



CENTRAL RESOURCES COMMITTEE

8 JUNE 2005

Report of the Director of Central Resources

COMMUNITY FUND – CROOK TOWN COMMUNITY CARNIVAL COMMITTEE

purpose of the report

1. To consider a request from Crook Town Community Carnival Committee for funding.

background

2. The above organisation has requested £2,000 from the Community Fund towards the cost of a carnival to be held on 2 July 2005 in Crook.
3. The carnival will involve jazz bands, samba dancers, local nurseries and young people in a co-ordinated march down Hope Street. The carnival is the final event of a week of events and showcases.
4. The carnival is well attended with over 1,000 people which raises the profile of Crook in the local area.
5. Events that are planned include:
 - Free participatory activities such as tile making, woodturning, kite making, outdoor survival skills, cricket nets, climbing wall.
 - Demonstrations e.g. fire service, trials bicycles, army, thai boxing, cheerleading.
 - Performances e.g. professional street theatre, local theatre groups and professional band, drumming by young people.
 - Entertainment e.g. bouncy castles, pony rides, it's a knockout, fortune teller, face painting.
 - Stalls e.g. hook a duck, tombola, plants, cakes, local farm produce.
6. The Committee are requesting £2,000 out of a total cost of £6,000. The £2,000, if approved, would be used to fund the above events as well as the possibility of buying a 200 seater marquee for use in future years.

RECOMMENDED that Members consider the level of any donation from the Community Fund.

Officer responsible for the report

Gary Ridley
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Author of the report

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CENTRAL RESOURCES COMMITTEE

8 JUNE 2005

Report of the Director of Central Resources

BUSINESS PLAN – WEAR VALLEY BENEFITS SERVICE (WVBS)

purpose of the report

1. To advise members of the details of the business plan for the Benefits Service.

background

2. The Council's Benefits service, which is responsible for the processing and payment of housing and council tax benefit to some 8,200 households within the District, employs 41 full time equivalent staff. This is a vital service to the public as it provides financial support to many vulnerable people in assisting them to live in affordable housing.
3. Since 2003, the service has published a business plan detailing the objectives and priorities for the service over the next three years. This plan builds upon the one approved by members on the 16th June 2004.

business plan

4. The WVBS business plan for 2005/06 – 2007/08 is presented as Annex 1. Priorities for the service are laid down in order to provide focus upon the main areas. The plan also lays out the performance management and monitoring arrangements for the service. This allows all stakeholders to hold the service accountable.
5. The plan provides a framework for focussing upon areas of weakness such as processing times and customer service. It lays down what we have done and what we intend to do to improve these areas.

conclusion

6. The targets set out in the business plan for performance standards and best value performance indicators are ambitious but achievable. Significant progress has been made in processing times and meeting Government performance standards.

RECOMMENDED that Members endorse the business plan presented in Annex 1.

Officer responsible for the report

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CENTRAL RESOURCES COMMITTEE

8 JUNE 2005

Report of the Director of Central Resources

CENTRAL RESOURCES DEPARTMENT PERFORMANCE INDICATORS AND ACTION PLANS – 2004/05

purpose of the report

1. To consider the annual performance of those Best Value Performance Indicators for which the Department is responsible and update Members on the 2004/05 Action Plans.

background

2. Members will be aware that:
 - Within the Constitution, the Central Resources Committee has the responsibility for monitoring the performance of the Department.
 - The Department formally reports its performance six monthly to the Committee as part of the overall performance management arrangements within the Department. A report was presented to members on the 17 November 2004 with the first six months results for 2004/05.

structure of the report

3. Each Best Value Performance Indicator is considered in turn against the following structure:
 - Name of performance indicator
 - 2004/05 performance
 - 2004/05 target
 - 2003/04 actual
 - Commentary.
4. After BVPIs, the 2004/05 Action Plans are shown for the Department along with progress to date.

departmental indicators

- **% of Council Tax Collected**

2004/05 actual	98.9%
2004/05 target	98.0%

2003/04 actual 98.2%

The indicator shows improved performance and is the highest collection rate in County Durham. Given the high performance in this area it will prove increasingly difficult to continuously improve this indicator. The indicator should be top quartile.

