

Scrutiny Committee Agenda



Contact: Steve Culliford, Democratic Services Officer
Telephone number 01235 540307
Email: steve.culliford@whitehorsedc.gov.uk
Date: 20 June 2012
Website: www.whitehorsedc.gov.uk

A meeting of the
Scrutiny Committee
will be held on Thursday, 28 June, 2012
at 7.00 pm
Abbey House, Abingdon

Members of the Committee:

Councillors

Jim Halliday (Chairman)
Melinda Tilley (Vice-Chairman)
Eric Batts
Andrew Crawford
Jane Crossley
Tony de Vere

Charlotte Dickson
Jason Fiddaman
Bill Jones
Angela Lawrence
Julie Mayhew-Archer
Fiona Roper

A large print version of this agenda is available. In addition any background papers referred to may be inspected by prior arrangement.

Please note that this meeting will be held in a wheelchair accessible venue. If you would like to attend and have any special access requirements, please let the Democratic Services Officers know beforehand and they will do their very best to meet your requirements.

A handwritten signature in black ink, appearing to read 'M Reed', is written in a cursive style.

Margaret Reed
Head of Legal and Democratic Services

Members are reminded of the provisions contained in the code of conduct adopted on 30 September 2007 and standing order 34 regarding the declaration of personal and prejudicial interests.

Agenda

Open to the Public including the Press

Map and vision

(Page 5)

A map showing the location of the venue for this meeting is attached. A link to information about nearby car parking is http://www.whitehorsedc.gov.uk/transport/car_parking/default.asp

The council's vision is to take care of your interests across the Vale with enterprise, energy and efficiency.

1. Notification of substitutes and apologies for absence

To record the attendance of substitute members, if any, who have been authorised to attend in accordance with the provisions of standing order 17(1), with notification having been given to the proper officer before the start of the meeting and to receive apologies for absence.

2. Minutes

(Pages 6 - 12)

To adopt and sign as a correct record the minutes of the committee meeting held on 24 May 2012 (previously published).

3. Declarations of interest

To receive any declarations of personal or personal and prejudicial interests in respect of items on the agenda for this meeting.

4. Urgent business and chairman's announcements

To receive notification of any matters, which the chairman determines, should be considered as urgent business and the special circumstances, which have made the matters urgent, and to receive any announcements from the chairman.

5. Statements, petitions and questions from the public relating to matters affecting the Scrutiny Committee

Any statements and/or petitions from the public under standing order 32 will be made or presented at the meeting.

6. Call in of Cabinet decision: capital community grants scheme

(Pages 13 - 29)

To consider the call-in of the Cabinet's decisions relating to the capital community grants scheme, taken on 1 June 2012. Councillors Jim Halliday, Andrew Crawford, Tony de Vere and Julie Mayhew-Archer have called in the decision as they believe that that they do not comply with the principles set out in Article 13 of the Constitution. The call-in is made on the grounds set out in the appendix (page 13). Also appended are the report to Cabinet (page 15), a briefing paper to Cabinet on the capital community grants scheme (page 24), and the adopted minute from that meeting (page 26).

Options open to the Scrutiny Committee:

1. to refer the decision back to the Cabinet for reconsideration, setting out its concerns.
2. to not refer the decision back to the Cabinet for reconsideration. The decision shall then take effect from the date of this meeting of the Scrutiny Committee.

7. Call-in of Cabinet decision: revenue grants policy and procedure

(Pages 30 - 36)

To consider the call-in of the Cabinet's decisions relating to the revenue grants scheme, taken on 15 June 2012. Councillors Jim Halliday, Andrew Crawford, Tony de Vere and Julie Mayhew-Archer have called in the decision as they believe that that they do not comply with the principles set out in Article 13 of the Constitution. The call-in is made on the grounds set out in the appendix (page 30). Also appended are the report to Cabinet (page 31), and the draft minute from that meeting (page 35).

Options open to the Scrutiny Committee:

3. to refer the decision back to the Cabinet for reconsideration, setting out its concerns.
4. to not refer the decision back to the Cabinet for reconsideration. The decision shall then take effect from the date of this meeting of the Scrutiny Committee.

8. Leisure contract monitoring

(Pages 37 - 54)

To consider the report of the head of economy, leisure, and property.

9. Section 106 audit - follow up report

(Pages 55 - 84)

To consider the head of planning's report.

10. Scrutiny work programme

(Pages 85 - 90)

To review the attached scrutiny work programme.

11. Dates of meetings

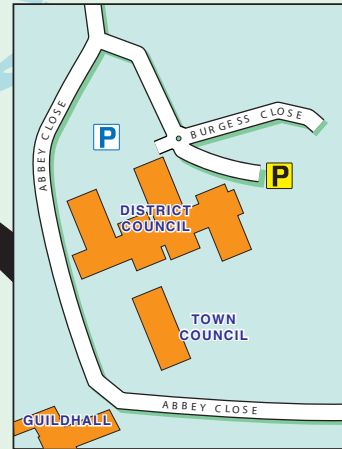
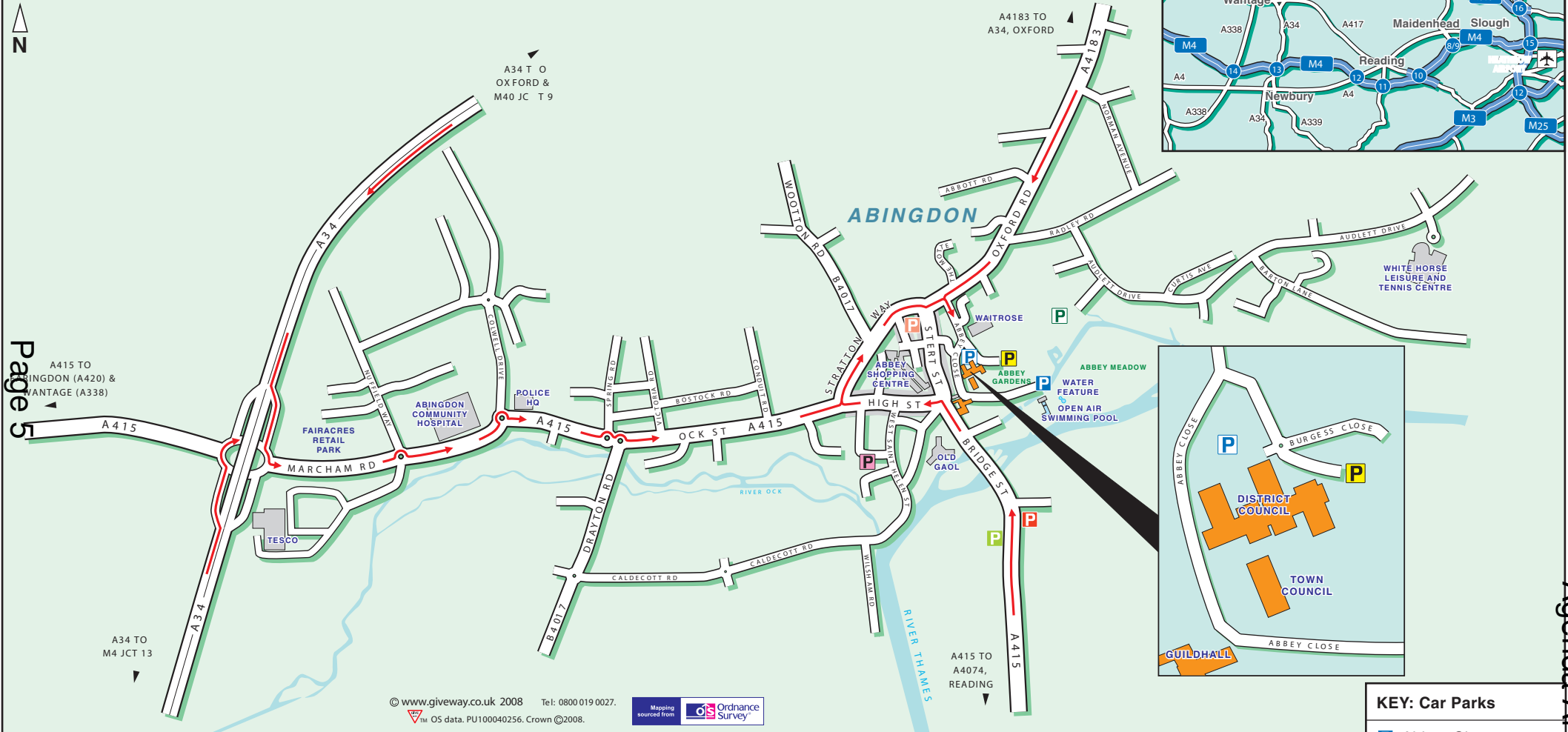
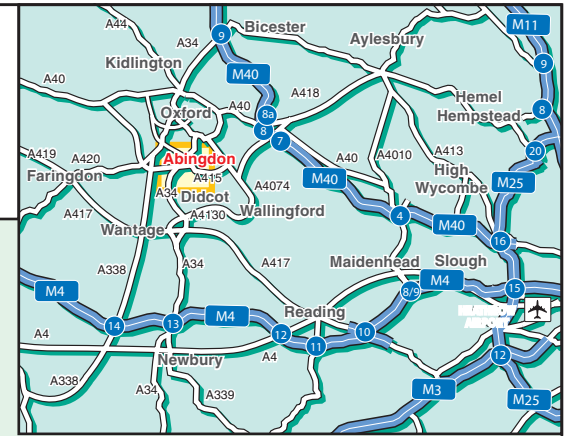
To note the dates of the forthcoming committee meetings:

- 26 July 2012
- 23 August
- 20 September

In each case, these are Thursdays at 7pm.

Exempt information under Section 100A(4) of the Local Government Act 1972

None



KEY: Car Parks

	Abbey Close
	Cattle Market
	Charter Multi-storey
	Civic
	Rye Farm
	Hales Meadow
	Audlett Drive
	West St Helen Street

By rail – the nearest main line railway stations to Abingdon are either Didcot Parkway (seven miles) or Oxford (eight miles). Radley railway station is located on the main line between Oxford and Didcot and is three miles from Abingdon town centre. For details of train times visit www.nationalrail.co.uk or call 08457 484950

By bus – there are a number of bus routes serving Abingdon town centre. For details of services and timetables, visit Oxfordshire County Council’s website at www.oxfordshire.gov.uk. Contact details for bus operators can be found on the travel information pages on our website www.whitehorsedc.gov.uk

Parking – details of car parks charges can be found on our website

Minutes

of a meeting of the

Scrutiny Committee

held at 7.00pm on Thursday 24 May 2012
at the Abbey House, Abingdon



Open to the public, including the press

Present:

Members: Councillors Jim Halliday (Chairman), Melinda Tilley (Vice-Chair), Andrew Crawford, Jane Crossley, Charlotte Dickson, Jason Fiddaman, Angela Lawrence, Julie Mayhew-Archer, and Fiona Roper

Substitute members: Councillor Mike Badcock (in place of Councillor Eric Batts), Councillor Helen Pighills (in place of Councillor Tony de Vere), and Councillor Robert Sharp (in place of Councillor Bill Jones)

Non-participating members: Councillors Matthew Barber, Dudley Hoddinott, and Richard Webber

Officers: Jayne Bolton, Steve Culliford, Susan Harbour, Clare Kingston, Anna Robinson, Emma Morris, Lyn Scaplehorn, Paul Staines, and Sally Truman

Number of members of the public: Nil

Sc.1 Notification of substitutes and apologies for absence

Councillors Eric Batts, Tony de Vere, and Bill Jones had sent their apologies for absence and had appointed substitute Councillors Mike Badcock, Helen Pighills, and Robert Sharp respectively.

Sc.2 Minutes

RESOLVED: To adopt the minutes of the committee meeting held on 22 March 2012 as a correct record and agree that the chairman signs them.

Sc.3 Declarations of interest

None

Sc.4 Urgent business and chairman's announcements

The chairman reported that the election task group set up by the committee in 2011 would be reporting back shortly.

Sc.5 Statements, petitions and questions from the public relating to matters affecting the Scrutiny Committee

Councillor Dudley Hoddinott had given notice that he wished to ask two questions: one on the capital community grants scheme and the other on the board report. These were considered later in the meeting and are recorded with the relevant minute item.

Sc.6 Staff satisfaction

The committee received the presentation slides on the October 2011 staff satisfaction survey results. The committee noted that staff from the Vale of White Horse and South Oxfordshire districts had been surveyed jointly. The committee considered that there should have been separate survey results for this council as South Oxfordshire's results were not relevant to this council. The committee noted that the reason for carrying out a joint survey was that most staff were shared between the two councils. They had the same managers and the same working terms and conditions and most individuals worked for both councils. There was also an objection to the joint South and Vale logo used in the presentation slides; they were separate council and should be recognised as such with their official separate logos. The officers agreed to feed these points back to the chief executive for review before the next staff survey.

The committee noted that it was not compulsory for staff to complete this anonymous survey as this might lead to a more negative result. The results showed more staff dissatisfaction in the planning service. Management team was investigating the reasons behind this and were involving the planning staff in a project to identify their main concerns and the actions that could be taken to address these. The strategic director was asked to circulate a note to committee members before the next committee meeting providing more detail on this.

Councillors noted that the October 2011 survey was carried out by a consultant survey specialist, surveying public sector organisations. In previous years, the survey had been for councils only. The cost of the survey included benchmarking with other public sector organisations. The committee queried the benefit the council gained from the extra cost of benchmarking with other public sector organisations outside local government. The committee asked management team to consider whether the council should continue this benchmarking in future years. However, the committee recognised the benefit of having year on year benchmarking information for this council.

RESOLVED: To

- (a) note the results of the October 2011 staff survey and request that the results of the next survey show staff working for this council only; and
- (b) request the strategic director to circulate a paper before the next committee meeting identifying the actions being taken to address the low satisfaction levels within the planning service.

Sc.7 Housing allocations policy

The committee considered the head of health and housing's report on the council's housing allocation policy. The government had published for consultation a revised draft code of guidance on the allocation of affordable homes. This would become statutory advice to councils on their housing allocation policies. The report set out the council's response to the consultation that had been submitted by the March 2012 deadline.

As background information, the report also summarised the existing housing service provided by the council. The committee welcomed this and asked questions for clarification. The committee noted that currently, the council had to accept all applicants to the housing register (the waiting list), even if they had no local connection. The council had a choice-based letting scheme, which allowed people more choice over where they would like to live, compared to the previous scheme where people had no choice of property, and had to accept what they were offered. Following a request from a councillor, the head of service agreed to supply information about the numbers and categories of people on the housing list and the housing stock and turnover.

The committee noted the council's response to the government's draft revised code of guidance but suggested that in future, instead of a joint response with South Oxfordshire District Council, separate responses might carry greater weight, even if they were the same.

The committee noted that the Localism Act had given councils a greater degree of discretion to exclude some people from their housing registers, such as:

- Owner/occupiers who owned a property outright, unless there were exceptional reasons to allow their application
- People who had the financial capacity to solve their own housing needs
- People who did not have a local connection with the district (i.e. did not live or work in the district), unless there were exceptional reasons to allow their application

Following another request from a councillor, the head of service agreed to supply information on the guidance the council followed when assessing a person's financial capacity.

The draft code of guidance gave councils discretion on how they prioritised applications. The code had suggested giving enhanced priority to armed forces personnel if they were in urgent housing need. However, the committee noted that the council already gave priority through the Oxfordshire Armed Forces Covenant.

The draft code also gave councils discretion on giving additional priority to people in work or looking for work that contributed to the community. However, officers wished to see the final code of guidance before recommending any change to the policy on this issue and on giving enhanced priority to armed forces personnel. Councillors asked that these issues were brought back to the committee for reconsideration at a later date; the head of service agreed.

The committee noted that the council's existing policy already gave greater priority to under-occupation and overcrowding cases. This had also been suggested in the draft revised code.

In answer to a question from a committee member, the officer reported that it might be possible through the national planning policy framework to allow some private housing development in rural exception sites if this resulted in the scheme proceeding, thereby providing some affordable housing for local people. The officers would have to explore this possibility.

The committee noted that Cabinet had opted for 20 per cent of new affordable housing to be allocated to local people. However, this percentage would be kept under close review. Applicants would be made aware that a local connection was not an absolute guarantee of obtaining affordable housing in their town or village.

The committee supported the proposals set out in the report, particularly the ability of the council to exclude applicants who had no local connection. However, the committee considered that there should be a clear definition of 'local connection'.

RESOLVED: To advise Cabinet that the Scrutiny Committee:

- (a) notes the intention to make no changes to the housing allocation policy priority given to former armed forces personnel, and persons in work or seeking work that contributes to the community, until either the code of guidance or revised statute is published, but following publication, the officer proposals on these issues be brought back to the committee for further consideration;
- (b) supports the proposals to amend the housing allocation policy to allow the following exceptions from the housing register:
 - Owner/occupiers who own a property outright, unless there are exceptional reasons to allow their application
 - People who have the financial capacity to solve their own housing needs
 - People who do not have a local connection with the district (i.e. living or working in the district), unless there are exceptional reasons to allow their application
- (c) agrees with the proposal to amend the housing allocations policy so that for any new developments in the district, up to 20 per cent of the allocations be ring-fenced in the first instance to people from that parish or falling within adjoining parishes but accepts that this needs to be kept under review.

Sc.8 Capital community grants

The committee considered the head of corporate strategy's report on a new capital community grants scheme. The committee was asked for its views on the new scheme ahead of Cabinet considering the same report on 1 June.

Before it did so, the committee heard a question from Councillor Dudley Hoddinott. He asked how the cost of capital projects would be broken down when the largest component was often labour? The officers reported that the whole capital cost of a project, including labour, would be considered as capital expenditure when determining each application.

The committee noted that this was a new scheme, offering grants to constituted community groups for capital schemes. The scheme did not offer grants to cover running costs, i.e. revenue costs. However, the committee noted that a small budget would be

available for some revenue grants through a separate scheme, the details of which had yet to be determined.

