there was scope for improvement and also to contribute to Electoral Services review of Polling Districts.

We invited all the candidates who stood at the last election, election agents and equalities/access groups including Bath Racial Equalities Council, Age UK, Mental Health Matters, Association for the Blind and Scope. The session was structured into facilitated workshop sessions and highlighted that on the whole, the elections process works well in Bath & North East Somerset.

Purpose and Objectives

This was a light touch investigation but the aims of the workshop were as follows:

1. Assess voter experience of:

    a. Access to the electoral process
    b. Access to polling stations
    c. Operation on polling day

2. Information provided to candidates/agents/Councillors
3. Information about the counting system
4. Review of polling districts/stations

Methodology

The investigation was suggested by Councillor Gerrish at the Panel's first public meeting on 1st August 2011.

A scoping meeting for the workshop was held with Councillors Bull and Gerrish, the Council Returning Officer (Vernon Hitchman) and the Head of Electoral Services (Aurora Loi Wright) and officers from Policy Development and Scrutiny. This meeting was used to identify the objectives for the workshop and the list of invitees.

The workshop was held on the 14th December at the Guildhall. Councillor Bull led the workshop, introducing four workshops which were discussed in small groups who fed back and were recorded by Policy Development and Scrutiny Officers.

Findings

1. Voter Experience:

Students and Young People:

Every year, Youth Parliament elections take place, with two Members of Youth Parliament (MYPs) representing Bath and North East Somerset. The workshop acknowledged that these elections are a good way of introducing young people to the concept of voting. Attendees also felt that parents had an important role to play in encouraging their children to vote.

In order to try to improve the process for students from secondary school to university it was felt that the process might need to be made clearer. For example; attendees to the workshop noted that people think that they can vote at any polling station, which suggests that there needs to be further clarity of the voting process.

It was noted that students are allowed to vote twice (at home and at university) for local elections but only once for general elections. There does not appear to be any way of cross referencing this other than developing a national database.

Individual Voter Registration:

The *Political Parties and Elections Act 2009* made provision for the phased implementation of a system of individual registration, which the Coalition Government intends to complete by December 2015. A White Paper, *Individual Electoral Registration*, which was published in June 2011, sets out how the government plans to implement the new system.

Key changes under IER

- All applications to register need to be made individually.
- All applications need to be verified before electors are added to the electoral register.
- Annual household registration will change from 2014 with special transitional arrangements in that year for eligible electors who are not registered under IER.

Applications to register under IER

- Electors must provide evidence in order to register: likely to be National Insurance (NI) number and date of birth (DOB), but other means might be possible.
- Evidence is only required once, unless circumstances change.
- Exceptions process for those unwilling/unable to provide NI number.
- Potential to use alternative channels for applications in future.

The group noted that the introduction of IER will make the registration process more demanding as an NI number and DOB are required. These will need to be cross referenced with the Department for Work and Pensions before registering the individual.

If either the NI or DOB does not match, this will need to be followed up with the individual voter within the deadline to register 11 days before an election. This method of registration will be introduced in 2014 and be fully implemented in 2015.

Polling cards:

Attendees reported that one area of confusion is that people thought they could not vote if they did not have a polling card. Although a polling card does make the voting process quicker, it is not essential.

General comments were made about the performance of Royal Mail to deliver polling cards to residents on time, the majority felt that this had improved but there were still occasional problems with polling cards not being delivered.

General Points:

A suggestion was made to carry out some research on those individuals in our area to identify the languages spoken and the impact on their voting experience.

There were some general comments that at Parish level, some Councillors do not believe they need to be nominated. This is usually resolved by having the 35 day rule and also by the majority of Parish Council's hosting their Annual General Meetings (AGMs) in April so they are able to remind candidates.

2. Access to Polling Stations:

The group noted that on the whole access to polling stations had greatly improved. Participants particularly appreciated the addition of wheelchair friendly polling booths, large print and braille ballot papers.

The session did highlight that there could be a need to improve training for polling staff at stations handling individuals or groups with additional physical or mental needs. Councillor Gerrish stated that in his ward, there is a care home for adults with learning difficulties and he had spoken to representative from the home about resident's voter experience.

He said that from speaking to the home, he had been told that the act of going to a polling station and voting can be very rewarding for the residents but their experience can often be distressing and confusing due to a lack of support. Residents needed more clarity from polling staff about what they should do, and explained that often the, "who, where, and when' to place a vote is not communicated clearly.