- **% of Non-Domestic Rates Collected**

2004/05 actual	99.2%
2004/05 target	98.9%
2003/04 actual	98.8%

This performance indicator has both improved and exceeded target and is likely to be top quartile. It is likely to be the second highest collection rate in County Durham.

- **Land Searches completed within 10 Days**

2004/05 actual	97%
2004/05 target	93%
2003/04 actual	87%

This performance indicator has improved compared to 2003/04. In 2002/03 it was a poorly performing indicator at only 72% and has shown a steady improvement.

- **Days to process new benefit claims**

2004/05 actual	32.5 days
2004/05 target	40 days
2003/04 actual	46 days

This is an important indicator and represents the acid test of the benefit service. As a result of additional resources and revised working procedures performance has improved substantially and has met target. The Authority will now be above average nationally for the first time.

- **Days to process benefit changes in circumstances**

2004/05 actual	8.7 days
2004/05 target	10 days
2003/04 actual	11 days

This indicator has improved compared to 2003/04. The Authority is now likely to be above average for this indicator.

- **% of overpaid Housing Benefit recovered**

2004/05 actual	59.7%
2004/05 target	60%
2003/04 actual	N/A

This indicator has just missed target. Additional resources are now being directed to this indicator to improve performance. The Authority is likely to be above average for this indicator.

- **% accuracy of Benefit claims**

2004/05 actual	98.8%
2004/05 target	98%
2003/04 actual	99%

This figure has worsened slightly and is a measure of the care and diligence taken by staff to ensure benefit is correctly awarded to customers. However, target has been met and the Authority is likely to be above average.

- **No. of claimants visited per '000 caseload**

2004/05 actual	234
2004/05 target	204
2003/04 actual	181

Performance and target have improved and this indicator is likely to be above average nationally.

- **No. of fraud staff per '000 caseload**

2004/05 actual	0.21
2004/05 target	0.20
2003/04 actual	0.18

Performance has improved and targets met. However, this indicator is likely to be in the bottom quartile nationally due to the relatively low level of resources within this service.

- **No. of fraud investigations per '000 caseload**

2004/05 actual	20.10
2004/05 target	28.00
2003/04 actual	21.75

Performance has worsened and targets were not met due to staff sickness. The Authority is likely to be in the bottom quartile nationally.

- **No. of sanctions per '000 caseload**

2004/05 actual	0.5
2004/05 target	0.8
2003/04 actual	0

Although target was not met, performance did improve. This is partly due to sickness. It shows that the Authority takes benefit fraud more seriously. However, the Authority is likely to be bottom quartile nationally. Action is being taken to improve this figure.

corporate indicators

- **No of sick days per Employee**

2004/05 actual	10 days
2004/05 target	10 days
2003/04 actual	11 days

This shows an improvement on 2003/04 and the target has also been met. The main causes of sickness continue to be stress related and back/neck problems. Long term sickness also represents the majority of all sickness within the Authority. This is a key indicator of the corporate health of the Authority. Overall, the Authority is likely to be average nationally for this indicator.

- **Undisputed invoices paid within 30 days**

2004/05 actual	96.9%
2004/05 target	100%
2003/04 actual	96.3%

The target of 100% is set by the Government. A slight improvement has been made in this indicator. The Authority is likely to be top quartile for this indicator.

- **Commission for Racial Equality Standard**

2004/05 actual	no
2004/05 target	yes
2003/04 actual	no

No improvement has been made in this indicator. Another report on the agenda addresses this position.

- **Electronically enabled transactions**

2004/05 actual	87%
2004/05 target	71%
2003/04 actual	42%

This shows a big increase in performance due to the work of staff in all departments, especially the Authority's Webmaster. The Authority is now likely to be top quartile/above average nationally.