The committee made the following suggestions:

- The council should provide examples of capital projects that might be successful under the new scheme as the public might not be aware of the difference between capital and revenue expenditure in local government terms
- The council should inform applicants that there would be a separate revenue grants scheme at a later date
- Applications should be allowed from charitable bodies and community interest companies
- Area committees should consider the grant applications. (One councillor suggested an alternative to the area committees distributing grants funds, believing that councillors should each have an amount to spend on projects in their ward as they thought fit. However, this suggestion did not receive the committee's support, as this would result in each councillor having a very small budget. The committee considered that it would be better to pool resources and determine grants collectively through area committees.)
- Area committees could initiate their own schemes. The committee considered that these schemes must be subject to a formal agreement for ownership, liability and future maintenance, for example, perhaps through the formal involvement of a third party
- The scheme eligibility criteria needed clarification on the difference between items such as repairs, maintenance, and professional fees, which were not normally eligible for capital grants, and refurbishment, which might be
- Each applicant should always obtain support of their parish or town council, and ideally an appropriate financial contribution
- Where an area committee was in support of a scheme that had not met all of the criteria (e.g. had yet to obtain planning permission or achieve parish/town council support), the committee should delegate approval of a grant, subject to the criteria/conditions being met. Authority should be delegated to the strategic director/head of service, following consultation with the relevant area committee chairman
- The scheme eligibility criteria should be amended to read 'applications will **normally** be considered if organisations/projects meet the following eligibility criteria...'
- The committee strongly preferred budget allocation option 2: funds to be allocated to area committees on a per councillor basis (10 votes), over option 3 (2 votes) and option 1 (no votes)
- The councillor numbers for each area should not be shown as actual councillor places on each committee as the Hanneys and Longworth wards were split between two areas. The councillor numbers should be amended to read: Abingdon 16, North East 11.5, South East 15, West 8.5
- Where an area committee does not spend its capital grants budget during a year, this should be carried forward to the following year, if capital accounting rules allow

Finally, the committee asked to review the detailed guidance to applicants for this scheme, either at the next Scrutiny Committee meeting or by other means before the guidance was published.

RESOLVED: To

- (a) recommend Cabinet to consider the suggestions in the above bullet points before approving the new capital community grants scheme; and
- (b) request that the Scrutiny Committee be given an opportunity to review the detailed guidance for this scheme before the guidance is published.

Sc.9 Continuation of meeting

RESOLVED: To continue the meeting for up to a further 30 minutes to complete the remaining business.

Sc.10 Board report

The committee had previously agreed to consider the board report each quarter and determine whether to invite any heads of service to a subsequent committee meeting to explain performance. To this end, the committee considered the board report dated March 2012.

However, before doing so, the committee received a question from Councillor Dudley Hoddinott. He asked 'how could the leadership assure him that the number of affordable houses could be sufficiently boosted to give the 1000 plus people in real housing need a realistic opportunity of having a home of their own, since the number of people in real housing need was 16 times the number of affordable houses built last year?'. The chairman asked that this question was referred to the head of health and housing outside of this meeting and that a reply was circulated to Councillor Hoddinott and committee members.

The committee noted that the board report contained key performance indicators identified by management team or the Cabinets at both this council and South Oxfordshire District Council.

In answer to a question from a councillor, the committee noted that the council's performance in determining planning applications and the percentage of planning appeals dismissed had both dropped due to reduced staffing levels and the implementation of a new IT system. The latter meant the officers had not been able register any new planning applications for several weeks and would need a few more weeks' work to catch up. This meant performance for the year would be below the norm. Management team was looking at adopting lower performance targets for the planning service. The committee agreed to review the planning service's performance again when it considered the next board report.

RESOLVED: To

- (a) note the board report dated March 2012, and agree to review performance of the planning service again in the next board report; and
- (b) request the head of health and housing to provide a reply to Councillor Hoddinott's question and circulated it to committee members also.

Sc.11 Scrutiny work programme

The committee reviewed its work programme for 2012/13. With regard to the review of the council's website, the committee recalled that it had previously appointed Councillors Jane Crossley and Jim Halliday to carry out the review and report to the committee in due course. The chairman referred to a survey he had sent to councillors and urged them to feedback views on the council's website.

Sc.12 Dates of meetings

The committee noted the dates of its forthcoming meetings:

- 28 June 2012
- 26 July
- 23 August
- 20 September

In each case these were Thursdays at 7pm.

Exempt information under section 100A(4) of the Local Government Act 1972

None

The meeting closed at 9.41 pm

CALL-IN REQUEST

We, the under-signed, hereby request that the Scrutiny Committee review the decisions made by the Cabinet on Friday 1 June 2012 in Minute CA.7 relating to the Capital grants Scheme, as we believe that they do not comply with the principles set out in Article 13 of the Constitution, specifically:

An explanation of the options that were considered before a decision was taken, and the reasons for that decision –

- a) Scrutiny Committee reviewed the details of the scheme at its meeting on 24 May and recommended, after a thorough discussion of the terms and conditions and a useful suggestion from the Leader of the Council that the word “normally” should be included in the criteria, that the scheme eligibility criteria should be amended to read ‘*applications will normally be considered if organisations/projects meet the following eligibility criteria...*’. We are unclear why Cabinet has decided not to follow the Leader’s suggestion and has deleted the word “normally”.
- b) Scrutiny Committee at its meeting on 24 May considered three options for distributing the available funding of £100,000 between the four area committees in 2012/13:
 - **Option 1** - dividing the available budget by four (the number of area committees).
 - **Option 2** - allocating funds on a per councillor basis
 - **Option 3** - calculating the number of parishes x £525 and the number of electors x 60 pence in each area

The Scrutiny Committee strongly preferred budget allocation option 2: funds to be allocated to area committees on a per councillor basis (10 votes), over option 3 (2 votes) and option 1 (no votes). The scrutiny committee felt that as each councillor had approximately the same number of electors this would distribute funding on an equal *per capita* basis.

We note that “Cabinet preferred budget allocation option 3, as this brought greater equality than the other options, ensuring a more even distribution across all four areas “. We therefore seek a more detailed explanation as to why the Scrutiny Committee’s strong recommendation was ignored.

The social, economic, and environmental well-being of the community and proportionality ie the action must be proportionate to the desired outcome

We note that Cabinet decided to distribute the grants budget between the four area committees by calculating the number of parishes in each area committee’s area x £525 and the number of electors x 60 pence in each area. We are concerned that Cabinet may not have realised that the Abingdon Area only contains 4 parishes (Abingdon, Drayton, Sutton Courtenay and Appleford) and so will now receive the smallest allocation of all the areas despite having significantly more residents, as shown by the table below :

	Abingdon	North East	South East	West	Total
No. of parishes	4	15	26	23	68
No. of electors	27916	20245	24580	16023	88764
£525 per parish (£)	£2,100	£7,875	£13,650	£12,075	£35,700
60p per elector (£)	£16,750	£12,147	£14,748	£9,614	£53,258
Total per area (£)	£18,850	£20,022	£28,398	£21,689	£88,958
Percentage of Grant	21.2%	22.5%	31.9%	24.4%	100.0%
Percentage of electorate	31.4%	22.8%	27.7%	18.1%	100.0%

Cllr Jim Halliday, Cllr Tony de Vere, Cllr Andy Crawford, Cllr Julie Mayhew-Archer

Cabinet Report

Report of Head of Corporate Strategy

Author: Jayne Bolton

Telephone: 01235 547626

Textphone: 18002 01235 547626

E-mail: jayne.bolton@southandvale.gov.uk

Wards affected: All Wards

Cabinet member responsible: Matthew Barber

Tel: 01235 547693

E-mail: matthew.barber@whitehorsedc.gov.uk

To: CABINET

DATE: 1 June 2012

Capital Community Grant Scheme

Recommendation

- (a) That cabinet approves the new capital community grant policy and procedure as detailed in appendix 1 of this report.
- (b) That cabinet determines the methodology to distribute the grants budget between the four area committees as detailed in paragraph 9 of this report.
- (c) That cabinet delegates responsibility to withdraw or extend a capital community grant to the head of corporate strategy.

Purpose of Report

1. To approve a new capital community grant policy and procedure as detailed in appendix 1 of this report.

Strategic Objectives

2. The council has a corporate priority to offer support to local communities by offering grants to voluntary and community organisations who are delivering projects and services that support the council's own objectives or those in need.

Background

3. In 2011/12 the council awarded £99,135 in community grants to 50 separate voluntary organisations, to date £70,358 (71 per cent) has actually been paid to

these organisations. The balances remaining are mainly due to match funding requirements. These grants were for a mixture of capital, ongoing revenue and one off event expenditure.

4. As part of the budget setting for 2012/13 it was decided to remove the community grants budget from the revenue budget and replace it with a capital community grant scheme.

Options

5. The suggested criteria for the new capital community grant scheme are similar to those used by the area committees over the last 12 months. The key difference is that the scoring element relating to how a project contributes to the council's corporate priorities or the Vale's community strategy has been removed. The focus of the scoring is now on the level of local need which will be identified through consultation evidence provided by the organisation applying for the grant.
6. A new section on the viability of a project has also been added to the scoring system, this will help to identify the projects that are most likely to be successful and claim the grant payments within the appropriate time scales.

Allocation of budgets to area committees

7. In 2011/12 the community grant budget was calculated by dividing the total budget available by the percentage of the electors in each area. There are various options available to the council to allocate this grant budget and a summary of three options is listed below: (more detailed information is included in appendix 1).

Option 1 The allocation of funds is calculated by dividing the available budget by four (the number of area committees). For example £100,000 divided by 4 = £25,000 per area committee.

Option 2 The funds are allocated to each committee on a per councillor basis. The rationale being that each councillor has approximately the same number of electors, so this ensures that the funds are distributed evenly.

Option 3 The funds are allocated to each committee by calculating the number of parishes x £525 and the number of electors x 60 pence in each area. The rationale being that the funds are distributed more evenly. These figures and formula are based on recommendations from a previous scrutiny committee meeting.

8. The cabinet is asked to consider which of these options it prefers.

Financial Implications

9. The council has a recurring annual capital allocation of £100,000 in its capital programme funded from its capital receipts reserve to offer in capital grants to local community projects.

Legal Implications

10. The area committees have delegated authority from the previous Executive to determine grant applications. There is also a delegated authority for the head of corporate strategy in consultation with the chair of the relevant area committee to determine grant awards up to £1,000.

Risks

11. There is a risk that the projects are not successful and grant awards are not drawn down. The viability section included within the scoring criteria will mitigate this risk. Any project that fails or which cannot meet the grant conditions will not receive its grant award and the grant will be cancelled. These decisions will be taken by the head of corporate strategy. The funds will be available to award grants to other applicants. The head of corporate strategy will also determine any requests for extensions of time when a grant is due to expire.

Conclusion

12. The new capital community grant policy and procedures have been developed with scoring criteria that is easy to understand for the benefit of the potential applicants to the scheme. The scoring criteria are familiar to the area committees who have previously used it when considering community grant applications.

Capital Grant Policy and Procedure

(revised April 2012)



Introduction

The council has a corporate objective to support local communities and their representative bodies to create opportunities to localise service delivery. It aims to offer grants to voluntary and community organisations who are delivering projects and services that support the council's own corporate objectives or those in need.

The council has a recurring annual capital allocation of £100,000 in its capital programme funded from its capital receipts reserve to offer in capital grants to local community projects.

The scoring criteria and policy and procedure rules will be determined from time to time by the cabinet. Details of the application procedure will be included in the application forms held by the head of corporate strategy.

What type of project will the scheme fund?

The council seeks to support a variety of community initiatives. Applications for funding towards a wide variety of different community projects can be made. Only capital expenditure, such as spending on buildings, extensions or equipment will be considered under this scheme. Repairs and maintenance work does not fall within capital expenditure. Applications for revenue funding to cover such things as salary costs, heating or rent cannot be considered under this scheme. Retrospective projects will not be considered.

Who can apply to the scheme?

Any constituted community-based organisation, including not for profit businesses, parish and town councils, may apply. The council will not fund large public sector bodies, such as Oxfordshire County Council or Primary Care Trusts.

The council is committed to promoting equality and diversity and welcomes applications from all sectors of the community, regardless of race, gender, disability, sexual orientation, age, status, religion or belief.

Schemes initiated by Area Committees

As well as receiving applications from eligible groups, Area Committees may also choose to initiate their own projects. Each area would have to fund its own projects from its overall budget and any consultants costs would have to be drawn from the same budget.

What is the maximum award from the scheme?

In most cases any grant awarded by the scheme will be up to 50 per cent of the total cost of the project capped to a maximum of £5,000 for any individual project. All grant awards will be offered as a percentage of the total cost of the project, capped with a maximum grant amount. In this way, the council will share 50% of any saving if a project under spends, but does not share the cost if the project overspends.

Scheme eligibility criteria

Applications will only be considered if organisations/projects meet the following eligibility criteria:

- are a properly constituted charitable or non profit making organisation
- has secured all appropriate planning and listed building consents
- provides two years audited accounts (six months of bank statements for new organisations)
- provides a minimum of two quotations for all work, equipment and fees relating to the costs of the project
- the project has not already commenced

Opening and closing dates

The scheme will generally have one funding round each year; subject to budget availability a second round will be held. The first round will open for applications in June (unless an election has taken place when it will be September) each year (11 June 2012) and close at the end of July (27 July 2012). Decisions will generally be made by the end of September.

If a second round is required it will generally open for applications in October each year and close at the end of December and decisions will be made in February.

Decision making

Grant applications will be determined by the relevant area committee; Abingdon, South East, North East and West. The area committees will meet in September and February (if required) each year.

Allocation of budgets to area committees

In 2011/12 the community grant budget was calculated by dividing the total budget available by the percentage of the electors in each area. There are various options available to the council to allocate this grant budget and three options are listed below:

Option 1 - The allocation of funds will be calculated by dividing the available budget by four (the number of area committees). For example £100,000 divided by 4 = £25,000 per area committee.

Description	Abingdon	North East	South East	West	Total
Equal Area allocation £	25,000	25,000	25,000	25,000	100,000
Equivalent grant per councillor £	1,562	2,083	1,562	2,777	

Percentage of budget	25%	25%	25%	25%	
No. of Councillors	16	12	16	9	53

Option 2 – The funds will be allocated to each committee on a per councillor basis. The rationale being that each councillor has approximately the same number of electors, so this ensures that the funds are distributed evenly. The table below shows the detailed calculation of this method.

Description	Abingdon	North East	South East	West	Total
No. of Councillors	16	12	16	9	53
Grant per Councillor £	1887	1887	1887	1887	100,000
Area Allocation £	30,192	22,644	30,192	16,983	100,000
Percentage of budget	30.19%	22.64%	30.19%	16.98%	

Option 3 - The funds will be allocated to each committee by calculating the number of parishes x £525 and the number of electors x 60 pence in each area. The rationale being that the funds are distributed more evenly. These figures and formula are for guidance only. They are based on recommendations from a previous scrutiny committee meeting and the figures may no longer be accurate and will need to be updated if councillors support this option.

Description	Abingdon	North East	South East	West	Total
No. of parishes	15	18	28	28	89
No. of electors	27916	20245	24580	16023	88,764
£525 per parish £	7,875	9,450	14,700	14,700	-
60p per elector	16,750	12,147	14,748	9,614	-
Total per area £	24,625	21,597	29,448	24,314	99,984
Percentage of budget	24.63%	21.60%	29.45%	24.32%	

Delegated decisions

The head of corporate strategy will make decisions on awards for grants from the scheme of between £1 and up to a maximum of £1,000 in consultation with the relevant area committee chairman (if required) in all instances the scoring criteria will be applied. Any project that fails or which cannot meet the grant conditions will not receive its grant award and the grant will be cancelled. These decisions will be taken by the head of corporate strategy. The funds will be available to award grants to other applicants. The head of corporate strategy will also determine any requests for extensions of time when a grant is due to expire.

If any officer of the council has a pecuniary interest in any application being determined under this delegation the decision will be referred to a strategic director or the chief executive. These decisions will be published to all councillors and an update provided to the next area committee meeting.

Area Committees

Each area committee will consist of all councillors (elected in the appropriate area) who will consider a detailed evaluation report and receive a presentation from officers including a recommendation, based on the approved scoring criteria (appendix 1) for each application to the scheme.

Each area committee will determine the applications taking into account the budget availability.

Procedure at meetings of each Area Committee

Meetings of the area committees will be conducted in accordance with the Rules of Procedure set out in Parts 4 and 5 of the council's Constitution.

Declaration of interests

Declarations of interests by councillors and officers will be conducted in accordance with the Rules of Procedure set out in Parts 4 and 5 of the council's Constitution.

If any officer of the council has a pecuniary interest in any application being determined under this scheme they will take no part in the process and register their interest as required by the employee's code of conduct policy.

Standard conditions of all grant awards

- grants will not be payable towards any costs incurred before the grant award decision date
- projects must commence within one year of the date of the grant being awarded
- evidence that a contract of works is in place is required before any grants are advanced
- evidence that all funding is in place to **complete** the project must be provided to the grants team prior to commencement of work and the release of any part of the grant award
- council staff must be allowed to enter and inspect the work being carried out, by arrangement, subject to them abiding by any necessary health and safety requirements
- grants will be paid on completion of the project by returning a grant claim form attaching evidence of expenditure
- grants (or part of) will not be paid in relation to any spend that does not comply with the definition of 'capital expenditure'
- requests for information to assist us in monitoring the success of the project must be supplied to the grants team as required
- A plaque, supplied by the council, must be displayed in a prominent position to acknowledge grant awards of over £2,000

Breaches of one or more of the above grant conditions may result in the head of corporate strategy repealing the grant.

Capital Grant Policy and Procedure

(revised April 2012)



Scoring criteria

Assessment methodology for capital grant applications

The council has a corporate objective to support local communities and their representative bodies to create opportunities to localise service delivery. It aims to offer grants to voluntary and community organisations who are delivering projects and services that support our own objectives or those identified as being in need. All applications will be assessed using the scoring system shown below.

Local issues up to 80 points

Scores of up to 20 points are available for each of the four categories shown below:

Broadening the range	<p>Is this more of the same or will the project enable new activities to take place?</p> <p>This will involve an assessment of the added value that the proposal brings. To score points a project must include evidence to show that a wider range of people will use the facility.</p>
Community participation	<p>To what extent has the relevant community been consulted and participated in putting the proposal together? Is the project identified in a local parish plan?</p> <p>A community need does not have to be geographically based and participation is not a headcount – the relevant community will vary in size dependent upon the project being proposed.</p>
Meeting a local need	<p>How well is this evidenced/detailed?</p> <p>Need and demand are different - this is about a proven lack of something that the project provides.</p>
Community benefit	<p>Who will benefit? This will go beyond a simple number count, to take account of the imbalance in size between different communities.</p> <p>Community benefit also includes wider social, economic and environmental benefits that contribute to the achievement of sustainable development and energy saving in the district.</p>

Viability of project up to 60 points

Scores of up to 60 points are available dependent on the viability of the project.