Another attendee mentioned that he had a care home in his local polling district and that polling staff have always been very respectful and supportive towards residents when they come to vote. Other participants also commented that in their experiences, polling staff had been welcoming and had not experienced any issues. This suggests that Councillor Gerrish's example is not universal but there is scope to improve the experience for voters with additional needs.

It was agreed that it is the responsibility of the issuing officer at the polling station to check that voters' needs are met and to ensure that they are handled in a sensitive way. It was recommended that Electoral Services could identify wards with care/residential homes and contact them to find how if/when any of their residents were planning to vote at their local polling station and then

speak to relevant Presiding Officers. It was also suggested that training for Poll Clerks/Presiding Officers should include how to deal sensitively with voters who require additional support.

Signage

Overall the signage of access to polling stations was thought to be good. One attendee noted that they have two wards voting in the same polling station which can be confusing for people when they first enter the station so it is important for staff at these stations to clearly identify which ward area they are poll clerking for.

3. Information to Candidates/Agents/Councillors:

Since the majority of Councillors operate in a party system, candidates have a lot of support networks in place for new candidates during the election period, although the support networks were less obvious for independent candidates. Although there were not any independent candidates present at the workshop, the Elections team said that they had provided advice and were available to answer questions from prospective candidates about the role of a Councillor including what they are able to influence and what powers they have.

It was suggested that we should provide the Electoral Commission's link on 'How to Stand as an Electoral Candidate' on the B&NES website permanently rather than just in the run up to an election. We should also attempt to capture feedback from those people new to the candidate process.

For example; one particular area that needed further clarification and guidance was the signing of nominations, as some candidates sign in different names (for example, signing in their married name) and although the candidate is asked to clearly print their name next to the signature the wording regarding the print and publish and the general legal issues surrounding signing would provide a better understanding for new candidates and help to improve the process.

4. Counting System:

Attendees commented that the counting system used at the local elections this time was the best system they had seen used, although ideally candidates/agents would like to know what system is going to be used in advance.

The most recent election included a referendum on alternative voting which was counted on the same day as the election results. The Electoral Commission had stated that deputy returning officers could not be declare the election results until the referendum vote had been verified. It was agreed that this created unnecessary expense and time for those involved, with some results not being declared until the early hours of the morning. It was suggested that the Council should send a clear message back to the Electoral Commission that we would have concerns in undertaking the process in this way if a referendum was to be included in any future elections.

It was agreed that having more counting stations does speed up the count, however to have an increase in stations in all locations could create difficulties in logistics and tradition. Identifying the best place to hold certain counts could be reassessed for the next elections.

General Points:

- One attendee noted that at his count, staff were not sure how to count un-blocked votes and some younger counters had recorded votes upside down.
- It was suggested that where possible, jugs of water should be provided to those attending the count.
- The workshop highlighted that some counting stations were busier than others and where counting stations were counting more than one ward, this was not always clearly laid out.

5. Review of Polling Stations:

Although the majority of attendees were happy with the location of their polling stations, the following suggestions were made:

Keynsham East:

Keynsham East is the biggest of the three wards in Keynsham but is the only ward with one polling station. This station located at the far end of the ward, which could make it difficult for some residents who are less mobile.

Two suggestions were put forward, either a temporary polling station on Manor Road Playing fields or the Community Room at Wellsway School. The Manor Road site would be more accessible to voters, particularly those on the southern end of the ward who are elderly. The second option at Wellsway School has separate access from the School.

Midsomer Norton:

It was suggested that as Midsomer Norton should have its own count centre as it is the largest polling district in the Somer Valley. It was suggested that the Town Hall at Midsomer Norton as a potential site for a polling station and count centre.

Bathavon West and Bathavon South:

These wards are currently counted at Freshford which is not central to either ward and it was suggested that it would be worth investigating whether Wellow or Timsbury has the facilities to host either or both of these count.

6. Other Issues:

For 2015 election: If parishes/district and general elections fall within the same year, the local authority has the discretion to postpone parish elections by a month. The local authority also has the discretion to re-charge parishes for these elections.

Attendees from Parish Councils are concerned that if this were to be the case, they would need as much advanced warning as possible in order to spread the cost over several year's Council Tax precepts rather than as one lump sum.

Conclusion: The Resources Panel appreciate the hard work and dedication that went into making the 2011 elections a success however, the workshop did flag up that there could be improvements for 2015.