- **Top 5% of posts filled by women**

2004/05 actual	14.3%
2004/05 target	12%
2003/04 actual	17%

Although target has been met, performance has worsened as a result of staff turnover. The Authority is likely to be below average nationally.

- **Top 5% of earners from Black Minority Ethnic community**

2004/05 actual	0%
2004/05 target	4%
2003/04 actual	3.7%

Performance has declined and target has not been met as a result of staff turnover. The Authority is likely to be in the bottom quartile nationally.

- **% of employees retiring early, excluding ill health**

2004/05 actual	1.1%
2004/05 target	1.0%
2003/04 actual	1.7%

Performance has improved and target has been met in this indicator. However the Authority is likely to remain bottom quartile nationally.

- **% of employees retiring early, from ill health**

2004/05 actual	0.0%
2004/05 target	0.6%
2003/04 actual	0.9%

No ill health retirements occurred in 2004/05. This will put the Authority in the top quartile nationally.

- **% of employees meeting Disability Discrimination Act definition**

2004/05 actual	2.8%
2004/05 target	2.4%
2003/04 actual	3.1%

This indicator has declined slightly as a result of more staff being employed by the Authority. There is still some way to go before this indicator moves into the top quartile.

- **% of employees from Black Minority Ethnic population**

2004/05 actual	0.35%
2004/05 target	1.00%
2003/04 actual	1.13%

This indicator has decreased as a result of staff turnover and is likely to be in the bottom quartile nationally.

action plans

5. The following paragraphs show progress on the Departmental Action Plans.

Accountancy Action Plan 2004/05

No.	Objective	Progress
1	Conduct customer survey	Survey completed and results to be analysed
2	Financial Targets to be Met	Reports issued monthly to all budget holders and monitored to ensure that forecasts are accurate.
3	Issue Budgetary Control Reports to Committee and CMT	Capital and revenue budget monitoring reports submitted quarterly to Members
3	Completion and reporting of Final Accounts by end of August 2004	Achieved with exception of cash flow statement
4	Improve VAT awareness throughout the authority	External training planned in current year
5	Introduce Grants protocol, System of Administration and Register	Completed and guidance notes provided to all staff
6	Interface between cash receipting system and Agresso	Little progress to date due to invoice manager roll out. Scheduled for current year

Revenues and Benefits Action Plan 2004/05

No.	Objective	Progress
1	To meet Performance Targets as laid down in Benefits Business plan	Majority of targets met
2	To meet 85% of all performance standards by March 2005	Achieved
3	To apply best practice in benefit fraud investigation	Ongoing. High performing authorities visited and free consultancy support arranged
4	To commence implementation of Document Image Processing and Workflow technology	Not completed but now underway with implementation before December 2005
5	To provide improved content of customer information on web page	All web pages revised including introduction of benefits self service calculator

I.T. Action Plan 2004/05

No.	Objective	Progress
1	Install CRM system	Completed
2	Switchboard replacement undertaken	Implemented and work completed

Internal Audit Action Plan 2004/05

No.	Objective	Progress
1	Key Controls of all major systems audited	Completed
2	Compliance with CIPFA Code of Practice	Report presented to Overview and Scrutiny Committee on Statement of Internal Control. Internal Audit strategy reported to members
3	Completion of 90% of audit plan	85% completed due to overrun in some system audits
4	Audit Reports Effective to Management	To be conducted in June
5	Improved records management	More records being stored electronically
6	Improved Computer Audit	Attendance on IDEA course.
7	Satisfaction of auditees with Audit Process	Questionnaires returned after every audit, comments analysed and acted upon

Human Resources/Training Action Plan 2005/06

No.	Objective	Progress
1	Co-ordinate the corporate move to attain the Investors in People Standard	Ongoing
2	Ensure implementation of training following PDP process	PDP process ongoing and training plan to be co-ordinated across the Authority
3	Review personnel policies and produce Human Resources strategy	Draft report produced by SOLACE and currently under review. Personnel handbook being introduced via staff training sessions

6. The above shows that progress has been made across all service areas within the Department which is in line with actions agreed within the Service Plan.

conclusions

- Departmental Indicators

The above show that the majority of indicators are improving. This is due to the efforts of staff. It is important to note, however, that all efforts continue to be made to continuously improve performance.