Viability	<p>Is the project reasonable and appropriate for the area? Does the project deliver best value for money? Is the project likely to secure full funding and progress within 12 months? Will the organisation be able to manage the project now and in the future?</p>
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Summary of scoring system

The maximum score is 140 made up as follows:

Assessment factor	Maximum points available
Broadening the range	20
Community participation	20
Meeting a local need	20
Community benefit	20
Viability	60
Total	140

Briefing note to Cabinet 1 June 2012

Capital community grants scheme

At its meeting held on Thursday 24 May 2012, the Scrutiny Committee considered the proposed capital community grants scheme. Below is an extract from the draft minutes of that meeting, setting out recommendations to Cabinet on the new scheme.

“The committee considered the head of corporate strategy’s report on a new capital community grants scheme. The committee was asked for its views on the new scheme ahead of Cabinet considering the same report on 1 June.

Before it did so, the committee heard a question from Councillor Dudley Hoddinott. He asked how the cost of capital projects would be broken down when the largest component was often labour? The officers reported that the whole capital cost of a project, including labour, would be considered as capital expenditure when determining each application.

The committee noted that this was a new scheme, offering grants to constituted community groups for capital schemes. The scheme did not offer grants to cover running costs, i.e. revenue costs. However, the committee noted that a small budget would be available for some revenue grants through a separate scheme, the details of which had yet to be determined.

The committee made the following suggestions:

- The council should provide examples of capital projects that might be successful under the new scheme as the public might not be aware of the difference between capital and revenue expenditure in local government terms
- The council should inform applicants that there would be a separate revenue grants scheme at a later date
- Applications should be allowed from charitable bodies and community interest companies
- Area committees should consider the grant applications. (One councillor suggested an alternative to the area committees distributing grants funds, believing that councillors should each have an amount to spend on projects in their ward as they thought fit. However, this suggestion did not receive the committee’s support, as this would

result in each councillor having a very small budget. The committee considered that it would be better to pool resources and determine grants collectively through area committees.)

- Area committees could initiate their own schemes. The committee considered that these schemes must be subject to a formal agreement for ownership, liability and future maintenance, for example, perhaps through the formal involvement of a third party
- The scheme eligibility criteria needed clarification on the difference between items such as repairs, maintenance, and professional fees, which were not normally eligible for capital grants, and refurbishment, which might be
- Each applicant should always obtain support of their parish or town council, and ideally an appropriate financial contribution
- Where an area committee was in support of a scheme that had not met all of the criteria (e.g. had yet to obtain planning permission or achieve parish/town council support), the committee should delegate approval of a grant, subject to the criteria/conditions being met. Authority should be delegated to the strategic director/head of service, following consultation with the relevant area committee chairman
- The scheme eligibility criteria should be amended to read 'applications will *normally* be considered if organisations/projects meet the following eligibility criteria...'
- The committee strongly preferred budget allocation option 2: funds to be allocated to area committees on a per councillor basis (10 votes), over option 3 (2 votes) and option 1 (no votes)
- The councillor numbers for each area should not be shown as actual councillor places on each committee as the Hanneys and Longworth wards were split between two areas. The councillor numbers should be amended to read: Abingdon 16, North East 11.5, South East 15, West 8.5
- Where an area committee does not spend its capital grants budget during a year, this should be carried forward to the following year, if capital accounting rules allow

Finally, the committee asked to review the detailed guidance to applicants for this scheme, either at the next Scrutiny Committee meeting or by other means before the guidance was published.

RESOLVED: To

- (a) recommend Cabinet to consider the suggestions in the above bullet points before approving the new capital community grants scheme; and
- (b) request that the Scrutiny Committee be permitted to review the detailed guidance for this scheme before the guidance is published."

Extract of adopted Cabinet minutes from 1 June 2012

Capital community grant scheme

Cabinet considered the head of corporate strategy's report that proposed a new capital community grants scheme.

Councillor Dudley Hoddinott was invited to ask his questions to Cabinet on the community grants scheme. He asked:

1. when would the revenue grants scheme be available and open for review?
2. how much money would be available for revenue projects that communities could apply for?
3. was the re-establishment of a revenue grants scheme a 'u-turn'?

In reply to Councillor Hoddinott's questions, the officers reported that the revenue scheme would be considered by Cabinet on 15 June, and it had a £50,000 budget for 2012/13.

The report set out three options to apportion the capital grants budget for 2012/13:

- Option 1 - dividing the available budget by four (the number of area committees).
- Option 2 - allocating funds on a per councillor basis as each councillor had approximately the same number of electors, ensuring that the funds would be distributed evenly
- Option 3 - calculating the number of parishes x £525 and the number of electors x 60 pence in each area

Cabinet noted that the Scrutiny Committee had considered the same report on 24 May and had made suggestions. Cabinet considered these and responded as set out below:

Scrutiny Committee's suggestion	Cabinet's response
The council should provide examples of capital projects that might be successful under the new capital grants scheme as the public might not be aware of the difference between capital and revenue expenditure in local government terms	Agree this proposal but there should also be examples of schemes that might be successful under the new revenue grants scheme
The council should inform applicants that there would be a separate revenue grants scheme at a later date	Agreed – publish details of the schemes on the website
Applications should be allowed from charitable bodies and community interest companies	Agreed
Area committees should consider the grant applications. (One Scrutiny Committee member had suggested an alternative to the area committees distributing grants funds, that councillors should each have an amount to spend on projects in their ward as they thought fit. However, this suggestion did not receive the committee's	Agreed – area committees would continue to determine grant applications

Scrutiny Committee's suggestion	Cabinet's response
support, as this would result in each councillor having a very small budget. The committee considered that it would be better to pool resources and determine grants collectively through area committees.)	
Where area committees initiate their own schemes, these must be subject to a formal agreement for ownership, liability and future maintenance, for example, perhaps through the formal involvement of a third party	Agreed
The scheme eligibility criteria needed clarification on the difference between items such as repairs, maintenance, and professional fees, which were not normally eligible for capital grants, and refurbishment, which might be	Agreed – officers to clarify the criteria before publication
Each applicant should always obtain support of their parish or town council, and ideally an appropriate financial contribution	Agreed but it must be the applicant's responsibility to declare that they have achieved their parish council's support
Where an area committee was in support of a scheme that had not met all of the criteria (e.g. had yet to obtain planning permission or achieve parish/town council support), the committee should delegate approval of a grant, subject to the criteria/conditions being met. Authority should be delegated to the strategic director/head of service, following consultation with the relevant area committee chairman	Agreed that an application could be delegated for approval subject to a condition to achieve town/parish council support. However, applications must <u>not</u> be delegated for approval subject to planning permission being sought; this must be a pre-requisite of applying for a capital grant.
The scheme eligibility criteria should be amended to read 'applications will <i>normally</i> be considered if organisations/projects meet the following eligibility criteria...'	Disagree – use the wording as suggested originally in the officer's report as this is clearer, by removing the word 'normally'
The committee strongly preferred budget allocation option 2: funds to be allocated to area committees on a per councillor basis (10 votes), over option 3 (2 votes) and option 1 (no votes)	Cabinet preferred budget allocation option 3, as this brought greater equality than the other options, ensuring a more even distribution across all four areas
The councillor numbers for each area should not be shown as actual councillor places on each committee as the Hanneys	Agreed - but not relevant to Cabinet's preferred budget allocation option 3 that is based on number of parishes and number

Scrutiny Committee's suggestion	Cabinet's response
and Longworth wards were split between two areas. The councillor numbers should be amended to read: Abingdon 16, North East 11.5, South East 15, West 8.5	of electors
Where an area committee does not spend its capital grants budget during a year, this should be carried forward to the following year, if capital accounting rules allow	Agreed, subject to area committees seeking Cabinet approval to carry forward funds to the following year.

Finally, the Scrutiny Committee had asked to review the detailed guidance to applicants for this scheme, either at the next Scrutiny Committee meeting or by other means before the guidance was published. Cabinet supported this.

RESOLVED: To

- (a) approve the new capital community grant policy and procedure as detailed in appendix 1 of the report, subject to the following amendments:
- The officers shall publicise examples of capital projects that may be successful under the new scheme and revenue proposals that may be successful under the separate revenue grants scheme, as the public may not be aware of the difference between capital and revenue expenditure in local government terms. Scrutiny Committee to review the detailed guidance to applicants for this scheme before the guidance is published
 - The council shall inform applicants that there will be a separate revenue grants scheme, to be considered by Cabinet on 15 June 2012
 - Applications shall be allowed from charitable bodies and community interest companies
 - Area committees shall consider the grant applications
 - Schemes initiated by the area committee must be subject to a formal agreement for ownership, liability and future maintenance, for example, through the formal involvement of a third party
 - The officers to clarify the scheme eligibility criteria on the difference between items such as repairs, maintenance, professional fees, and refurbishment
 - Each applicant must always obtain support of their parish or town council, and ideally an appropriate financial contribution and shall be required to confirm this by marking the application form
 - Where an area committee is in support of a scheme that has not met all of the criteria (e.g. has yet to achieve parish/town council support), the committee may delegate approval of a grant, subject to the criteria/conditions being met. Authority should be delegated to the strategic director/head of service, following consultation with the relevant area committee chairman
 - Any planning permission must be obtained before capital grant applications can be considered
 - Where an area committee does not spend its capital grants budget during a year, this may be carried forward to the following year, but permission must be sought from Cabinet

- (b) agree to distribute the grants budget between the four area committees by calculating the number of parishes in each area committee's area x £525 and the number of electors x 60 pence in each area (option 3); and
- (c) authorise the head of corporate strategy to withdraw or extend a capital community grant.

Agenda Item 7

CALL-IN REQUEST

We, the under-signed, hereby request that the Scrutiny Committee review the decisions made by the Cabinet on Friday 15 June 2012 relating to the revised Revenue Grant Policy and Procedure, as we believe that they do not comply with the principles set out in Article 13 of the Constitution, specifically:

An explanation of the options that were considered before a decision was taken, and the reasons for that decision and **Social, economic, and environmental well-being of the community** and **Proportionality ie the action must be proportionate to the desired outcome**

There appears to have been no detailed consideration of the options for determining and awarding Revenue Grants –but merely a decision that they would be determined the head of corporate strategy in consultation with the cabinet member for Finance, and that “... *other cabinet members or local members could be consulted also, depending on the application*”. We would suggest that the views of the local member(s), and/or members of the relevant Area Committee should always be sought.

- a) The “criteria” listed in Appendix 1 of the Cabinet paper, which we understand have been adopted without major alteration by Cabinet appear not to be justified by evidence, and that Cabinet appear not to have considered any alternative criteria. For example, we find it puzzling
- a. That Parish and Town councils, or charitable bodies are not permitted to apply for funds
 - b. That by requiring two years previous accounts to be submitted, this excludes the possibility of funding new events or granting funds to newly established bodies
 - c. That awards will not normally be for more than £1,000 when the grants made to Festivals in 2011 in Wantage, Faringdon and Abingdon all exceeded that sum
 - d. That there will be no requirement for the organisation to provide evidence that expenditure for which the grant was made actually took place – the sole criteria is whether the event took place or not
 - e. That there is no requirement for the project’s financial plan to be submitted with the application
 - f. That there is no definition of what constitutes a “local festival or event”

Cllr Jim Halliday, Cllr Tony de Vere, Cllr Julie Mayhew-Archer, Cllr Andy Crawford

Cabinet Report

Report of Head of Corporate Strategy

Author: Jayne Bolton

Telephone: 01235 547626

Textphone: 18002 01235 547626

E-mail: jayne.bolton@southandvale.gov.uk

Wards affected: All Wards

Cabinet member responsible: Matthew Barber

Tel: 01235 547693

E-mail: matthew.barber@whitehorsedc.gov.uk

To: CABINET

DATE: 15 June 2012

Revenue Grant Policy and Procedure

Recommendations

- (a) That cabinet approves a new revenue grant policy and procedure as detailed in appendix 1 of this report.
- (b) That cabinet approves a virement of £10,000 from contingency to the revenue grant budget to fund grants that meet the criteria as detailed in the new revenue grant policy and procedure as detailed in appendix 1 of this report.
- (c) That cabinet delegates responsibility to determine applications that meet the criteria as detailed in the new revenue grant policy and procedure to the head of corporate strategy in consultation with the relevant cabinet member.

Purpose of Report

1. To approve a new revenue grant policy and procedure as detailed in appendix 1 of this report and to approve a virement of £10,000 from the council's contingency to the revenue grant budget.

Strategic Objectives

2. The council has a corporate priority to offer support to local communities by offering grants to voluntary and community organisations who are delivering projects and services that support the council's own objectives or those in need.

Background

3. In 2011/12 the council awarded £99,135 in community grants to 50 separate voluntary organisations. These grants were for a mixture of capital, ongoing revenue and one off event expenditure. Over £10,000 was awarded to seven organisations to help fund the costs of running various festivals in the district.
4. As part of the budget setting for 2012/13, council decided to remove the community grants budget from the revenue budget and replace it with a capital community grant scheme. Cabinet recently approved the policy for the capital community grant scheme with a budget of £100,000 and the scheme will open shortly.
5. In addition, as part of the budget setting for 2012/13 council also approved partnership grants of over £270,000 to 22 separate voluntary sector organisations to support their ongoing running costs.
6. Since the removal of the community grant scheme we have received several formal requests for funding towards festivals in the district and currently there is no means of funding these, assuming cabinet wishes to do so.

Matters for consideration

7. This report invites cabinet to approve a revenue grant policy and procedure as detailed in appendix 1, so that we can determine requests for funding towards festivals or events in the district using a formally approved process.
8. Assuming cabinet wishes to support this, it needs to approve the transfer of contingency funds to support the creation of a new revenue budget. Officers propose that cabinet sets this budget at £10,000. This sum is sufficient to meet likely requests based on previous year's applications.
9. This report also invites cabinet to delegate responsibility of determining applications that meet the criteria as detailed in the new revenue grant policy and procedure to the head of corporate strategy in consultation with the relevant cabinet member.

Financial Implications

10. The council has a revenue earmarked fund of £50,000 that is set aside to be able to offer grants to organisations that are in need of match funding from the council to secure grants from other external sources. Full council either at budget-setting time or exceptionally by way of in-year supplementary estimate, has authority to use this to fund revenue grants rather than the cost falling on the general fund and council taxpayers.

11. Rather than delay creation of the scheme until after the next full council meeting, officers propose instead that cabinet uses £10,000 from the contingency to support this initiative. Council can then decide when setting its budget for 2013/14 whether and how it wishes to use the earmarked reserve.

Legal Implications

12. The council's legal powers to award these grants are contained in section 19 of the Local Government (Miscellaneous Provisions) Act 1976, Section 145 of the Local Government Act 1972 and Section 2 of the Local Government Act 2000.

Risks

13. Organisations that are awarded grants will receive the payment immediately. There is a risk that the organisations who receive payments are unable to hold the festival or event, in this case the organisation will be requested to return the grant.

Conclusion

14. We have developed the new revenue grant policy and procedures so that we can determine requests for funding towards festivals or events using a formally approved process. We have identified a means of funding the scheme initially using the contingency, with the option later of council deciding to use an earmarked reserve.

15. This initiative will help festivals and events to happen within the Vale that might otherwise not do so, bringing economic benefits to the district.

Appendix 1

Criteria for revenue grant scheme 2012-13

This fund is to support local festivals or events held in the Vale of the White Horse district. If an organisation can provide sufficient evidence of need and support for other types of projects they may be considered.

Any constituted local voluntary sector organisation may apply. The scheme will be an open programme throughout the financial year 2012-13 or until the budget is spent.

Applications will be determined on the basis that the organisation provides evidence that the project has:

- substantial local community support
- substantial numbers of beneficiaries.

Retrospective applications will not be considered.

Organisations must provide the following supporting documents in order to apply:

- a constitution
- a breakdown of the projects income and expenditure
- the previous two years accounts
- the previous three months bank statements.

Awards will be no more than £1,000.

Decisions will be made under delegated powers by the head of corporate strategy in consultation with the relevant Cabinet member.

Grant payments will be made to the organisation once approval is granted. There will be no requirement for the organisation to provide evidence that expenditure has been made. The organisation will be asked to return the grant if for any reason the event/project does not go ahead.

Extract from draft Cabinet minutes from 15 June 2012

Revenue grants policy and procedure

Cabinet considered the head of corporate strategy's report that sought approval of a new revenue grant policy and procedure and approval of a £10,000 virement from contingency to fund the grants.

Cabinet recalled that in 2011/12 the council awarded £99,135 in community grants to 50 separate voluntary organisations. These grants were for a mixture of capital projects, ongoing revenue costs, and one-off events. Over £10,000 was awarded to seven organisations to help fund festivals in the district.

As part of the budget setting for 2012/13, the council removed the community grants budget from the revenue budget and replaced it with a capital community grant scheme. Cabinet approved the policy for the capital community grant scheme on 1 June 2012. As part of its budget setting for 2012/13, the Council had also approved partnership grants of over £270,000 to 22 voluntary sector organisations to support their ongoing running costs. However, since the removal of the community grant scheme, the council had received several requests for funding towards festivals in the district and there was no means of funding these. Therefore, Cabinet considered adopting a revenue grants scheme to determine these funding requests.

Councillor Richard Webber was invited to ask his questions on the proposed revenue grants scheme. Firstly, he congratulated the Cabinet on transferring the majority of the grants funds to a capital scheme as this reflected the history of grants applications. He was also pleased that Cabinet was also considering a revenue grants scheme to support festivals and events. He believed that supporting festivals and events would bring greater community than supporting several smaller individual groups. However, Councillor Webber asked whether such grants would be limited to £1,000. He noted that the report recommended delegating the award of revenue grants to the head of service in consultation with the relevant cabinet member. He asked Cabinet to consider whether this would take choice away from area committees.

Cabinet considered that the revenue grants scheme would help festivals and events to happen that might not otherwise do so, bringing economic benefits to the district. Supporting festivals and events, rather than individual groups, would bring more to the community. Cabinet was pleased that Councillor Webber agreed with this.

Cabinet agreed a virement of £10,000 from contingency to fund these grants. Cabinet considered £10,000 was sufficient to meet the likely requests based on previous experience. However, Cabinet would consider transferring additional funds if required. Funding this from contingency would avoid a delay in implementing the scheme. Council would need to consider long-term funding sources in its budget-setting process.

Cabinet considered that it would be too limiting to restrict grants to £1,000. Instead, Cabinet amended the criteria to read 'awards will *normally* be no more than £1,000.'