Next Steps: The findings from this report will be taken to full Council as the parent body of Policy Development and Scrutiny. This will give all Bath & North East Somerset Council Councillors the chance to discuss the report's findings and recommendations.

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Resources Policy Development & Scrutiny Panel
Elections workshop 14th Dec 2011

Members Pre –brief

Policy Development & Scrutiny

This brief provides details of the current practice for individual Electoral registration (IER) and key changes/ provisions to IER. It also provides details of the statutory review into Poling districts and place review being undertaken by Electoral services. Notice Date for consultation 1st Dec - 3rd January 2012. It is anticipated that the findings from the workshop will help feed into the consultation element of the review. Attached is a copy of the schedule for the day.

Index

1. **Individual Electoral Registration** **Page 2**

2. **Review of Polling Districts and Polling places in Bath & North East Somerset.** **Page 4**

3. **Schedule for the workshop** **Page 6**

1. Individual Electoral Registration

CURRENT PRACTICE

At present electoral registration is a combination of annual household registration and individual registration.

Between September and November the local electoral registration officer sends an annual canvass form to every household in his registration area. The householder (or a named person) is required to complete and return the form on their own behalf and on behalf of anyone else who lives in the household and is eligible to vote. The completed form must contain details of those resident and eligible to vote on a prescribed date (15 October). Changes notified in this period are added to the register when it is published on 1 December.

After the publication of the register, between December and August, an individual can amend his/her registration details by completing an application form on a voluntary basis. At the beginning of every month the electoral registration officer publishes a notice of alteration to the published register, which lists any additions, deletions and amendments made during the previous month.

INDIVIDUAL ELECTORAL REGISTRATION (IER)

In 2003 the Electoral Commission published a series of reports, in which they recommended that the basis of registration should move from the current system to a system based entirely on individual registration. The *Political Parties and Elections Act 2009* made provision for the phased implementation of a system of individual registration, which the Coalition Government intends to complete by December 2015. A White Paper, *Individual Electoral Registration*, which was published in June 2011, sets out how the government plans to implement the new system.

Key changes under IER

- All applications to register need to be made individually.
- All applications need to be verified before electors are added to the electoral register.
- Annual household registration will change from 2014 with special transitional arrangements in that year for eligible electors who are not registered under IER.

Applications to register under IER

- Electors must provide evidence in order to register: likely to be NI number and date of birth, but other means might be possible.
- Evidence is only required once, unless circumstances change.
- Exceptions process for those unwilling/unable to provide NI number.
- Potential to use alternative channels for applications in future.

IER in 2014

- First canvass from 1 July 2014.
- Registered electors receive personally addressed IER applications with insert to identify any additional occupants (who are then sent individual IER applications).
- Properties with no registered electors receive a Household Enquiry Form.
- Persons entered on a Household Enquiry Form are sent individual IER applications.

- Those who fail to respond and are deemed eligible will be carried forward to enable participation in 2015 General Election.
- Electors can indicate that they wish to receive no further invitations during that canvass.
- Electors must be registered under IER to act a postal vote or act as a proxy.
- New register must be published by 1 December 2014.

IER in 2015 and beyond

- Canvass from 1 July 2015.
- Household Enquiry Form sent to all properties, pre-printed with any existing electors who have made individual applications under IER – these simply confirm that they are still present by making a household return.
- Any additional occupants added to the Household Enquiry Form are sent individual IER applications.
- Electors can indicate that they wish to receive no further invitations during that canvass.
- Following 2015 canvass, the electoral register will consist only of electors who have made individual applications under IER.
- New register must be published by 1 December 2015.

Offences

- Registration under IER will be a personal choice.
- The current penalty will apply to those who fail to respond to a Household Enquiry Form.
- Individuals who fail to respond to an IER request will not have committed an offence.
- A new offence relating to disclosure of any information provided for verification purposes will be introduced.

Provisions for specific groups

- Special category electors including Service Voters will be invited to register through IER at the time of being next invited to renew their registration.
- Impact on elderly, disabled or those in care: the Cabinet Office particularly welcome input from organisations representing these groups as detailed implementation plans are developed.