- Corporate Indicators

The above shows that the sickness performance indicator, which is a key indicator, has improved although more needs to be done. In general, however, those indicators that relate to diversity need to improve. This is becoming an increasingly important area and is included within the Council Plan as a key action.

- Action Plans

The above shows steady progress in achievement of the action plans and represents continuous improvement within the Department.

RECOMMENDED that Members note the report.

Officer responsible for the report	Author of the report
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CENTRAL RESOURCES COMMITTEE

8 JUNE 2005

Report of the Director of Central Resources

POLICY ON EQUAL OPPORTUNITIES IN SERVICE DELIVERY AND EMPLOYMENT

purpose of the report

1. To consider changes to the above policies to bring it in line with level 1 of the local government equality standard.

background

2. Best value performance indicator number 2 requires the Authority to achieve level 1 of equality standard as minimum. Whilst the council has had an equal opportunities policy for some years, it does not comply with level 1 of the standard
3. Level 1 of the standard requires the following:
 - Improving equality practice at both corporate and departmental level
 - Earmarking specific resources for improving equality practice
 - Equality action planning and equality target setting within all departments and service areas
 - Systematic consultation
 - A fair employment and equal pay policy
 - An impact and needs/requirements assessment
 - Progress monitoring
 - Audit and scrutiny

proposed policy changes

4. Annex 2 shows the existing policy on service delivery and Annex 3 shows the existing policy on employment with proposed changes highlighted in bold. The proposed changes are deemed necessary to enable the Authority to achieve level 1.

financial implications

5. There are no direct financial implications arising from the report. Resources to move the process forward will pre-dominantly be staff time. In addition to this, a sum of money has been earmarked from the service improvement fund to assist in the development of the policy.

human resources implications

6. As part of the development of the policy there will need to be assessment and consultation undertaken of our services. This is essentially level 2 of the equality standard.

level 2 and beyond

7. The resource identified within the service improvement fund will be used to develop a plan to progress to level 2 and beyond.

8. The levels are as follows:

Level 2: assessment and consultation

Level 3: setting equality objectives and targets

Level 4: information systems and monitoring against targets

Level 5: achieving and reviewing outcomes

conclusion

9. Achievement of level 1 of the equality standard will demonstrate progress in our BVPI's. Providing a dedicated resource will enable the Authority to move forward with positive intent.

RECOMMENDED that Members agree the proposed changes in the policy.

Officer responsible for the report

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CENTRAL RESOURCES COMMITTEE

8 JUNE 2005

Report of the Director of Central Resources

EQUAL OPPORTUNITIES MONITORING, RECRUITMENT AND SELECTION – 1ST APRIL 2004 – 31ST MARCH 2005

purpose of this report

1. To inform Members of statistics relating to the recruitment carried out by the Authority during the twelve months from 1st April 2004 until 31st March 2005.

background

2. During the above period 33 posts were advertised and a total of 286 applications were received, of which 128 were shortlisted for interview. (Attached as Annex 4 statistics relating to the recruitment). The % change figure is the percentage difference from the comparable statistic for the period 1 April 2003 with 31 March 2004.

ethnic origin

3. Within the Wear Valley area 0.8% of the population is from Ethnic minorities. No-one was recruited from members of the Ethnic minorities with only 0.34% of total applicants being from these groups. The percentage of employees who are from the Ethnic minorities within the Council is 0.55%, which is slightly less than the community we serve. This figure has reduced this year due to 2 members of staff from the Ethnic minorities being successful in gaining promotion at other Authorities in the region.

gender

4. 61% of those recruited were female. 55.5% of all staff are female. Annex 5 shows the breakdown of National Joint Council (N.J.C.) staff into gender and grades along with a breakdown of staff from black and ethnic minority groups and staff with disabilities.

disability

5. There were 4 applicants who declared a disability, 2 of which were shortlisted for interview however none of these were appointed.

general

6. As part of the application pack each applicant is asked to complete a Customer Recruitment Survey and the feedback received is used when reviewing the application form. This would assist in highlighting any difficulties particular groups may have with the application process. The application form was also reviewed by the Authority's Disability Discrimination Officer during 2004 to check the use of language, colour, layout and font.