Cabinet also considered that applications should be determined under delegated authority rather than by area committees as this would allow quicker decisions. Cabinet considered the relevant cabinet member who should be consulted on the applications should be the

cabinet member for finance, but also considered that other cabinet members or local members could be consulted also, depending on the application.

RESOLVED: To

- (a) approve a new revenue grant policy and procedure as detailed in appendix 1 of the head of corporate strategy's report, the criteria being amended to read 'Awards will *normally* be no more than £1,000.'
- (b) approve a virement of £10,000 from contingency to the revenue grant budget to fund grants that meet the criteria as detailed in the new revenue grant policy and procedure; and
- (c) authorise the head of corporate strategy in consultation with the cabinet member for finance to determine applications that meet the criteria as detailed in the new revenue grant policy and procedure.

Scrutiny committee report

Report of head of economy leisure and property

Author: Chris Webb

Tel: 01235 540358

E-mail: chris.webb@southandvale.gov.uk

Cabinet Member responsible: Elaine Ware

Tel: 01793 783026

E-mail: elaine.ware@whitehorsedc.gov.uk

To: SCRUTINY COMMITTEE

DATE: 28 June 2012

2011/12 performance review of Soll Vale

RECOMMENDATION

That the committee considers Soll Vale's performance in delivering the leisure management contract for the period 2011/12 for Faringdon and Wantage leisure centres and Tilsley Park and makes any recommendations to the cabinet member for leisure to enable her to make a final assessment on performance.

PURPOSE OF REPORT

1. The report considers the performance of Soll Vale in providing the leisure management service in the Vale of White Horse at Faringdon and Wantage leisure centres and Tilsley Park for the period 1 April 2011 to 31 March 2012.

STRATEGIC OBJECTIVES

2. The review of Soll Vale (Soll) helps ensure the Vale Council is achieving its strategic objectives in the following areas:
 - excellent delivery of key services: deliver high performing services with particular emphasis on ensuring good quality sports and leisure provision.
 - effective management of resources: reducing energy usage throughout the council's operations and continue to work in partnership with South Oxfordshire District Council to extend the sharing of services and all resources.

BACKGROUND

3. The Soll contract commenced on 1 September 2004 and ends on 31 August 2014. The total cost of the contract to the council over the ten year period is £3,819,000.

4. As well as this main contract, Soll manages the outdoor swimming pool in Abingdon under a separate contract. This contract was re-tendered in 2010 and was awarded to Soll again for a further four year period up to 31 August 2014. This review does not cover Soll's performance in managing the outdoor pool, which has a different monitoring arrangement involving Abingdon Town Council.
5. During 2011/12 there were two major changes to the Soll senior team. The previous contract manager left on 21 September 2011, with a new head of operations for the Soll group coming into post in January 2012. In June 2011, the chairman of the main Soll board stepped down with the new chairman taking up his role in July 2011.
6. Throughout 2011/12, Soll has developed the activity programme at the Vale sites and successfully increased usage in most parts of the business. Soll has continued to offer free swimming to under 8's at Faringdon and Wantage pools, maintained a very good offer for centre memberships throughout the year and has financed the refurbishment of the reception area at Wantage Leisure Centre at a cost of £15,000. The dry side activity programme at both Faringdon and Wantage leisure centres has also increased significantly. There are further plans to offer Access to Leisure scheme members significantly reduced prices or free use in the near future to encourage access for all users.
7. We monitor this contract on a monthly basis. The monitoring regime provides eight general routine inspections and four health and safety inspections annually. Each visit is unannounced and follows a detailed check list, which is completed by a monitoring officer for each visit. Areas that require immediate improvement are notified to the contractor before the officer leaves the site and a full report detailing all findings is issued to the contractor within two days of the inspection. An action plan is developed after each inspection with deadlines agreed between the Vale Council and Soll. Whilst there are always issues to deal with, there is co-operation between both organisations to achieve the desired outcomes.
8. In addition to these inspections, there are monthly formal contractor / client meetings held at one of the centres where any relevant issues are discussed. These visits also allow for ad-hoc inspections to take place. There are quarterly strategic meetings, which allow for medium to long-term issues to be discussed and planned for, although any important issues can be raised at any time and resolved should they arise.
9. Managing contractor performance is essential for delivering the Vale Council's objectives and targets. The Vale Council cannot deliver excellent service to its residents unless its contractors are excellent. Therefore, working jointly with contractors to review performance regularly is essential.
10. The Vale Council's process for managing contractor performance focuses on continuous improvement and action planning. The success of the performance review framework depends on contractors and the Vale Council working together to set and review realistic, jointly agreed and measurable targets.
11. The overall framework is designed to be:
 - a consistent way for the council to consistently measure contractor performance, to help highlight and resolve operational issues
 - flexible enough to suit each contract, including smaller contracts which may not require all elements of the framework

- a step towards managing risk more effectively and improving performance through action planning.

OVERVIEW OF THE REVIEW FRAMEWORK

12. The review process consists of three essential dimensions:
1. performance measured against key performance targets (KPTs)
 2. customer satisfaction with the total service experience
 3. Vale Council satisfaction as client.
13. Each dimension is assessed and the head of service makes a judgement of classification. Contractor feedback and an assessment of strengths and areas for improvement are also included. Where some dimensions are not relevant or difficult to apply fairly to certain types of contract, the framework may be adjusted or simplified at the discretion of the heads of service.

DIMENSION 1 – KEY PERFORMANCE TARGETS

14. 2011/12 was the first year that formal KPTs were introduced to measure Soll's performance, and established the baseline for measuring future performance. The targets were agreed at a low level due to the maturity of the contract (year seven of a ten year agreement). At the time of introducing the targets, officers agreed with the Soll contract manager that a review of the targets would take place during the year to ensure that they remained challenging yet realistic. During quarter three, officers proposed amendments to the targets as it was already apparent that several were going to be over achieved by a significant amount. These proposals were put to the Soll board in January 2012 but were declined as Soll considered that its performance would not be fully reflected in the amended figures.
15. An analysis of Soll's performance against its KPTs appears below (and in more detail in annex A of this report).

KPT ref	Description of KPT	Target	Performance	Individual KPT rating (excellent, good, fair, weak or poor)	KPT rating score (excellent = 5, good = 4, fair = 3, weak = 2, poor = 1)
KPT 1	Increase total visits less schools	1.00%	11.4%	Excellent	5
KPT 2	Increase physical activity usage	1.00%	12.6%	Excellent	5
KPT 3	Increase U16 dry course visits	1.00%	-6.7%	Poor	1
KPT 4	Increase U16 wet course visits	1.00%	10.5 %	Excellent	5
KPT 5	Increase number of memberships sold in reporting year	1.00%	-3.6%	Poor	1
KPT 6	Reduce electricity	-3.5%	-8.8%	Excellent	5

KPT ref	Description of KPT	Target	Performance	Individual KPT rating (excellent, good, fair, weak or poor)	KPT rating score (excellent = 5, good = 4, fair = 3, weak = 2, poor = 1)
	Reduce gas	-3.5%	-5.7%	Excellent	5
KPT 7	Increase GP referral clients	1%	16.4%	Excellent	5
KPT 8	Reduce water consumption	-3%	+1%	Poor	1
KPT 9	Increase Access to Leisure card holders	10%	19.05%	Excellent	5
KPT 10	Decrease operating cost per visit without compromising services	-2%	-13.9%	Excellent	5
Overall "average" KPT performance rating score (arithmetic average)					3.9
Overall "average" KPT performance (excellent, good, fair, weak or poor)					Good

16. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

Score	1 – 1.4999	1.5 – 2.4999	2.5 – 3.4999	3.5 – 4.4999	4.5 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

17. Based on this performance, the head of service has made a judgement on KPT performance as follows:

KPT judgement

Previous KPT judgement for comparison

DIMENSION 2 – CUSTOMER SATISFACTION

18. Customer satisfaction has been monitored annually using a satisfaction survey in each of the three facilities. Because of the numbers of customers attending each of the centres, we asked Soll to complete at least 200 surveys each for Faringdon and Wantage leisure centres and at least 150 for Tilsley Park. For 2011/12, Soll added the questionnaire to its website for customers to complete, as well as sending the document to all members on their data base.

19. A total of 700 questionnaires were completed - 150 received from Tilsley Park, 250 from Faringdon Leisure Centre and 300 from Wantage Leisure Centre. Unfortunately,

no on-line surveys were completed by customers as this was a voluntary option which was not taken up.

- 20. An analysis of customer satisfaction performance appears in annex B of this report.
- 21. An overall satisfaction score of 4.27 or good was achieved in 2011/12, which is an improvement from 2010/11 when Soll achieved a mark of 3.9 or fair (although this was calculated using an average of all the total scores and not the overall satisfaction score as in 2011/12 - to compare results on a like for like basis, the 2010/11 score would have been 4.1).
- 22. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

- 23. Based on this performance, the head of service has made a judgement on customer satisfaction as follows:

Customer satisfaction judgement

Previous customer satisfaction judgement for comparison

DIMENSION 3 – COUNCIL SATISFACTION

- 24. The council has taken the opinions of a number of officers who have interaction with members of the Soll team at many levels. These officers have provided scores that they consider are appropriate to the performance of the contractor and these have provided the overall satisfaction score. An analysis of council satisfaction performance appears in annex C of this report.
- 25. In general, Soll has continued to provide a consistent quality of service to customers, which is demonstrated by the increasing number of visits to the centres and the low number of complaints received.
- 26. The council issued two rectification notices to Soll in this reporting year, the first in April 2011 and the second in January 2012. Both of these were issued due to the inappropriate use of advertising on the highway, which was contrary to the council's planning policies and the legislation in place governing such advertising. Following the second instance, the head of economy, leisure and property met with Soll's chairman and managing director to confirm the council's dissatisfaction with these actions and to receive Soll's assurances that the issue would not occur again. Those assurances were received and to date no further instances have occurred.
- 27. The Vale Council wanted to undertake a series of carbon reduction projects in the three facilities during 2011/12. This would have necessitated the introduction of a variation document to the main contract to secure both the council and Soll's financial and contractual position. Unfortunately, this agreement has not been achieved to date,

but it is hoped a suitable compromise on a variation document can be agreed to enable this work to go ahead.

28. For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on council satisfaction:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

29. The overall mark achieved by Soll for council satisfaction is 3.6 and using the scoring matrix in paragraph 28 above provides a score of fair. This is the same judgement as awarded in 2010/11 (although the actual score has increased from 3.5).

30. Based on this performance, the head of service has made a judgement on council satisfaction as follows:

Council satisfaction judgement

Previous council satisfaction judgement for comparison

OVERALL ASSESSMENT

31. Taking into account the performance of the contractor against KPTs, customer satisfaction and council satisfaction, the head of economy, leisure and property has made an overall judgement of Soll's performance throughout 2011/12 as good. Whilst recognising the high importance of customer satisfaction and the increase in number of visits to the centres, the decision also needs to reflect Soll's reluctance to review its KPT targets, the delay in entering into a carbon variation agreement and the receipt of two rectification notices within a single reporting period. The committee is therefore asked its views in order for the cabinet member for leisure to make a final assessment.

Overall assessment

Previous overall assessment for comparison

STRENGTHS AND AREAS FOR IMPROVEMENT

32. Annex C of this report records strengths and areas for improvement relating to the performance of the contractor over the last year. Where performance is below expectations, the contract monitoring officer will agree an improvement plan with the contractor.
33. Officers have developed an action plan based on the findings of the customer survey and council officers' comments to address areas for improvement. The plan is attached as annex F of this report and the outcomes of this plan will be reported in 2012/13. The updated 2010/11 action plan is attached as annex E of this report.

CONTRACTORS FEEDBACK

34. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to council processes. This is included in annex D of this report.

FINANCIAL IMPLICATIONS

35. There are no financial implications arising from this report.

LEGAL IMPLICATIONS

36. There are no legal implications arising from this report.

CONCLUSION

37. The head of economy, leisure and property service has assessed Soll's performance as good for its delivery of the leisure management contract during 2011/12. The committee is asked to make any recommendations to the cabinet member for leisure to enable her to make a final assessment on performance.

BACKGROUND PAPERS

38. None

Annex A – Key performance targets

KPT 1 - increase total number of visits to leisure centres less those made by schools by one per cent - achieved

This target looks at the total number of visits to all three facilities, less the number of school visits (which the three facilities have no control over). Visits increased from 352,099 in 2010/11 to 392,325 in 2011/12. All three facilities have seen growth in their usage figures, with Faringdon recording a 15.09 per cent increase, Wantage a 9.75 per cent increase and Tilsley Park a 6.24 per cent increase. The growth is due mainly to an increase in the number of memberships and numbers attending classes at Faringdon and Wantage. However, there has been a decline in casual swimming attendance.

KPT 2 - increase physical activity usage by one per cent - achieved

This target looks at the total number of customers using the facilities for sporting or active participation purposes, which increased from 333,953 visits in 2012/11 to 376,319 in 2011/12. It does not take into account spectators or people attending the sites for other social activities. Again, Faringdon has led the way with growth of 14.89 per cent. Wantage reported a 12.04 per cent increase in visits and Tilsley Park 7.56 per cent. The reason Faringdon has been able to increase user figures significantly is due to the freedom it has, compared to Wantage, in terms of its dual use agreement. Wantage effectively loses all of its facilities during the day during term time, which is not the case at Faringdon. This daytime access allows Faringdon to develop its daytime programmes with consequential increased numbers of users.

KPT 3 - increase under 16 dry course visits by one per cent – not achieved

This target looks at the total number of under 16's who enrol and participate on dry courses at all three facilities within the contract. The number of visits to these sessions fell from 8,787 in 2010/11 to 8,232 in 2011/12. Very often dry side activities are not driven in the same way as swimming courses and so by targeting this area and supporting Soll through the participation team, it is hoped that these activities will also see an increase in users. Wantage under achieved this target by 4.24 per cent and Faringdon by 15.16 per cent. This is an area that requires significant effort in 2012/13.

KPT 4 - increase under 16 wet course visits by one per cent - achieved

This target looks at the number of visits achieved through the swimming courses offered at Faringdon and Wantage. Both sites have seen an increase in numbers with Wantage reporting growth of 15.33 per cent (due to a major overhaul of its swimming programme) and Faringdon 5.07 per cent. Total visits to swim course visits increased from 41,987 in 2010/11 to 46,409 in 2011/12.

KPT 5 - increase the number of annual memberships sold by one per cent – not achieved. It was agreed to reword this target to read increase total number of memberships by one per cent – not achieved

This target looks at the number of memberships sold and shows that sales of annual memberships have reduced dramatically at all facilities. This has been countered to some extent by a four per cent growth in direct debit (monthly) membership numbers. The

overall effect is a reduction of 46 memberships over the year from a total membership base of 1,256 in 2010/11 to 1,210 in 2011/12.

KPT 6 - reduce energy consumption by 3.5 per cent for gas and 3.5 per cent for electricity - achieved

This target looks at the consumption of utilities over the reporting year and compares these figures directly to the previous year's results. Electricity consumption has reduced by 8.8 per cent and gas by 5.7 per cent across the contract. Tilsley Park has made the greatest reductions with electricity reducing by 22.43 per cent and gas by 15.26 per cent. This level of savings came about due to a concerted effort by the on-site team to improve general house keeping, especially when flood lighting was turned on and off. All other facilities have made reductions primarily by reducing gas, including bringing swimming pool temperatures back to the normally accepted levels of operation.

KPT 7 - increase GP referrals by 1 per cent - achieved

This target looks at the number of people referred to the facilities by GP's and other referring practitioners, such as practice nurses and physiotherapists. There has been an increase of 12 people over the year (from 73 referrals to 85) - nine of these coming from Wantage. This is despite major priority changes for the referral scheme within the Primary Care Trust who co-ordinates the scheme and the lack of focus that it has been able to give to the scheme during the past year due to changes within its organisation. However, it is hoped that these numbers can be further increased in 2012/13.

KPT 8 - reduce water consumption by 3 per cent – not achieved

This target looks at the amount of water consumed across the three facilities within the contract in comparison to the previous year. This is one of the most difficult KPT's to achieve as there are legal standards of water quality to meet and if the number of customers increase their demand for water also increases through toilet and shower use. Overall, the contract failed to achieved this target by 4.1 per cent with Tilsley Park missing its target by 33.40 per cent, which was caused by the facility hosting more athletic events, which means more filling of the water jump on the athletics track and the hundreds of additional people these events bring to the facility and the consequences on water usage. Wantage was the only facility to reduce its water consumption by a creditable two per cent.

KPT 9 - increase the number of Access to Leisure Card holders by 10 per cent - achieved

This target looks at the number of Access to Leisure cards provided to individuals eligible to receive them across the district. The scheme has had a low profile in recent years and Soll has made a welcome contribution to raising the profile of the scheme. This has led to an increase in card holders from 15 in 2010/11 to 21 in 2011/12.

KPT 10 - decrease operating cost per visit by 2 per cent (without compromising services) - achieved

This target looks at Soll's operating costs per visit and tries to reduce those costs by either better efficiency or through increasing income. Officers try to ensure that efficiencies do not compromise the service delivered and that staff, equipment and buildings which provide the service are maintained. The contract over achieved its target by £1.78 or 12.2 per cent. Tilsley Park reported the greatest improvement of £1.15 or 26.97 per cent.