Data matching pilots

Around 20 pilot schemes are proceeding comparing register data with data from other public authorities including:

- Department for Work & Pensions
- Department for Transport
- Department for Education
- HM Revenue & Customs
- Department for Business, Innovation & Skills
- Ministry of Defence

2. Review of Polling Districts and Polling places in Bath & North East Somerset.

1. Legal background

1.1 Under the Representation of the People Act 1983 local authorities are required to divide their area into polling districts, to designate polling places for those polling districts, and to keep the polling districts and polling places under review.

1.2 The Electoral Administration Act 2006 introduced an additional requirement whereby local authorities must review all polling districts and polling places on a regular four-yearly cycle. The first review was conducted in 2007.

2. Aim of the review

2.1 By conducting this statutory review, local authorities must seek to ensure that

- all electors in the constituency have such reasonable facilities for voting as are practicable in the circumstances;
- so far as is reasonable and practicable, all polling places are accessible to all their electors, including those with disabilities.

2.2 In addition each parish shall, in the absence of special circumstances, be a separate polling district.

2.3 The polling place shall be an area in the polling district, except where special circumstances make it desirable to designate an area wholly or partly outside the polling district.

3. Areas not covered by the review

3.1 The following are not covered by the review:

- the boundaries of UK parliamentary constituencies;
- the borders and names of local authorities, and electoral areas within local authorities.

4. The review process

4.1 The procedure to be followed by a local authority in undertaking the review may be summarised as follows:

(1) The authority gives public notice of its intention to undertake a review, and invites comments and submissions from any interested parties.

(2) The authority considers all submissions received and formulates draft recommendations for the new polling districts and polling places structure. However, there is no requirement to change any existing arrangements.

(3) The draft recommendations are publicly advertised and sent to all original consultees to invite further comments.

(4) The authority considers all comments received, and decides whether or not to modify the draft recommendations.

(5) The authority produces final proposals for new polling districts and polling places.

(6) The Council must agree on the final proposals, and then publish the outcome of the review.

5. Responsibilities

5.1 The responsibility for dividing the parliamentary constituencies into polling districts and for designating polling places rests with the Council.

5.2 The Returning Officer is charged by law with personal responsibility for deciding on the number and location of polling stations.

6. Definition of terms

6.1 A **polling district** is a geographical sub-division of an electoral area, i.e. a UK parliamentary constituency, a European parliamentary electoral region, or a ward.

6.2 A **polling place** is a geographical area in which a polling station is located. As there is no legal definition of what a polling place is, the geographical area could be defined as tightly as a particular building or as widely as the entire polling district.

6.3 A **polling station** is the actual area where the process of voting takes place, and must be located within the polling place designated for the particular polling district.

3. Meeting structure and timings

	Session One
Time	***Item***
9:30	Arrivals
10:00	Introduction to the morning session (15 minutes)
10:15	Discussion One: (30 minutes) Voter experience of access to the electoral process *Ease of access to the wider electoral process e.g. was written information available in alternative formats/languages*
10:45	Discussion Two: (30 minutes) Voter experience of access to polling stations *Were polling stations easy to get to? Were there any accessibility issues at polling stations?*
11:15	Discussion Three: (30 minutes) Operations of the polling day *Ballot boxes, ballot papers and information provided to voters*
11:45	Summary of session one (15 minutes)
12:15	**Lunch** (30 minutes)
	Session Two
Time	***Item***
12:45	Introduction to the afternoon session (15 minutes)
13:00	Discussion Four: (30 minutes) Information provided to candidates/agents *Was enough information provided to candidates/agents? Was it easy to understand?*
13:30	Discussion Five: (30 minutes) Counting systems *Was the counting system clearly explained? Was enough information provided about the system?*
14:00	Discussion Six: (30 minutes) Review of polling districts *Are any extra polling stations needed within specific polling districts?*
14:30	Summary/close (15 minutes)

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Bath & North East Somerset Council

Council Website

Making Bath & North East Somerset an **even** better place to live, work & visit

Bath & North East

The Council uses 36 channels of communication- to serve

- 180,000 residents
- 65 Councillors
- 10 million visitors to the Bath & North East Somerset area
- Potential worldwide audience via the net and social media

It also serves some specific sectors

- 6,000+ businesses in the Bath area alone
- UK Jobs market –responsible for the majority of job applications to the Council
- Shop window to support economic development and investment

Bath & North East Somerset Council

Council's website and Digital media

- ❑ Digital media is one of the most used and fastest growing forms of communication.
- ❑ However all other non electronic communications are also important