In addition the Durham district councils working in partnership, place a full-page advertisement in the annual publication ' Ethnic Britain ' in an attempt to encourage people from all ethnic backgrounds to apply for the posts we advertise on our websites. Application packs for all posts in this Authority are now available from the website.

The Job Centre also receives details of all vacancies and the computerised system they now use gives national circulation with applicants able to view the jobs online.

conclusion

7. Overall, I am satisfied that the recruitment process is working in a fair and equitable way, and the figures demonstrate that no one group received either favourable or unfavourable treatment. The Authority can be satisfied that, as far as is possible, the process of recruitment is being carried out within the Council's declared policy of Equal Opportunities.

RECOMMENDED that the report and Annexes 4 and 5 be approved.

Officer responsible for the report

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Author of the report

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Principal Personnel Officer
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CENTRAL RESOURCES COMMITTEE

8 JUNE 2005

Report of the Director of Central Resources **DEBT MANAGEMENT**

purpose of the report

1. To consider the debt management framework that was introduced following agreement at Central Resources Committee on 5 June 2002.

background

2. Committee agreed on 5 June 2002 a framework for managing the Authority's debts. The aims of the framework are:
 - To identify all income due to the Authority, promptly.
 - To provide a consistent approach to debt management.
 - To seek to maximise the financial position of the Authority.
 - To use best practice to minimise risks arising in respect of the Authority's debts.
 - To ensure effective financial control in relation to debt management.

The following debts are covered by the framework:

- Sundry Debts.
- Council Tax.
- NNDR.
- Housing/Council Tax Benefit overpayments.
- Housing Rents.

performance management

The framework identified a range of performance measures for the above debts. These are considered in turn:

(i) Sundry Debts

% of debt collected – this was 95% in 2004/05 compared to 88% in 2003/04. The figure is very sensitive as to when invoices are raised during the financial year i.e. high value invoices raised in March will reduce the % collected as there will be limited time to collect that debt during the financial year.

Age Profile of Outstanding Debt

	<u>2003/04</u> £000	<u>2004/05</u> £000
Current	659	656
1 year old	11	21
2 year old	5	-
3 years+	<u>1</u>	<u>-</u>
Total	676	677

£18,000 was written off in 2004/05. This shows that the department is continuing to collect old debts.

(ii) Council Tax

% of debt collected. The target for 2004/5 was 98.0%. The actual was 98.9%. This should make our performance above average in this area.

Age profile of debt outstanding – this is as follows:

	<u>31/03/05</u> £000	<u>31/03/04</u> £000	<u>Reduction</u> £000
1996/97	-	1	1
1997/98	-	2	2
1998/99	4	7	3
1999/00	6	16	10
2000/01	20	37	17
2001/02	44	73	29
2002/03	67	134	67
2003/04	105	340	235
Total	246	610	364

The above shows that debts have reduced by £364,000. During 2004/05 a total of £16,000 was written off. This shows that the Department is continuing to collect old debts.

(iii) NNDR

% of debt collection – the target for 2004/05 was 98.9%. The actual was 99.2%. Therefore the target performance was met.

Age profile of debt – this is as follows:

	<u>31/03/05</u> £000	<u>31/03/04</u> £000	<u>Reduction</u> £000
1992/93	4	4	-
1993/94	-	-	-
1994/95	-	-	-
1995/96	1	2	1
1996/97	1	1	-
1997/98	2	3	1
1998/99	2	2	-
1999/00	4	6	2
2000/01	3	8	5
2001/02	6	14	8
2002/03	20	28	8
2003/04	18	120	102
Total	61	188	127

The above shows that debts have reduced by £127,000. During 2004/05 a total of £97,000 was written off. This shows that we are collecting old debts.