Annex B – Customer satisfaction

Customer Survey Results SOLL VALE			
	2010/11	2011/12	Variance
Ease of Getting through on Telephones	4.1	4.26	0.16
Activity available at convenient times	4.1	4.23	0.13
Ease of booking	4.1	4.23	0.13
Ease of parking	3.6	3.14	-0.46
Waiting time at reception	4.0	4.16	0.16
Activity charge	3.7	4.08	0.38
Range of activities available	4.0	4.27	0.27
Ease of contacting the centre with issues	3.8	4.25	0.45
If any issues, how well were they dealt with	3.9	4.26	0.36
QUALITY OF FACILITIES / SERVICES			
Quality of equipment	3.9	4.05	0.15
Water quality in the swimming pool	3.8	4.26	0.46
Water temperature in the swimming pool	4.0	3.99	-0.01
Quality of food and drink	3.7	3.79	0.09
Quality of brochures / leaflets/websites	3.8	4.08	0.28
Availability of information	4.2	4.14	-0.06
Quality of information on notice boards	3.9	4.12	0.22
Quality of flooring in sports hall/activity area	3.9	4.19	0.29
Quality of lighting in sports hall/ activity area	4.2	4.24	0.04
Quality of artificial turf pitches	Not Asked	3.73	0
CLEANLINESS			
Cleanliness of changing rooms	3.7	4.10	0.4
Cleanliness of activity space	3.8	4.15	0.35
Cleanliness of cafeteria area	3.9	3.91	0.01
Quality of litter removal	Not Asked	4.50	0
Overall impression on cleanliness of centre	3.8	4.21	0.41
CAFETERIA / FOOD & DRINK			
Range of food and drink	3.3	3.67	0.37
Quality of food and drink	3.5	3.77	0.27
Value for money of food and drink	3.5	3.64	0.14
STAFF			
Helpfulness of reception staff	4.3	4.59	0.29
Helpfulness of other staff	4.1	4.60	0.50
Standard of coaching / instruction	4.1	4.58	0.48
Availability of staff	3.9	4.63	0.73
Visibility of staff including uniform	4.0	4.62	0.62
VALUE FOR MONEY			
Value for money of activities	3.8	4.16	0.36
Overall satisfaction with your visit today	4.1	4.27	0.17
Average Score	3.9	4.14	0.24

In summary, there were an additional 237 comments made across the contract, of which 64 related to car parking issues, and 35 related to fitness classes. The priority areas from the survey comments form part of the action plan for 2012/13, which can be

found in annex F of this report. The comments concerning car parking at Wantage cannot be tackled without significant investment and forward planning; however, in the short term, Soll has negotiated with King Alfred's Academy to use its car parks on certain evenings to reduce parking difficulties and to re-schedule classes so that demand on car parking peaks is minimised.

Annex C - Council satisfaction

This assessment allows the council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Questions can be left blank if not relevant to a contract or contractor.

Contractor / supplier / partner name

From (date) To

SERVICE DELIVERY

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatsfd
1 Understanding of the client's needs		4			
2 Response time			3		
3 Delivers to time			3		
4 Delivers to budget		4			
5 Efficiency of invoicing			3		
6 Approach to health & safety			3		
7 Risk management		4			
8 Business continuity			3		

* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

COMMUNICATIONS AND RELATIONS

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dis-satisfied	(1) Very dissatsfd
9 Easy to deal with		4			
10 Communications / keeping the client informed			3		
11 Quality of written documentation			3		
12 Compliance with council's corporate identity		4			
13 Listening		4			
14 Quality of relationship		4			

IMPROVEMENT AND INNOVATION

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
15 Offers suggestions beyond the scope of work		4			
16 Degree of innovation		4			
17 Goes the extra mile			3		
18 Supports the council's sustainability objectives		4			
19 Supports the council's equality objectives		4			
20 Degree of partnership working		4			

KEY DOCUMENTS

If required, has the contractor provided the council with annual updates of the following documents?

1. Annual business plan (Yes / No)

Yes

2. Updated business continuity plan (Yes / No)

Yes

STRENGTHS AND AREAS FOR IMPROVEMENT

Strengths

Contract manager and site managers are easy to deal with.

Positive in procuring contractors to achieve joint project work

Changes were required to the management team at Wantage Leisure Centre, which were recognised and dealt with positively and quickly

Improvements with health and safety files, especially asbestos and legionella management plans, were identified, which were resolved quickly and satisfactorily

Robust performance figures

Willing to work on new and joint projects e.g. Monkey Mayhem

Supports county-wide projects e.g. Go Active and Active Women

Very accommodating on shared holiday programme activities

Soll was awarded an Inspire Mark for providing free swimming to under 14's across the district. It is hoped that this will assist in continuing an Olympic sporting legacy and involvement in sport for youngsters through to their adolescent and older years.

During 2011/12 Soll invested £15,000 to improve the reception area at Wantage Leisure Centre. These works included the redecoration of the whole area, new flooring, LED lighting, an improved hot drinks offer and new soft furnishings. Customers have welcomed this improvement and are making significantly more use of the area as a result.

Areas for improvement	Dealing with maintenance issues in good time and minimising disruption to customers
	Continue to ensure agreed timescales are met
	When ideas are tabled, bring them forward as detailed plans more quickly, otherwise they remain just good ideas
	Data needs to be checked for accuracy before being issued to the council
	When the council procures works in facilities, communication with contractors must go through the council in terms of amending those works

Soll's contract manager for this contract left in autumn 2011 and has subsequently been replaced with a head of operations for the Soll group. This role may have a reduced input to the council's contract and much of the client facing work of the former contract manager appears to have been allocated to a new post of deputy contract manager who also manages Tilsley Park and Abbey Meadows outdoor pool. There are obvious potential work load and delivery issues arising from this change, which the client team are reviewing. These changes are still bedding in at the moment and the client team will raise any issues with the Soll senior management team should anything of concern arise.

Annex D - Contractor 360° feedback

CONTRACTOR'S REACTION / FEEDBACK ON COUNCIL'S ASSESSMENT

"We note the report from the District Council. As a local charitable company we are very pleased with our involvement in the delivery of the leisure services and thank the officers for their support over the year which has enabled the company to continuously improve these services."

ANY AREAS WHERE CONTRACTOR DISAGREES WITH ASSESSMENT

WHAT COULD / SHOULD THE COUNCIL DO DIFFERENTLY TO ENABLE THE CONTRACTOR TO DELIVER THE SERVICE MORE EFFICIENTLY / EFFECTIVELY / ECONOMICALLY?

Feedback provided by

Date

Annex E – progress of 2010/11 action plan

Action	Owner	Due date	Date completed	Contract monitoring office comments
Wantage and Faringdon centre car parks are too small for the current usage and are restricted in terms of expansion. Soll will try to programme its class activities to stagger demand on the car parks and where possible ensure staff park off-site or use other forms of transport to arrive at work.	Soll	On going	On going	Soll has undertaken these actions and secured use of King Alfred's car parking for evening use.
Duty managers have been placed on the front of reception to support the reception teams, so there are a minimum of two people at reception desks to speed customers through.	Soll	May 2011	May 2011	This has happened to the extent where no comments have been made in this year's survey.
Soll management team is constantly reviewing prices against the local market place and in conjunction with the client team sets prices that offer the best value within commercial limitations	Soll	On going	On going	Soll prices are generally some of the best value in the market place due to extensive local competition.
New coffee machines were installed as receptions were re-configured. At Tilsley Park new menus were put in place and were reviewed throughout the year.	Soll	April 2011	April 2011	
Soll and the council to discuss the replacement of the carpet elements of the pitches, which are now 16 years old.	Soll/client	2011/12	Autumn 2012	The council allocated funding in its capital programme for carrying out these works
Improve the overall facility provision in Wantage. Officers are considering the future provision requirements for the area in terms of impending new housing development, which will be brought to elected members in the future	Vale of White Horse District Council	To be agreed		These processes are on-going and will involve all appropriate parties at the appropriate time
To enhance the lighting levels and to minimise the carbon footprints of the centres, projects are being evaluated to put in alternative lighting schemes, which will reduce energy usage and utility bills	Soll/client	2011/12		Agreement is required on the contract variation document to allow works to go ahead
Introduce new cleaning rota's as well as improve training for sports assistants	Soll	April	April 2011	Improvements in cleaning have

		2011		been evidenced overall. Some issues have arisen as is expected during the year but overall cleaning is better.
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Annex F – 2011/12 proposed action plan to improve performance

Action	Owner	Due date
Supply more healthy food options	Soll	1 September 2012
Improve supervision of cleaning at Faringdon pool	Soll	1 July 2012
Improve the speed with which repairs and maintenance are undertaken	Soll	1 July 2012
Increase/improve dance studio space at both Wantage and Faringdon centres	Soll / Vale of White Horse District Council	Wantage Complete June 2012
Increase number and type of classes to accommodate demand and industry trends	Soll	1 September 2012
Improve the preventative maintenance and servicing of gym equipment at Faringdon leisure centre	Soll	1 July 2012
Investigate the purchasing of new body pump equipment	Soll	1 September 2012
Replace astro turf pitches at Tilsley Park	Vale of White Horse District Council	Autumn 2012
Provide detailed plans for service delivery ideas within agreed timescales to allow improvements to take place	Soll	1 August 2012
Improve checking and accuracy of data before sending to the client team	Soll	1 June 2012
Working with the client team to ensure works ordered are those which are delivered on site	Soll / Vale of White Horse District Council	1 June 2012
Improve the overall facility provision in Wantage. Officers are considering the future provision requirements for the area in terms of impending new housing development, which will be brought to elected members in the future	Vale of White Horse District Council	To be agreed

Scrutiny Committee report



Report of Head of Planning

Author: Brian Crooks

Telephone: 01235 540471

Textphone: 18001 01235 540471

E-mail: brian.crooks@southandvale.gov.uk

Cabinet member responsible: Roger Cox

Tel: 01235 540391

E-mail: roger.cox@whitehorsedc.gov.uk

To: SCRUTINY COMMITTEE

DATE: 28 June 2012

Section 106 Audit – Follow-Up Report 2011

Recommendations

1. To seek comments from scrutiny committee on, the progress of the Section106 audit action plan, the advice to town and parish councils regarding involvement in s106 agreements and the update on Community Infrastructure Levy and Section106 Supplementary Planning Document

Purpose of Report

1. The purpose of this report is to update scrutiny committee on progress made on the Section 106 audit action plan (action plan) drawn up by officers after the audit report on Section 106 (S106) agreements dated 7 September 2011.
2. The report also advises how town and parish councils can become involved in S106 agreements and provides an update on progress of the Community Infrastructure Levy (CIL) and new S106 Supplementary Planning Document (SPD).

Strategic Objectives

3. This report contributes to the Council's Strategic Objectives in the corporate plan 2012-16; particularly the effective management of resources.

Background

Action plan

4. In accordance with the 2009/2010 joint internal audit plan a review of the internal controls for the effective and efficient operation of planning S106 agreements was undertaken in 2010.
5. On 15 September 2010, audit and governance committee received a report on the S106/Commuted Sums 2009/10 audit report summarising the key findings of the audit; the level of risk in our processes; and actions to address these risks. The paper advised that overall the audit found some weaknesses in the adequacy of the internal control system which put the system objectives at risk and made a number of recommendations.
6. A follow-up audit was completed in September 2011 to evaluate whether recommendations had been implemented within the agreed timescale and revise the implementation dates. A copy of the follow-up audit is attached at [Appendix 1](#).
7. Officers produced an S106 audit action plan in response to the follow-up audit. As part of committee's work programme it has asked for a review of progress. An updated copy of the S106 audit action plan is attached at [Appendix 2](#).

Town and Parish Council involvement in S106 agreements

8. Committee has asked for officer views on how town and parish councils can best contribute to the development of s106 agreements.

CIL and S106 SPD

9. The opportunity has been taken to brief committee on the progress of CIL and S106 SPD.
10. Generally S106 agreements currently help fund local and strategic infrastructure. The new CIL will fundamentally alter the existing S106 regime. It will no longer be possible to use S106 agreements as a means of collecting and pooling financial contributions for the provision of strategic infrastructure in the way they are used at present. The new CIL is intended to ensure all new development makes a contribution to strategic infrastructure in an area as a whole (pooling funds), where as future S106 agreements, which still have a part to play post-CIL, are intended to only mitigate the site specific impact of individual planning applications on infrastructure to make them acceptable in planning terms.
11. These changes give rise to the need for a new S106 SPD to take account of the changes to S106 agreements post-CIL.

Audit Action Plan

12. The S106 audit action plan includes action needed at both Vale of White Horse (Vale) and South Oxfordshire District Councils (South). This report however, only addresses actions needed at Vale and the common actions required at both councils.

13. Actions in the action plan are numbered, cross-referenced to the follow-up audit recommendations, and colour coded according to their level of risk and current status. The action plan includes agreed and proposed dates for implementation of outstanding actions.

14. With reference to the action plan, at [Appendix 2](#):

- Eleven of the seventeen actions listed relate to either Vale or are common to both councils
- Of the eleven actions six have been completed (actions 3, 6, 8, 9 (Vale recommendation number 11), 14, 15)
- Action 13, making the (open space) calculation model available on the council's website) is not being pursued because to do so would require a dedicated resource and this would in any event be short-lived as it will be superseded by CIL and the new S106 SPD
- All the remaining actions (actions 2, 4, 5, 7, 9 (Vale recommendation number 12)), are either partly completed or are work in progress and will be addressed and completed either through quarterly S106 reviews, or a revised S106 process as described below
- All outstanding actions are on track to be completed by either September or November this year. These dates follow the recently implemented new harmonised Ocella system (computer software) and phase 2 implementation, which includes an S106/CIL module. It is expected that this should be live from September 2012
- One of the outstanding actions is high risk (action 2), and the four remaining outstanding actions (actions 4, 5, 7, 9 (Vale 12)) are medium risk

Quarterly Reviews

15. Action 9 (Vale 12) that is the formal reporting of income, expenditure, and future amounts is on-track and will be addressed at quarterly S106 review meetings by management team and the cabinet member for planning from September and an annual report to cabinet, March/April. During September the Ocella Phase 2 S106/CIL module should be live and enable informal reporting and reconciliation rather than manual methods.

Revised s106 process

16. The way in which S106 agreements are processed at present has been redesigned. The redesigned S106 process flowchart is attached as [Appendix 3](#). It is coded to show where actions are currently either (a) being done well; (b) being done but not as well or consistently; or (c) where necessary action is not being done. Improvements to (b) and (c) are being worked on.

17. The remaining four outstanding actions in the action plan, (actions 2, 4, 5, 7), which are:

- Developing a protocol to ensure S106 monies are expended within the terms of agreements

- Ensuring that all stages of the S106 process, including spending of monies, the definition of responsibilities, and a system of delegation
- Establishing a master register of S106 agreements in legal
- Prompting developers to notify the council when they reach S106 trigger points

will be addressed by dealing with the deficiencies highlighted (b) and c) in the process flowchart. A master register of S106 agreements will be kept and maintained by the Planning Department instead of the Legal Department and the action plan has been amended to reflect this.

18. Implementation of the improvements required on the revised S106 process will be completed by November this year. This work is associated with the emerging CIL and the new S106 working practice, as mentioned in 10 & 11.

Town and parish council's involvement in s106s

19. Town and parish councils are consulted on planning policy documents such as the Core Strategy and individual planning applications, and have the opportunity to draw attention to the need for new infrastructure that they consider necessary to support new development in their areas. Often local infrastructure needs are currently set out in parish or community plans. This local knowledge helps to supplement the information held by the council to update the Infrastructure Delivery Plan (IDP), which is part of the Core Strategy and to influence planning policy documents. This knowledge can be taken into account to justify infrastructure requirements in negotiations with developers when negotiating S106 agreements.
20. The recently introduced neighbourhood planning measures extend the opportunities for town and parish councils to engage even more directly in identifying and helping to secure necessary infrastructure. Town and parish councils need to set out their expectations in their plans that are justified and costed, which will assist the district council in negotiations with developers on their applications.
21. The important role for town and parish councils is to provide information about local infrastructure needs that is justified and costed. However, expectations need to be managed, as identified local infrastructure can only be taken into account and secured through S106 agreements where they accord with nationally set legal tests including; necessary to make the development acceptable, directly related to the development, and reasonable in scale and kind. However, a 'meaningful contribution' of CIL can be passed to town and parish councils to spend as they see fit. It is considered that those councils that develop and get adopted Neighbourhood Plans with new development would expect a contribution from CIL.

CIL and S106 SPD

22. An up-to-date development plan being its starting point the preparation of our CIL charging schedule depends upon the Council's Core Strategy. We will need to commission a CIL viability study from specialist consultants and we will need an up to date IDP upon which our CIL infrastructure list, a list of the infrastructure needed to support the development planned in our area, will be based.
23. It is too early to say, but it is probable, that because of Vale's varied character and differences in the economic viability of different types of development across our district our charging schedule is likely to have various rates for different areas and different types of development. What is viable in Abingdon may not be viable in Faringdon.
24. Once we have the viability study, we need to identify and take account of alternative funding streams which can help fund CIL infrastructure. This could for example include; New Homes Bonus and Growing Places Fund. We can then assess whether we have a funding gap.
25. A Preliminary Draft Charging Schedule (PDCS) will then be drawn up which strikes an appropriate balance between the desirability of funding infrastructure from the levy and the potential effects of the imposition of the levy upon the economic viability of development across the area. The PDCS will be consulted upon and having taken representations into account a Draft Charging Schedule (DCS) will be published for further consultation; which will be considered in due course at a public examination. Providing the examiner finds that the DCS is an appropriate basis for the collection of the levy the Council could adopt the DCS, in accordance with the relevant regulations.
27. In addition to the CIL charging schedule we are developing and must implement systems for the collection and enforcement of CIL, and for spending CIL receipts. The new Ocella module (Phase 2) will assist with the delivery of an appropriate administration system. Work has yet to start on the spending strategy of receipts. This work will be cross council and be co-ordinated with our administration of grants by Corporate Support. It is expected that some of our strategic infrastructure will be co-ordinated countywide through the existing Spatial Planning and Infrastructure Partnership (SPIP).
28. Work on the S106 SPD will commence when the PDCS has been published by which time the shape of our CIL will be clearer and it will be possible to identify the non-CIL infrastructure which the S106 SPD will address. A draft S106 SPD will be published for comment at the same time as the DCS with the intention this can be adopted at the same time as the CIL charging schedule.
29. The existing S106 recording and monitoring module is being updated with Ocella as part of the work on our CIL module. This will provide improved monitoring systems, the outputs of which will be used for our quarterly review reports.

Financial Implications

30. The work identified in the S106 audit action plan will be delivered within the existing service budgets

Legal Implications

31. There are no legal implications arising from this report.

Risks

32. Changing priorities, timetables, and diminishing resources for partners/contractors can impact on and delay the action plan and CIL.

Conclusion

33. Progress has continued on the S106 audit action plan since September 2011. More than half of the outstanding actions have been completed. The implementation of the remainder is either brought forward or firmed-up where previously open-ended, and all outstanding actions are now on track to be completed by either September or November this year, 2012.

34. The opportunity for town and parish councils to influence S106 agreements will increase with the advent of neighbourhood planning. We will encourage engagement in policy developments and key planning applications as well as setting out what is required to justify and cost local infrastructure for their areas.

35 Work on Vale's CIL and S106 SPD depends upon progress with the Core Strategy, but it is anticipated that this will be completed before April 2014.