Key facts

- Currently 1.5 million individual visits a year
- 5 million page visits a year
- Majority of local homes have internet access
- Up to 95,000 local people use social media every week

Bath & North East Somerset Council

Objectives

- ✓ **Meet rising expectations:- easier to use and faster**
  - Improved Interactivity
  - More intuitive to access information- no more than 4 clicks
  - Simplifies repetitive tasks- form filling
  - Personalised
  - Improved customer experience

- ✓ **Improves and encourages greater community engagement**
  - Provides a virtual meeting place
  - Supports increased use of social media
  - Supports localism and transparency – to help people do more in their own community

- ✓ **Drives and supports Channel shift (on-line transactions)**
  - Encourages repeat usage
  - It provides value for people
  - Platform for online transactions supporting Customer Services

-

Bath & North East Somerset Council

Top Improvements to the site

- No more than 4 clicks to find any content
- Content will be restructured to be citizen focused
- Quality of the content will be improved
- Design based on previous “eye tracking” tests
- Improved navigation
- Improved postcode search - with more content
- Support greater engagement, and better use of social media
- Interactive events calendar
- It will be iPad friendly and there will also be a mobile phone version in due course
- Site will be faster than before - on all browsers
- Site will be much more secure
- Easier to develop

Bath & North East Somerset Council

Benefits of the site

- ✓ Much faster
- ✓ Easier to find content
- ✓ More opportunities to use on line transactions
- ✓ Based on a business case it saves the Council over £200,000 over 4 years

Bath & North East Somerset Council

Key Developments in the pipeline

- ✓ **Mobile phone version of the Site**- for all formats
- ✓ **Extending access to information for community and public information** including demographics- localism and transparency
- ✓ **Invest In Bath & North East Somerset**- content aimed specifically at investors and developers to Market the site
- ✓ **A tourism portal** providing shortcuts to all the information for tourists on the website
- ✓ **Youth Zone.** Move B-Active onto the site and work with young people to design this part of the site
- ✓ **Extend virtual schools** section for Looked after Children

Bath & North East Somerset Council

Testing and Accessibility

- The site will always comply with the latest Accessibility Guidelines
- The views will be sought of local disability groups
- Performance will be rigorously tested for resilience, speed, security and functionality
- Staff and Councillors will have access to the Alpha site before go-live, for their views (anticipated Mid May)
- Customer feedback by online questionnaire's and page rating

Bath & North East Somerset Council

Questions

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Bath & North East Somerset Council
MEETING: **RESOURES PANEL** MEETING DATE: **26th March 2012**
TITLE: **WORKPLAN FOR 2012**
WARD: All
AN OPEN PUBLIC ITEM
List of attachments to this report: Appendix 1 – Panel Workplan

1 THE ISSUE

1.1 This report presents the latest workplan for the Panel (Appendix 1).

1.2 The Panel is required to set out its thoughts/plans for their future workload, in order to feed into cross-Panel discussions between Chairs and Vice-chairs - to ensure there is no duplication, and to share resources appropriately where required.

2 RECOMMENDATION

2.1 The Panel is recommended to

(a) consider the range of items that could be part of their Workplan for 2011/12 and into 2012/13

3 FINANCIAL IMPLICATIONS

3.1 All workplan items, including issues identified for in-depth reviews and investigations, will be managed within the budget and resources available to the Panel (including the designated Policy Development and Scrutiny Team and Panel budgets, as well as resources provided by Cabinet Members/Directorates).

4 THE REPORT

4.1 The purpose of the workplan is to ensure that the Panel's work is properly focused on its agreed key areas, within the Panel's remit. It enables planning over the short-to-medium term (ie: 12 – 24 months) so there is appropriate and timely involvement of the Panel in:

a) Holding the executive (Cabinet) to account

b) Policy review

c) Policy development

d) External scrutiny.

4.2 The workplan helps the Panel

a) prioritise the wide range of possible work activities they could engage in

b) retain flexibility to respond to changing circumstances, and issues arising,

c) ensure that Councillors and officers can plan for and access appropriate resources needed to carry out the work

d) engage the public and interested organisations, helping them to find out about the Panel's activities, and encouraging their suggestions and involvement.

4.3 The Panel should take into account all suggestions for work plan items in its discussions, and assess these for inclusion into the workplan. Councillors may find it helpful to consider the following criteria to identify items for inclusion in the workplan, or for ruling out items, during their deliberations:-

(1) public interest/involvement

(2) time (deadlines and available Panel meeting time)

(3) resources (Councillor, officer and financial)

(4) regular items/"must do" requirements (eg: statutory, budget scrutiny, etc)?