(iv) Housing and Council Tax Benefit Overpayments

% of debt collected – the target figure for 2004/5 was 60%. The actual was 60%. Therefore the target performance was met.

The total level of overpaid Housing and Council Tax Benefit debt is as follows:

	<u>31/03/05</u> £000	<u>31/03/04</u> £000	<u>Decrease</u> £000
Rent Rebates	181	N/A	N/A
Rent Allowance	178	200	22
Total	<u>359</u>	<u>200</u>	<u>N/A</u>

There are no reliable figures available for the level of outstanding overpaid rent rebates as at 31st March 2004.

(v) Housing Rents

The Director of Housing Services shall report this to the Housing Committee.

conclusion

- In relation to Council Tax and Non-Domestic Rate collection the Authority is actively managing its debts. In relation to overpaid housing benefit, a significant amount of work has been carried out following the transfer of responsibility for rent rebate overpayments from the Housing department to the Central Resources department. In relation to sundry debts these debts are also being managed with a high collection rate being achieved.

RECOMMENDED that Members note the above performance in relation to the management of debts.

Officer responsible for the report

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CENTRAL RESOURCES COMMITTEE

8 JUNE 2005

Report of the Director of Central Resources **2004/05 TREASURY MANAGEMENT ACTIVITY**

purpose of the report

1. To receive a report on the 2004/05 Treasury Management activity of the Authority in line with the Authority's Treasury Management strategy and policy, and to also review the Authority's Treasury Management practices.

background

2. The Authority adopted the Chartered Institute of Public Finance and Accountancy treasury management practices at Committee in June 2002.
3. Annex 6 outlines the Treasury Management activity undertaken in 2004/05 and the remainder of this part of the report seeks to evaluate the operation of those treasury management practices.

risk management

- (i) **Practice:** the minimum anticipated cash balance is £1m and the maximum balance in the call account is £2.5m.

Actual: the maximum during year was £5.59m and the minimum during year was £650,000.

- (ii) **Practice:** interest costs remain within budget.

Actual: base budget interest costs were £2.650m. This reduced to £2.504m as a result of delayed borrowing to fund the capital programme.

- (iii) **Practice:** maximum proportion of borrowing that will be subject to variable rate interest is 30%.

Actual: None of the outstanding loans as at 31/03/05 were subject to variable rates of interest.

- (iv) **Practice:** maximum of £2m invested in any one organisation (except the call account)

Actual: no more than £2m in at any one time with any institution.

- (v) **Practice:** all organisations invested in will be AAA rated as a minimum.

Actual: all treasury management activity complied with relevant statutes.

- (vi) **Practice:** no more than 15% of debt maturing in the year (excludes debt rescheduling).

Actual: 10.1% of debt matured.

- (vii) **Practice:** treasury management activity complies with relevant statutes.

Actual: all treasury management activity complied with relevant statute.

- (viii) **Practice:** any breaches of treasury management policy reported.

Actual: Over £2.5m in call account

<u>From</u>	<u>To</u>	<u>Call Amount</u>
06/04/04	07/04/04	£2.54m
28/04/04	29/04/04	£2.61m
03/06/04	04/06/04	£2.65m
26/07/04	29/07/04	£5.59m
02/08/04	09/08/04	£3.46m
01/11/04	05/11/04	£2.80m
21/12/04	22/12/04	£2.78m
11/01/05	13/01/05	£2.62m
15/03/05	18/03/05	£2.64m

- (ix) **Practice:** employers liability maintained by indemnification against fraud/error/corruption.

Actual: insurance in place.

- (x) **Practice:** internal audit reviews internal controls.

Actual: internal audit review carried out in 2004/05

- (xi) **Practice:** all borrowing documented using standard proforma approved and signed by Director of Central Resources or representatives.

Actual: achieved.

- (xii) **Practice:** all instances of fraud/error/corruption reported immediately by Director of Central Resources.

Actual: no instances of fraud/error/corruption found.

best value/performance measures

- (i) **Practice:** banking contract to be re-tendered or re-negotiated every 3 years.