Background Papers

1. S106 Audit Report 2010
2. S106 Audit follow up Report 2011 (attached Appendix 1)
3. S106 Audit action plan (attached Appendix 2)
4. S106 Process flowchart (attached Appendix 3)

Internal Audit Follow-Up Report

S106/Commuted Sums 2009/2010

VALE WHITE HORSE DISTRICT COUNCIL

Draft issued: 23 February 2010

Final Issued: 20 August 2010

Follow Up: 7 September 2011

CONTENTS

	Page
Management Summary	2
Follow-Up Observations	3
Appendix 1 – Staff Interviewed and Report Distribution	12
Statement of Responsibility	13

MANAGEMENT SUMMARY

1. INTRODUCTION

- 1.1 This report details the findings from internal audit's follow-up review of s106/Commuted Sums. The original fieldwork was undertaken in 2009/2010 and the final report was issued in August 2010. Follow-up work has been undertaken in accordance with the 2011/2012 audit plan agreed with the Audit and Governance Committee of Vale of White Horse District Council, to ensure that the agreed recommendations have been implemented within the timescales provided.

2. INITIAL AUDIT FINDINGS

- 2.1 The final report made twelve recommendations and twelve were agreed. A limited assurance opinion was issued.

3. FOLLOW UP MAIN FINDINGS

- 3.1 The review found that one recommendation had been implemented. Eleven recommendations not implemented are covered by the project plan for the new community infrastructure levy (CIL) and s106 arrangements as explained below.
- 3.2 A Shared Community Infrastructure Officer (SCIO) was appointed in February 2011 with responsibilities including the monitoring of section 106 agreements (s106). A project plan has been developed to cover the new CIL and s106 arrangements. This includes a project to establish a suitable system to record and monitor s106 & CIL arrangements. As Ocella has been established as the preferred property system for both South Oxfordshire District Council (SODC) and VWHDC they have been approached regarding their s106 module which is being updated to provide the functionality required. A timescale for implementing a common database is dependant upon the delivery of these IT elements.

4. ACKNOWLEDGEMENTS

- 4.1 Internal audit would like to take this opportunity to thank all staff involved for their assistance with the follow-up audit.

FOLLOW-UP OBSERVATIONS

POLICIES AND CHARGES

1. Calculation Model

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Details of calculation methods are available as stated.</p> <p><u>Findings</u> Supplementary Planning Document Open Space, Sport and Recreation Future Provision refers to a calculation model spreadsheet. This was not available on the council's website at the time of review.</p> <p><u>Risk</u> If documents detailing the calculation of developers' contributions are not publicly available as stated then the council may not be seen to be consistent in its approach.</p>	<p>The calculation model referred to within the Supplementary Planning Document is made available on the council's website as stated.</p>	<p>Technical Support Manager</p>
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>Management Response: Head of Planning</p>		<p>September 2010</p>
Follow-Up Observations		
<p>The Shared Community Infrastructure Officer (SCIO) was appointed in February 2011 with responsibilities for managing and monitoring section 106 agreements and the community infrastructure levy. A project plan is in place which includes establishing and operating an up to date and effective system to record and monitor s106 agreements once the software system is implemented. The project includes planning guidance documentation.</p>		<p>Not Implemented.</p> <p>Revised implementation date: Dependant upon delivery of s106/CIL monitoring system.</p>

2. Procedures, Roles and Responsibilities

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Up to date procedures should be in place with clearly identified roles and responsibilities.</p> <p><u>Findings</u> A s106 financial contributions procedure note from 2003 was provided which did not appear to reflect the actual process for recording and monitoring of s106 agreements.</p> <p><u>Risk</u> If staff are not aware of, or not using up to date policies and procedures they may not be carrying out their duties effectively and appropriately.</p>	<p>Up to date procedures should cover all stages of the s106 process of securing, monitoring, receiving and spending of monies. Roles and responsibilities should be clearly defined.</p>	<p>S106 Officer, Planning</p>

Management Response	Implementation Date
<p>Recommendation is Agreed</p> <p>The procedure note for financial contributions will be reviewed and updated by the S106 Officer in liaison with relevant services (Finance/Legal/Land Charges) The S106 Officer role as set out in planning service structure (agreed July 2010) to manage all stages of the process in liaison with other services.</p> <p>Management Response: Head of Planning</p>	<p>March 2011</p>
Follow-Up Observations	
<p>As stated in recommendation 1 above, a project plan is in place which includes establishing and operating an up to date and effective system to record and monitor s106 agreements once the software system is implemented. Plans are in place to implement standard operating procedures as part of the project to implement the monitoring system.</p>	<p>Not Implemented.</p> <p>Revised implementation date: Dependant upon delivery of s106/CIL monitoring system.</p>

CALCULATING AND SECURING SUMS

3. Heads of Terms

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Heads of terms summarising agreement details are completed for all s106 agreements.</p> <p><u>Findings</u> A summary of s106 agreement details such as purpose, value and trigger was not readily available. A heads of terms sheet could be drawn up for all agreements.</p> <p><u>Risk</u> If the heads of term details are not summarised then delays may occur, should queries arise, in identifying key elements of the agreement.</p>	<p>Heads of terms summarising details of the key elements such as agreed amounts and trigger points, are completed for each s106 agreement as early as is practicable.</p>	<p>Head of Planning</p>
Management Response		Implementation Date
<p>Recommendation is Agreed</p> <p>New system to be introduced and used by planners by end of September.</p> <p>Management Response: Head of Planning</p>		<p>September 2010</p>
Follow-Up Observations		
<p>The Team Leader (Applications) confirmed that the summary sheet which includes the heads of terms is not used. From discussion with the Head of Planning, this is expected to be introduced as part of the project plan for an effective system to record and monitor s106 agreements including standard operating procedures.</p>		<p>Not Implemented.</p> <p>Revised implementation date: Dependant upon delivery of s106/CIL monitoring system.</p>

MONITORING AND COLLECTING CONTRIBUTIONS

4. Reconcile to Legal Agreements

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> A regular reconciliation of legal</p>	<p>A register of s106 agreements requiring contributions should be</p>	<p>S106 Officer, Planning</p>

<p>agreements is undertaken to ensure all agreements are appropriately recorded and monitored.</p> <p><u>Findings</u> There is no documented reconciliation between the s106 agreements registered within legal and the agreements recorded within Planning. Whilst not all agreements require financial contributions, there should be a reconciliation to ensure all appropriate agreements are recorded and monitored within planning and the general ledger. As there was no legal listing available of s106 agreements requiring a financial contribution testing could not be undertaken to check agreements were appropriately recorded.</p> <p><u>Risk</u> If there is no reconciliation of agreements then delays may occur in detecting any agreements not recorded and being progressed.</p>	<p>established within the legal team as agreements are introduced.</p> <p>This should be used as the master record to facilitate a regular reconciliation of planning register, general ledger records of agreements and the monitoring spreadsheet to ensure that all contributions are appropriately recorded, invoiced and monitored.</p>	
<p>Management Response</p>		<p>Implementation Date</p>
<p>Recommendation is Agreed in Principle Master should be held in one place on one electronic system –probably in Uniform – S106 module will have cost implications (£5-7,000) As an interim the register of S106 agreements requiring financial contributions sits in a common drive and available to Legal, Finance and Planning. It is added to when an agreement has been produced by Legal and should be reconciled on a regular basis with the actual funds held in the Holding Account. The new S106 Officer will undertake this role in liaison with finance.</p> <p>Management Response: Head of Planning</p>		<p>June 2011</p>
<p>Follow-Up Observations</p>		
<p>As stated in recommendation 1 above, a project plan is in place which includes establishing and operating an up to date and effective system to record and monitor s106 agreements once the software system is implemented. A resource has been allocated to scan planning documents and to register s106 agreement details in order to produce a master record to facilitate reconciliations.</p>		<p>Not Implemented. Revised implementation date: Dependant upon delivery of s106/CIL monitoring system.</p>

5. Scanned Agreements

(Low Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> To ensure openness and transparency, scanned copies of s106 agreements are included with planning documentation available to the public.</p> <p><u>Findings</u> s106 agreements are scanned and available on the internet via the PublicAccess planning search</p>	<p>All s106 agreements should be scanned and available via Public Access. A system should be established to ensure that each is scanned as soon as possible.</p>	<p>S106 Officer, Planning</p>

<p>facility. An agreement for the Timbmet Site, Cumnor was not available and a further check of ten agreements showed two others not available.</p> <p><u>Risk</u> If not all s106 agreements are made available then the Council will not be seen to be open, transparent and consistent in its approach to the availability of documentation.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed Need to check the outstanding number of agreements to be scanned, but system in place to ensure new S106 agreements are held and made available electronically. To be reviewed by S106 officer and resources sought for back scanning.</p> <p>Management Response: Head of Planning</p>		<p>System in place for new agreements - September 2010.</p> <p>Review outstanding agreements to be scanned. Seek resources to undertake work – March 2011</p>
Follow-Up Observations		
<p>The Head of Planning confirmed that temporary workers are being employed to scan planning documents and register section 106 agreements. This is expected to take approximately 2 ½ months.</p>		<p>Not Implemented.</p> <p>Revised implementation date: 31 December 2011.</p>

6. Monitoring Officer**(Medium Risk)**

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> A single point of contact is available to deal with all s106 queries and actively monitor and progress arrangements.</p> <p><u>Findings</u> There is no single point of contact for s106 agreement information which is distributed across legal, planning, finance and departments responsible for expenditure. A monitoring officer position was documented as being successfully utilised at other district councils which also charge developers a monitoring fee per condition of each agreement to help finance the role. E.g. Waveney DC employ an officer 4 days a week and charge £300 per obligation within each agreement.</p> <p><u>Risk</u> If a monitoring officer is not appointed then it would be difficult for officers with other responsibilities to actively monitor and pursue agreements to maximise income and ensure expenditure is timely.</p>	<p>A post of s106 monitoring officer is considered to ensure a more robust and effective monitoring and progression of s106 agreements.</p> <p>Consideration could be given to charging developers a monitoring fee for each principal clause of new agreements with a view to assisting in financing the role.</p>	<p>S106 Officer, Planning</p>

Management Response	Implementation Date
<p>Recommendation is Agreed The S106 Officer identified in planning structure as agreed July 2010. Recruitment expected Autumn/Winter 2010. Review of charging for fee for monitoring to be undertaken.</p> <p>Management Response: Head of Planning</p>	<p>S106 Officer – December 2010</p> <p>Charging for monitoring in place – March 2011</p>
Follow-Up Observations	
<p>The SCIO was appointed in February 2011 with responsibilities for managing and monitoring section 106 agreements and the community infrastructure levy.</p>	Implemented

7. Invoicing Developers

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Amounts due from developers in respect of s106 contributions are invoiced using the council's accounts receivable function.</p> <p><u>Findings</u> Amounts due from developers are not collected using the accounts receivable function but are requested by legal officers instead. Testing of reconciliations highlighted expenditure of £37,500 for arts against which the receipt of the contribution was being investigated.</p> <p><u>Risk</u> If developer contributions are not monitored and collected then works may be completed without the contribution being received from the developer.</p>	<p>Amounts due from developers in respect of s106 contributions are invoiced using the council's accounts receivable function in order that they are recorded and subject to recovery action in cases of non payment.</p>	<p>S106 Officer, Planning</p>
Management Response		Implementation Date
<p>Recommendation is Agreed Any amount due, to be set up on financial system and invoice actioned when appropriate. Monitored by S106 officer.</p> <p>Management Response: Head of Planning</p>		<p>Set up on financial system – September 2010</p> <p>Monitoring – December 2010</p>
Follow-Up Observations		
<p>From discussion with the office manager it is accepted that invoicing should be undertaken within Agresso even if an invoice isn't issued. This allows payments to be allocated against the ledger codings established within the invoice. The process will be reviewed as part of the plan to implement the new POPS system and suitable procedures introduced. It was also noted that there are plans for this to be included within support which is proposed to be provided to the SCIO by the business support team.</p>		<p>Not Implemented.</p> <p>Revised implementation date: Dependant upon delivery of s106/CIL monitoring system.</p>

8. Trigger Dates

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> Key stages at which funds are due are actively monitored to ensure prompt receipt.</p>	<p>A proactive system should be considered to prompt developers to notify the Council when key stages relevant to s106 agreements are reached. This</p>	<p>S106 Officer, Planning</p>

<p><u>Findings</u> Trigger points within agreements vary and sums tend to be due prior to or upon commencement of the development or at key stages such as occupation of the 50th housing unit. The council will not necessarily know when these stages are met and the building control function is not necessarily carried out by the council's building control team. Newer agreements tend to require the developer to inform the council when key stages are reached, but this does not appear to be proactively monitored.</p> <p><u>Risk</u> If funds trigger points are not proactively monitored then the council may not be maximising the benefit of s106 funding.</p>	<p>could be a template issued to the developer listing key stages and requesting they complete and return details as these are reached.</p>	
Management Response		Implementation Date
<p>Recommendation is Agreed The S106 Officer will undertake this role but where possible automated systems will secure this proactive approach. Actions recorded on central database. Agreements already require payments by trigger dates. S106 Officer to monitor income and expenditure.</p> <p>Management Response: Head of Planning</p>		December 2010
Follow-Up Observations		
<p>A project plan is in place which includes establishing and operating an up to date and effective system to record and monitor s106 agreements. This is dependant upon the implementation of the s106/CIL monitoring system.</p>		<p>Not Implemented.</p> <p>Revised implementation date: Dependant upon delivery of s106/CIL monitoring system.</p>

9. Common Database

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> A common database is used to record and monitor s106 agreements.</p> <p><u>Findings</u> S106 details are fragmented across various systems such as the planning register and the general ledger with no one common record of all details. This makes dealing with queries time consuming and difficult. A general ledger system is not designed for the purpose of reflecting the true picture of future funds due and committed expenditure. There is no current mechanism to proactively report on key trigger dates which are approaching.</p> <p><u>Risk</u></p>	<p>Consideration should be given to utilising a common database for recording s106 agreements such as that developed by Colchester Borough Council and used successfully by other councils. This is highlighted as good practice by the Audit Commission and by the Advisory Team for Large Applications (ATLAS). This would also facilitate generation of reports and reminders of deadlines and trigger points resulting in a more proactive monitoring of agreements.</p>	S106 Officer, Planning

If a common database is not maintained then data will be held in several systems resulting in delays in handling queries and making the task of monitoring agreements more onerous.		
Management Response		Implementation Date
<p>Recommendation is Agreed Uniform can undertake this function but module will required to be purchased (£5-7,000). Interim measure is central spread sheet managed by S106 Officer. Register needs to be provided publicly linked to scanned agreements.</p> <p>Management Response: Head of Planning</p>		March 2011
Follow-Up Observations		
<p>The Shared Community Infrastructure Officer (SCIO) was appointed in February 2011 with responsibilities for managing and monitoring section 106 agreements and the community infrastructure levy. A project plan is in place which includes establishing and operating an up to date and effective system to record and monitor s106 agreements once the software system is implemented.</p>		<p>Not Implemented.</p> <p>Revised implementation date: Dependant upon delivery of s106/CIL monitoring system.</p>

EXPENDITURE

10. Expenditure Protocol

(High Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> When s106 monies are paid to third parties such as parish councils, appropriate documentation is retained supporting the expenditure and evidence sought that expenditure was appropriate and within agreed timescales.</p> <p><u>Findings</u> Whilst some evidence was seen within the sample of records checked, there is no documented requirement to ensure that relevant supporting evidence is obtained prior to obtaining, and following expenditure of, developers' contributions.</p> <p><u>Risk</u> If monies cannot be proven to have been expended in accordance with legal requirements then the council may be required to return contributions it has already spent.</p>	<p>A protocol is developed covering the requirements to demonstrate that s106 monies are expended in accordance with the terms of the agreement particularly where third parties are involved.</p> <p>This should include what steps are needed to identify appropriate expenditure, what documentation is required prior to making funding available and evidence in support of actual expenditure.</p>	S106 Officer, Planning
Management Response		Implementation Date
<p>Recommendation is Agreed S106 Officer agreed as part of service structure, recruitment Autumn/Winter 2010. The s.106 Officer should ensure that any expenditure is in accordance with the agreement. Protocol to be developed.</p> <p>Management Response: Head of Planning</p>		January 2011
Follow-Up Observations		

<p>The SCIO appointed in February 2011 has responsibilities for managing and monitoring section 106 agreements and the community infrastructure levy. A project plan is in place which includes establishing and operating an up to date and effective system to record and monitor s106 process agreements. The project also includes a review of existing developer planning guidance with a developers contribution guidance note planned to be in draft by the end of 2011 for consultation during 2012.</p>	<p>Not Implemented.</p> <p>Revised implementation date: 2012/2013</p>
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RECORDS AND RECONCILIATIONS

11. Monitoring Spreadsheet

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> All s106 transactions recording expenditure and income are recorded and reported.</p> <p><u>Findings</u> A monitoring spreadsheet reflected income received from developers and the balance remaining. However a debit balance of £37,500 reflecting expenditure on arts at a development was not recorded. The corresponding contribution for this expenditure was under investigation and was to be requested if not already received.</p> <p><u>Risk</u> If all transactions and outstanding balances are not recorded then the true picture of funds available and received may be misinterpreted.</p>	<p>All transactions recorded against s106 agreements which have a balance outstanding are reflected within the monitoring spreadsheet regardless of whether the balance is a debit or credit.</p>	<p>S106 Officer, Planning</p>
Management Response		Implementation Date
<p>Recommendation is Agreed To be monitored by the S106 Officer.</p> <p>Management Response: Head of Planning</p>		<p>February 2011</p>
Follow-Up Observations		
<p>The SCIO was appointed in February 2011 with responsibilities for managing and monitoring section 106 agreements and the community infrastructure levy. A project plan is in place which includes establishing and operating an up to date and effective system to record and monitor s106 process agreements.</p>	<p>Not Implemented.</p> <p>Revised implementation date: Dependant upon delivery of s106/CIL monitoring system.</p>	

REPORTING

12. Reporting

(Medium Risk)

Rationale	Recommendation	Responsibility
<p><u>Best Practice</u> S106 agreements are regular reported to show income, expenditure and future amounts due.</p> <p><u>Findings</u></p>	<p>A formal reporting mechanism should be agreed and implemented to regularly report on agreements to include income, expenditure and future amounts due. This should be circulated to all interested parties.</p>	<p>S106 Officer, Planning</p>

<p>Reports used to be provided to scrutiny and on an ad-hoc basis. There is no current requirement to regularly report on s106 agreements.</p> <p><u>Risk</u> If commuted sums are not regularly reported in sufficient detail and in a timely manner, then management of the funding may be ineffective and income may not being maximised.</p>		
Management Response		Implementation Date
<p>Recommendation is Agreed Role of S106 Officer – to report to MT and Executive member, with a year end report provided in annual Board Report.</p> <p>Management Response: Head of Planning</p>		March 2011
Follow-Up Observations		
<p>The SCIO appointed in February 2011 has responsibilities for managing and monitoring section 106 agreements and the community infrastructure levy. A project plan is in place which includes establishing and operating an up to date and effective system to record and monitor s106 process agreements. From discussion with the office manager formal reporting requirements are to be confirmed once the recording system is selected and there is a proposal that business support will provided to the SCIO.</p>		<p>Not Implemented.</p> <p>Revised implementation date: Dependant upon delivery of s106/CIL monitoring system.</p>

APPENDIX 1 – STAFF INTERVIEWED AND REPORT DISTRIBUTION

1. STAFF INTERVIEWED

- 1.1
- Brian Crooks, Shared Community Infrastructure Officer
 - Rachel Facey, Project and Support Officer
 - Karen Claridge, Office Manager
 - Martin Deans, Team Leader (Applications)
 - Adrian Duffield, Head of Planning

2. REPORT DISTRIBUTION

2.1 A copy of this final report has been distributed to the following officers:

- Brian Crooks, Shared Community Infrastructure Officer
- Adrian Duffield, Head of Planning
- Anna Robinson, Strategic Director
- Steve Bishop, Strategic Director (Section 151 Officer)
- Cllr Roger Cox, Portfolio Holder

STATEMENT OF RESPONSIBILITY

We take responsibility for this report, which is prepared on the basis of the limitations set out below.