(5) connection to corporate priorities, or vision or values

(6) has the work already been done/is underway elsewhere?

(7) does it need to be considered at a formal Panel meeting, or by a different approach?

The key question for the Panel to ask itself is - can we "add value", or make a difference through our involvement?

4.4 There are a wide range of people and sources of potential work plan items that Panel members can use. The Panel can also use several different ways of working to deal with the items on the workplan. Some issues may be sufficiently substantial to require a more in-depth form of investigation.

4.5 Suggestions for more in-depth types of investigations, such as a project/review or a scrutiny inquiry day, may benefit from being presented to the Panel in more detail.

4.6 When considering the workplan on a meeting-by-meeting level, Councillors should also bear in mind the management of the meetings - the issues to be addressed will partially determine the timetabling and format of the meetings, and whether, for example, any contributors or additional information is required.

5 RISK MANAGEMENT

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

6 EQUALITIES

6.1 Equalities will be considered during the selection of items for the workplan, and in particular, when discussing individual agenda items at future meetings.

7 CONSULTATION

7.1 The Workplan is reviewed and updated regularly in public at each Panel meeting. Any Councillor, or other local organisation or resident, can suggest items for the Panel to consider via the Chair (both during Panel meeting debates, or outside of Panel meetings).

8 ADVICE SOUGHT

8.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	Michaela Gay, Democratic Services Officer. Tel 01225 394411
Background papers	None
Please contact the report author if you need to access this report in an alternative format	

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Resources Policy Development & Scrutiny Panel Workplan **last updated – 15th March 2012**

Meeting Date	Agenda Item	Director	Report Author	Format of Item	Requested By	Notes
1 August 2011	Overview Presentation	AP	AP	Presentation		
	Keynsham Regeneration and Workplaces Project	AP	TMcB	Presentation		
	Use of Consultants – set up working group	AP		Verbal report		
	Cabinet Member Update			Verbal report		
	Panel Workplan			Report		
12 September 2011	Universal Credit and new Council Tax Benefit System	AP	Ian Savigar	Presentation		
	Change Programme	AP	Angela Parrett	Presentation		
	Scheme for retired Councillors	AP	Vernon Hitchman	Report		
	Cabinet Member Update			Verbal update		
	Panel Workplan			Report		

Resources Policy Development & Scrutiny Panel Workplan **last updated – 15th March 2012**

Meeting Date	Agenda Item	Director	Report Author	Format of Item	Requested By	Notes
21 November 2011 – ***note Keynsham Town Hall***	Keynsham Town Centre Regeneration and Workplaces Project – Update (incorporating Cabinet Member Update)	AP				
	Medium Term Service and Resource Plans	AP		Report		
	Panel Workplan			Report		
16th January 2012	Medium Term Plan – Issues from November Panel	AP		Report		
	Service Action Plans	AP		Report		
	Cabinet Member Update			Verbal Update		
	Panel Workplan			Report		
Budget Meeting						
6th February 2012	Budget Report	AP				
26th March 2012	Cabinet Member Update			Verbal Update		
	Property Board Operation and Direction of Travel	AP	Tom McBain			

Resources Policy Development & Scrutiny Panel Workplan **last updated – 15th March 2012**

Meeting Date	Agenda Item	Director	Report Author	Format of Item	Requested By	Notes
	Elections workshop feedback		Donna Vercoe/Lauren Rushen			
	Use of Consultants Working Group feedback		Lauren Rushen			
	Council Website		J.Mercer	Presentation		
	Panel Workplan					
14th May 2012	Carbon Reduction	AP				
	Retention of Business Rates	AP				
	Road Map (IT)	AP				
16th July 2012	Member Training					
	Structure for allocating all resources (not just financial)	AP				
10th Sept 2012	Keynsham Town Centre Regeneration - Update	AP				
Items to be scheduled:						
	Corporate Complaints Policy and Procedures	AP	Graham Dove			
	Planning and Financing the Future – Regeneration	AP				
	Community Asset Transfer		Panel working group?			

Resources Policy Development & Scrutiny Panel Workplan **last updated – 15th March 2012**

Meeting Date	Agenda Item	Director	Report Author	Format of Item	Requested By	Notes