INTERNAL AUDIT SEPTEMBER 2011

Contact Persons:

Sandy Bayley

Auditor

Tel: 01491 823845 (SODC) / 01235 540644 (VWHDC)

Adrianna Partridge

Audit Manager

Tel: 01491 823544 (SODC) / 01235 547615 (VWHDC)

The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of internal audit work should not be taken as a substitute for management's responsibilities for the application of sound practices. We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Nor should internal audit work be relied upon to identify all circumstances of fraud or irregularity should there be any, although our audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance. Effective implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

This report has been prepared solely for VWHDC use. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.

AGREEMENT OF AUDITEE

I have been briefed on the findings of this audit and have had an opportunity to discuss them with the auditor. I have read the rationale provided for the recommendations made, and have provided and take responsibility for my management response and proposed implementation dates.

Signed:	
Job Title:	
Date:	

Please return this signed report to the Auditor, and keep a copy for your records.

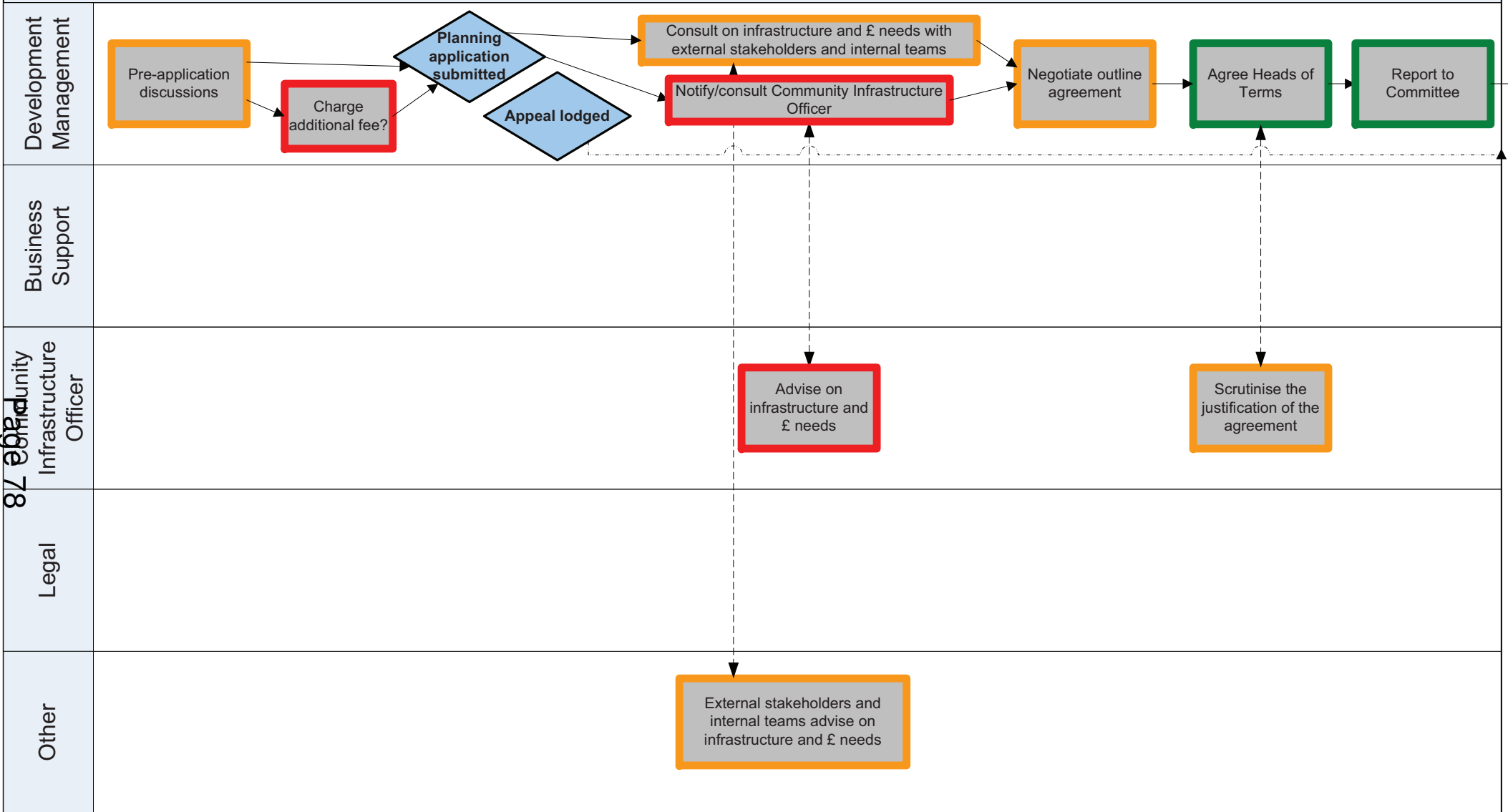
s106 Audit Action Plan – June 2012 (Vale)

Action number	Recommendation number	Recommendation (in brief)	Risk	Management Response	Implementation date agreed in 2011	Status Completed/part completed/ on-track	Completed by
1	South (11)	The agreements for items which comprise the brought forward balance should be reviewed to ensure that amounts are being held in accordance with the agreed terms.	High	Agreed	December 2011	Part completed	September 2012
2	South (12) & Vale (10)	A protocol is developed to demonstrate that s106 monies are expended in accordance with the terms of the agreement.	High	Agreed	2012/2013	On-track	November 2012
3	Vale (7)	Amounts due from developers are invoiced using the council's accounts receivable function in order that they are recorded and subject to recovery action in cases of non payment.	High	Agreed	Dependant upon delivery of s106/CIL monitoring system	Completed	-
4	Vale (2) & South (2)	Procedures should cover all stages of the s106 process of securing, monitoring, receiving and spending of monies. Roles and responsibilities should be clearly defined and include scheme of delegation.	Medium	Agreed	Dependant on delivery of s106/CIL system	Part completed	November 2012
5	Vale (4)	A register of s106 agreements should be established. This should be used as the master record to ensure that all contributions are appropriately recorded, invoiced and monitored.	Medium	Agreed	Dependant on delivery of s106/CIL system	On-track	November 2012
6	Vale (6) & South (9)	Review of charging fee for monitoring to be undertaken	Medium	Agreed	Implemented	Completed	-
7	Vale (8) & South (8)	A proactive system should be considered to prompt developers to notify the Council when key stages relevant to s106 agreements are reached.	Medium	Agreed	Dependant on delivery of s106/CIL system	On-track	November 2012

Action number	Recommendation number	Recommendation (in brief)	Risk	Management Response	Implementation date agreed in 2011	Status Completed/part completed/ on-track	Completed by
8	Vale (9) & South (10)	Consideration should be given to utilising a common database for recording s106 agreements.	Medium	Agreed	Dependant upon delivery of s106/CIL monitoring system	Completed	-
9	Vale (11)	All balances outstanding are in the monitoring spreadsheet regardless of whether a debit or credit.	Medium	Agreed	Dependant upon delivery of s106/CIL monitoring system.	Completed	-
	Vale (12) & South (13)	A formal reporting mechanism should be agreed and implemented; to include income, expenditure and future amounts due; to be circulated to interested parties.	Medium	Agreed	Dependent on delivery of s106/CIL system	On-track	September 2012
10	South (5)	The intranet s106 listing should reflect details within Ocella as opposed to SOLAPS.	Medium	Agreed	September 2010	Completed	-
		Details of monies paid should be recorded within Ocella and available on the intranet listing.				Completed	-
		Legal fees should be recorded within Ocella and the general ledger.				Completed	-
11	South (6)	Historic s106 agreements should be readily available.	Medium	Agreed	September 2010	Completed	-
12	South (7)	Regular reconciliation between Ocella and land charges register and general ledger to ensure that all contributions are appropriately recorded.	Medium	Agreed	Dependent on delivery of s106/CIL system	Part Completed	November 2012
13	Vale (1)	The calculation model is made available on the council's website	Low	Agreed	Dependant upon delivery of s106/CIL monitoring system	Not being pursued	-
14	Vale (3) & South (3)	Heads of terms summarising details of the key elements are completed for each s106 agreement.	Low	Agreed	Dependant upon delivery of s106/CIL monitoring system.	Completed	-

Action number	Recommendation number	Recommendation (in brief)	Risk	Management Response	Implementation date agreed in 2011	Status Completed/part completed/ on-track	Completed by
15	Vale (5)	All s106 agreements should be scanned.	Low	Agreed	31 December 2011	Completed	-
16	South (1)	The IPG – Services and Facilities for New Development should be updated to include a payment protocol for payments over £20,000.	Low	Not Agreed	n/a	n/a	-
17	South (4)	Where s106 agreement contributions are index linked, documentary evidence is obtained confirming if any interest is due following payment of the initial amount.	Low	Agreed	September 2010	Completed	-

Section 106 Process Flowchart

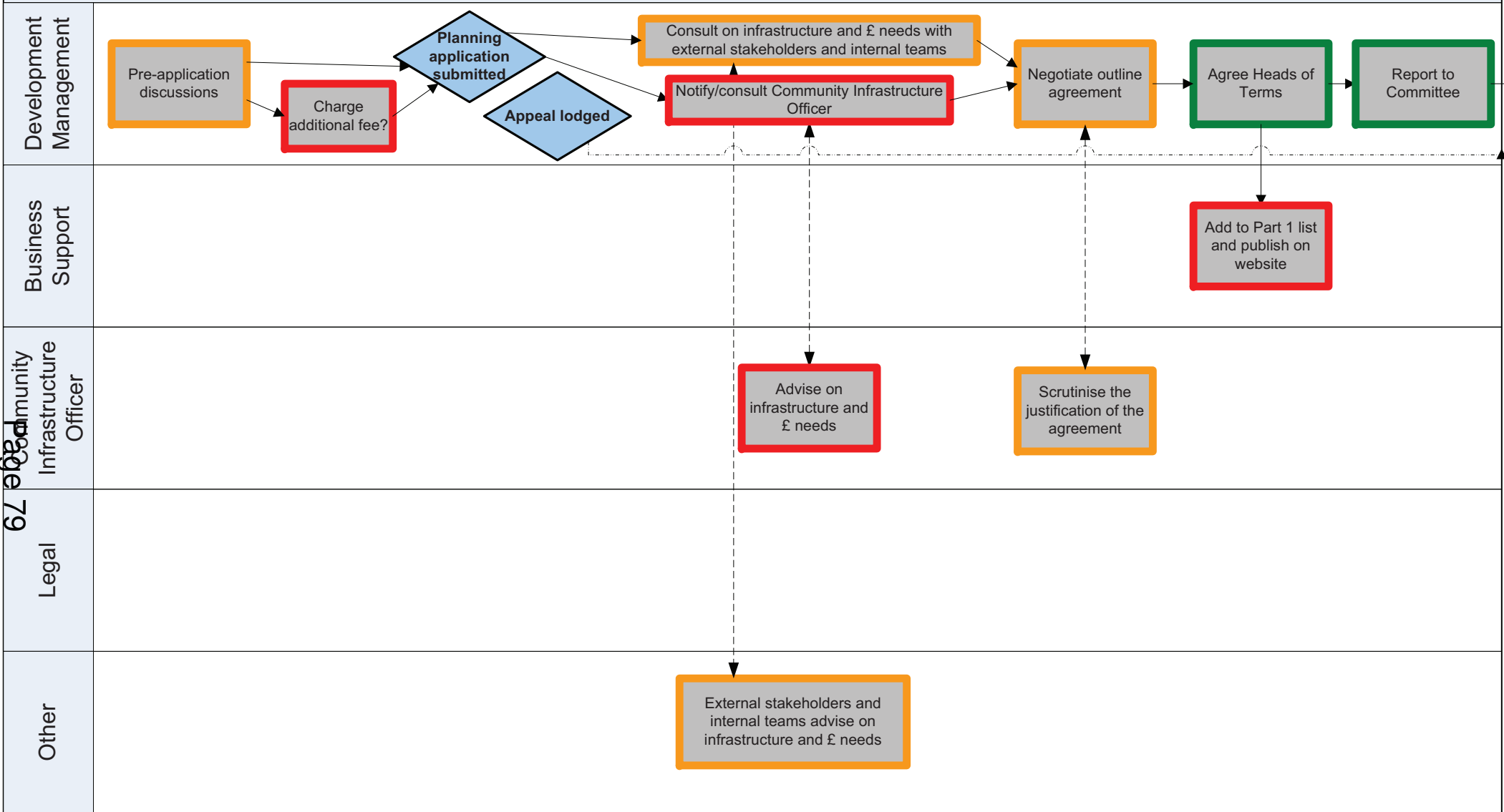


- Actions currently being done well
- Actions currently being done, but not as well or consistently as they should
- Actions not currently being done

Ongoing actions

- advise other teams/stakeholders about s106 funds available to be used
- train planning officers on correct procedures to follow / best practice
- meet quarterly to monitor moneys received, spending, development progress etc.
- publish annual report
- record amount of time spent on monitoring development progress

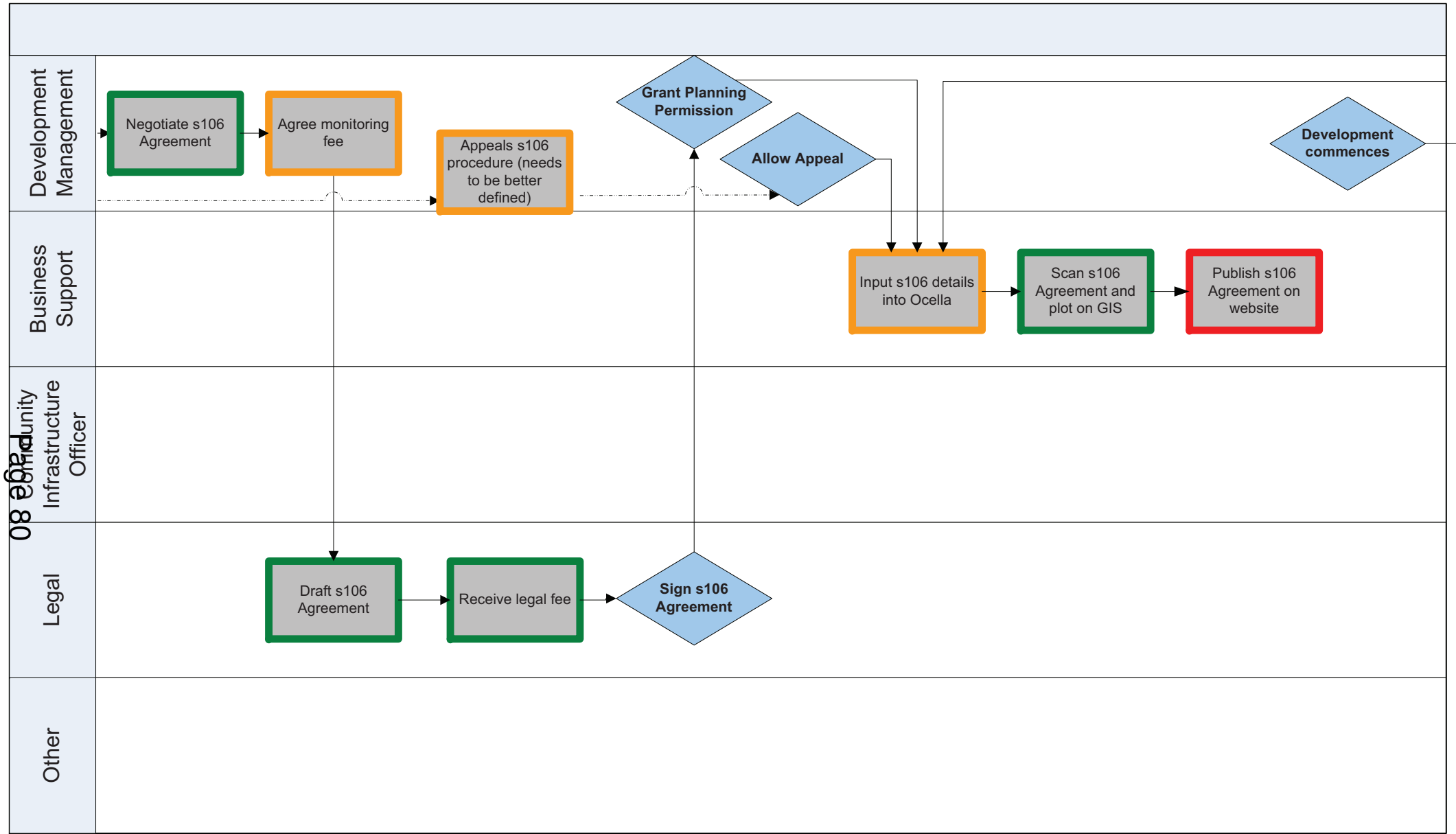
Section 106 Process Flowchart

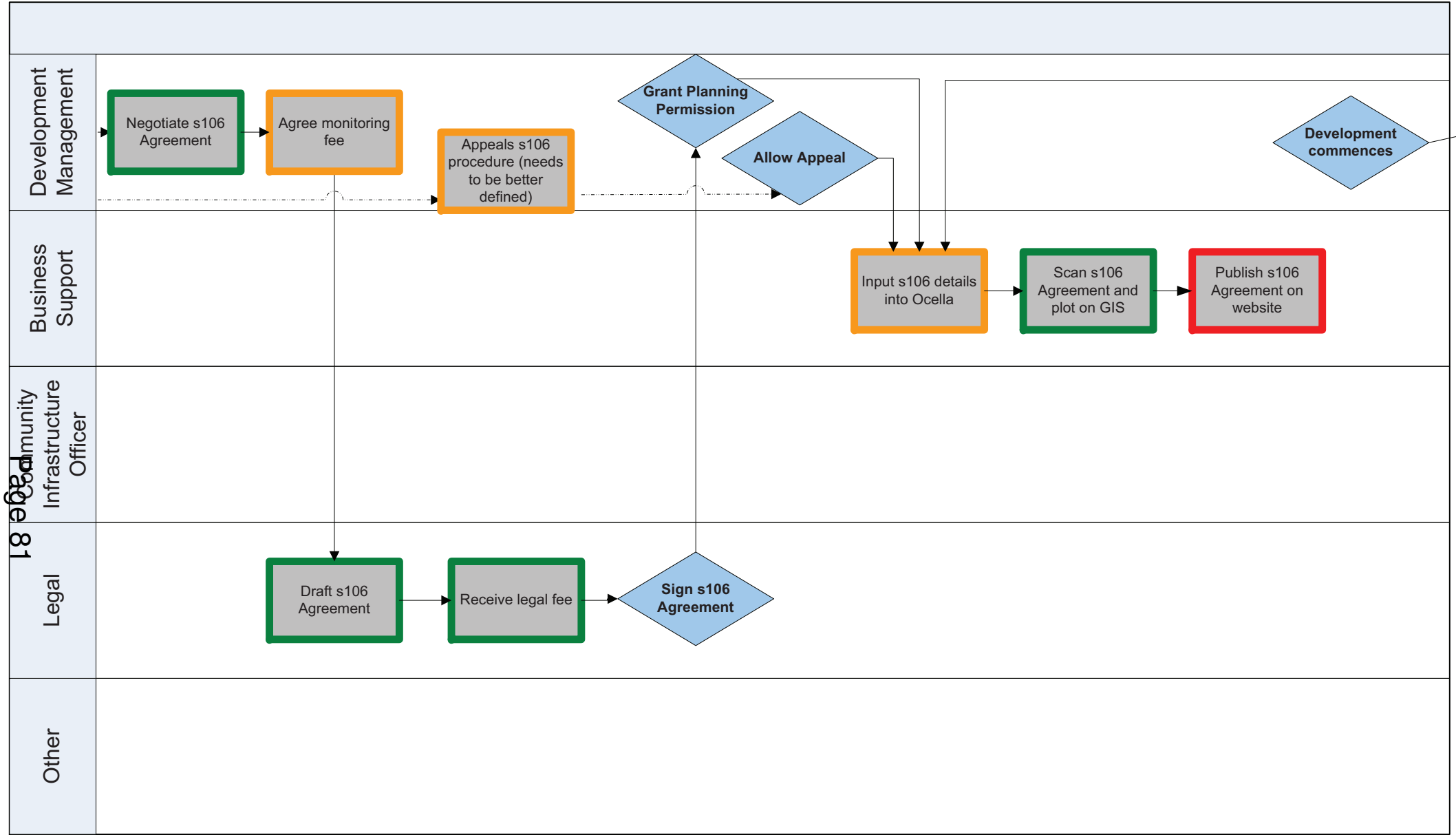


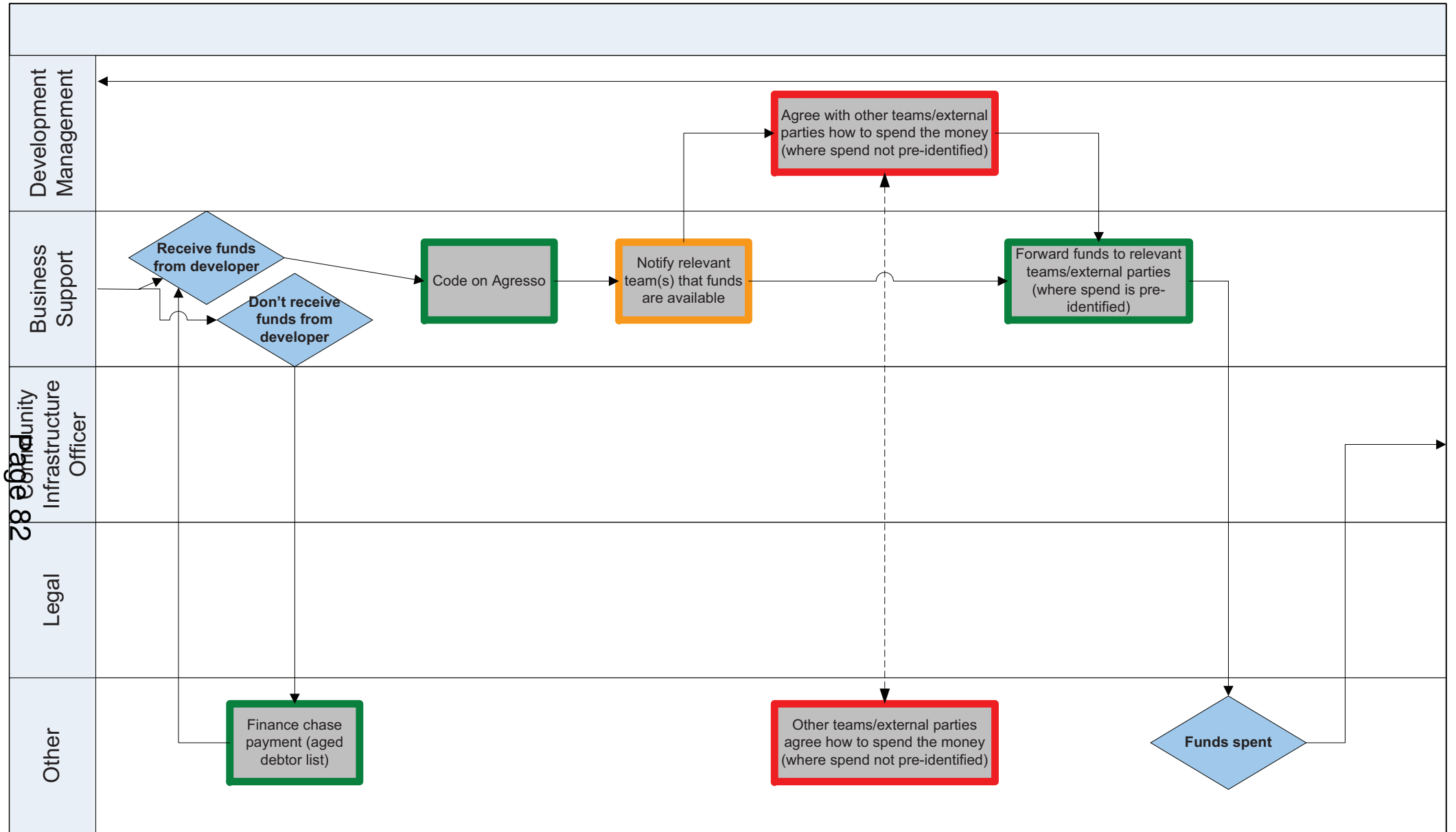
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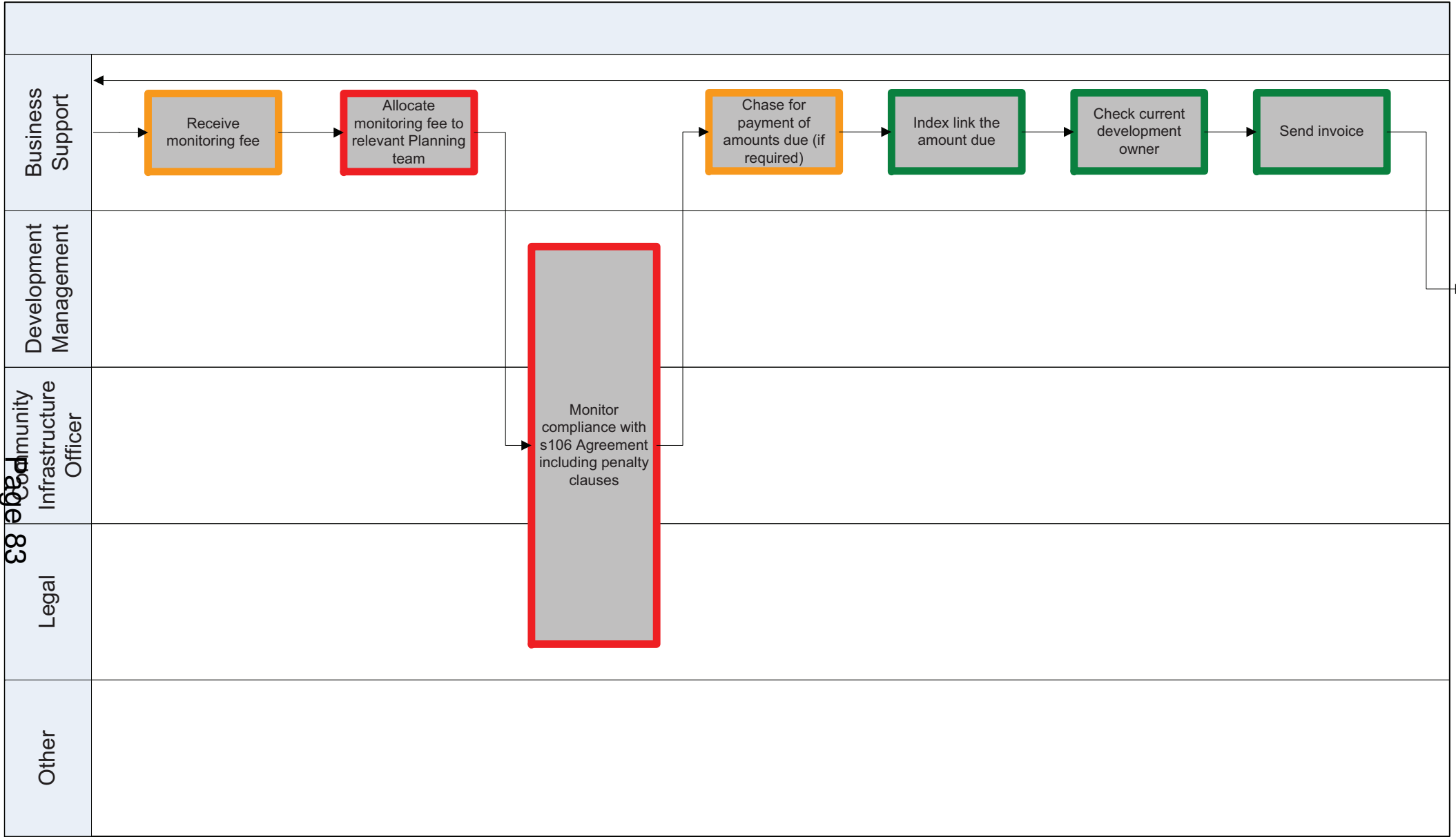
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SCRUTINY WORK PROGRAMME



containing scrutiny work to be undertaken 1 June 2012 - 31 July 2012

The scrutiny work programme belongs to the council's Scrutiny Committee and sets out a schedule of scrutiny work due to be carried out over during period shown above. It is a rolling plan, subject to change at each Scrutiny Committee meeting; however, the scrutiny work programme and changes to it are subject to the council's approval.

Representations can be made on any of the following issues before an item is considered by the Scrutiny Committee. Representations must be made to the relevant contact officer shown below by 10am on the day the Committee is due to meet. The meeting dates are shown below.

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
Leisure contract monitoring	Scrutiny Committee 28 Jun 2012	Kate Arnold Tel. (01235) 540416 Email: kate.arnold@southhandvale.gov.uk	The committee undertakes an annual monitoring of the leisure contract A.	To review the contractor's performance and make any recommendations the Cabinet member.	
Section 106 agreements - monitoring implementation	Scrutiny Committee 28 Jun 2012	Adrian Duffield, Head of Planning Tel. (01235) 540340 Email: adrian.duffield@southhandvale.gov.uk	The committee has asked to review the administration of section 106 agreements and to look at how the money raised is managed.	To consider the report and feedback any comments to the Cabinet.	

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
Corporate plan 2008-12 - performance review	Scrutiny Committee 26 Jul 2012	Sally Truman, Policy and Community Engagement Manager Tel. (01235) 540408 Email: sally.truman@southandvale.gov.uk	The Cabinet is due to receive a report reviewing performance against the 2008-12 corporate plan.	To consider the report and make any recommendations to cabinet.	
Leisure contract monitoring	Scrutiny Committee 23 Aug 2012	Kate Arnold Tel. (01235) 540416 Email: kate.arnold@southandvale.gov.uk	The committee undertakes an annual monitoring of the leisure contract B.	To review the contractor's performance and make any recommendations the Cabinet member.	Provisional date
Review of progress against the energy efficiency (carbon management) plan 2011/12	Scrutiny Committee 23 Aug 2012	Clare Kingston, Head of Corporate Strategy Tel. (01235) 540356 Email: clare.kingston@southandvale.gov.uk	The committee undertakes an annual monitoring of the the council's energy efficiency performance.	To review the council's performance and make any recommendations to Cabinet.	Provisional date
Annual equality and diversity update	Scrutiny Committee 23 Aug 2012	Clare Kingston, Head of Corporate Strategy Tel. (01235) 540356 Email: clare.kingston@southandvale.gov.uk	The committee receives an annual update on equality and diversity.	To consider the update report and make any recommendations for improvements.	Provisional date

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
Consultation	Scrutiny Committee 23 Aug 2012	Sally Truman, Policy and Community Engagement Manager Tel. (01235) 540408 Email: sally.truman@southandvale.gov.uk	The committee wishes to review how the council consults the public.	To review the existing consultation methods and make any recommendations to Cabinet.	
Review of budget consultation process	Scrutiny Committee 23 Aug 2012	Steve Bishop, Strategic Director and Section 151 Officer Tel. (01235) 540332 Email: steve.bishop@southandvale.gov.uk	The committee wishes to review the budget consultation process.	To review the existing consultation method and make any recommendations to the Council.	
Board report - first quarter 2012/13	Scrutiny Committee 23 Aug 2012	Geoff Bushell Tel. (01235) 540689 Email: geoff.bushell@southandvale.gov.uk	The committee is asked to review the council's performance for the fourth quarter.	To review performance and make any recommendations to Cabinet.	
Objectives of the new leisure contract	Scrutiny Committee 20 Sep 2012	Chris Tyson, Head of Leisure Economy and Property Tel. (01235) 540378 Email: chris.tyson@southandvale.gov.uk	The committee wishes to look at the objectives of the new leisure contract.	To consider the objectives and make recommendations to Cabinet.	

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
Fit for the future annual review	Scrutiny Committee 20 Sep 2012	Anna Robinson, Strategic Director Tel. (01235) 540523 Email: anna.robinson@southandvale.gov.uk	To receive an update on the fit for the future programme.	To consider a summary report and to question the Cabinet member.	
Financial services contract	Scrutiny Committee 20 Sep 2012	William Jacobs, Head of Finance Tel. (01235) 540455 Email: william.jacobs@southandvale.gov.uk	The committee undertakes an annual monitoring of the financial services contract.	To review the contractor's performance and make any recommendations the Cabinet member.	
Review of planning enforcement	Scrutiny Committee 25 Oct 2012	Adrian Duffield, Head of Planning Tel. (01235) 540340 Email: adrian.duffield@southandvale.gov.uk	The committee wishes to review how the council enforces planning decisions.	To consider the existing system and make any recommendations.	
Community safety partnership	Scrutiny Committee 22 Nov 2012	Liz Hayden Tel. (01235) 540309 Email: liz.hayden@southandvale.gov.uk	The committee undertakes an annual review of the community safety partnership's performance.	To review the partnership's annual report and make any recommendations for improvements.	
Budget 2013/14	Scrutiny Committee 14 Feb 2013	William Jacobs, Head of Finance Tel. (01235) 540455 Email: william.jacobs@southandvale.gov.uk	Cabinet has recommended to Council the 2013/14 budget. The committee may wish to comment.	To submit any further comments to Council.	

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
Waste and recycling contract monitoring	Scrutiny Committee February 2013	Ian Matten Tel. (01235) 540373 Email: ian.matten@southhandvale.gov.uk	The committee undertakes an annual monitoring of the waste and recycling contract.	To review the contractor's performance and make any recommendations the Cabinet member.	
Grounds maintenance contract review	Scrutiny Committee March 2013	Ian Matten Tel. (01235) 540373 Email: ian.matten@southhandvale.gov.uk	The committee has asked to review implementation of the new contract.	To consider the report and feedback any comments to the Cabinet.	Provisional date
Corporate plan - annual review of performance	Scrutiny Committee March 2013	Sally Truman, Policy and Community Engagement Manager Tel. (01235) 540408 Email: sally.truman@southhandvale.gov.uk	The committee wishes to the council's review performance against the corporate plan over the past year.	To review performance and make any recommendations to Cabinet.	
Review two hours free parking scheme	Scrutiny Committee March 2013	Chris Tyson, Head of Leisure Economy and Property Tel. (01235) 540378 Email: chris.tyson@southhandvale.gov.uk	The committee previously asked to review the effectiveness of introducing two hours free car parking.	To review the scheme and make any suggestions to Cabinet.	

Item title	Meeting date	Lead officer	Why is it here?	Scope	Notes
Air quality in Abingdon	Scrutiny Committee March 2013	Ben Coleman Tel. (01235) 547639 Email: ben.coleman@southandvale.gov.uk	The committee wishes to investigate the impact of free car parking in Abingdon on the town's air quality.	To review changes in air quality and make any recommendations to Cabinet.	
Review of the council's website	Scrutiny Committee	Shona Ware Tel. (01235) 540406 Email: shona.ware@southandvale.gov.uk	The committee wishes to review the council's website.	To review the council's website and make any recommendations for improvement.	
Housing allocation policy	Scrutiny Committee	Paul Staines, Head of Housing and Health Tel. (01235) 540621 Email: paul.staines@southandvale.gov.uk	At its meeting on 24 May 2012, the committee asked to review whether the council's discretion on whether the housing allocation policy could give greater priority to people in work or looking for work that contributed to the community or to armed forces personnel.	To consider the new code of guidance or revised statute once published, and to advise Cabinet on any changes to the council's policy.	