Actual: Re-negotiated in 2004/05 following consultant's report

- (ii) **Practice:** treasury management advisers re-tendered or renegotiated every 3 years.

Actual: Tendered for in 2003/04. Sector won contract for three years.

- (iii) **Practice:** cost of in-house provision monitored and reviewed periodically.

Actual: cost monitored as part of budgetary control procedures.

- (iii) **Practice:** the following performance indicators reported to Committee annually:

- (a) Average rate of interest on all external debt.
- (b) Average rate of interest on new borrowings.
- (c) Average period to maturity of external debt for maturity loans.
- (d) Average period to maturity on new loans.
- (e) Performance of investments against 7 days LIBID.

	<u>2003/04</u>	<u>2004/05</u>
Actual:	(a) 6.60%	6.29%
	(b) 3.74%	4.51%
	(c) 18 years	22.5 years
	(d) 1 year	26 years
	(e) Actual – 3.62% vs. LIBID rate of 3.48%	4.66% vs. LIBID rate of 4.72%

decision making and analysis

- (i) **Practice:** individual record of all loans/investments/repayment schedules/cash flow diaries/CHAPS payments maintained.

Actual: all relevant records maintained.

- (ii) **Practice:** relevant considerations taken into account when borrowing/investing.

Actual: borrowing undertaken following advice, investment undertaken in light of relevant statutes.

organisation

- (i) **Practice:** clear separation of duties.

Actual: senior staff responsible for decision taking/junior staff responsible for administration.

reporting requirements

- (i) **Practice:** treasury management strategy reported annually.
Actual: reported in March 2005 to Central Resources Committee.
- (ii) **Practice:** annual report be produced on treasury management activity.
Actual: included in this report.
- (iii) **Practice:** interest rate exposure reported to Committee before the beginning of the financial year.
Actual: reported as part of budget setting process.

cash flow management

- (i) **Practice:** all monies aggregated for cash flow and investment.
Actual: achieved.

money laundering

- (i) **Practice:** no loans accepted from individuals.
Actual: none accepted.
- (ii) **Practice:** all loans obtained from PWLB/institutions under the Banking Act 1989.
Actual: all loans taken out with approved institutions.

approved investments

- (i) **Practice:** only certain types of investments used.
Actual: all investments with banks/building societies.

budgetary/account/audit

- (i) **Practice:** relevant accounting practices maintained.
Actual: achieved.

staff training

- (i) **Practice:** staff training provided where relevant.
Actual: no staff training necessary as no changes made in staffing levels.

external service providers

(i) **Practice:** adequate documentation maintained.

Actual: achieved.

corporate governance

(i) **Practice:** the following documents/information are available for public inspection:

- (a) treasury management policy and strategy.
- (b) Treasury management activity reports to Committee.

(ii) **Actual:** (a) open Committee report.

(b) open Committee report.

conclusions

4. The above treasury management practices represent best practice. The financial year 2004/05 was their third year of operation. Overall, they have generally been adhered to. However, some additional work needs to be carried out during 2005/06 to further improve the treasury management activities of the Authority.

RECOMMENDED that the report and Annex 6 be endorsed and the Treasury Management Practices be adopted.

Officer responsible for the report	Author of the report
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CENTRAL RESOURCES COMMITTEE

8 JUNE 2005

Report of the Asset Management Group **ASSET MANAGEMENT PERFORMANCE**

purpose of the report

1. To consider asset management performance of the Council for 2004/05.

background

2. Members may recall that the Council's Asset Management Plan submission for 2002 resulted in a "good" assessment for the Authority that gave us additional capital resources.
3. Those authorities that were assessed as "good" are subsequently relieved of having to submit a full asset management plan. However, it is best practice to continue to monitor asset management performance on a regular basis.

performance indicators

4. The Government has established a number of national performance indicators that cover various aspects of asset management. Performance in 2004/05 compared with target and the previous year where appropriate are shown in the tables below. These figures exclude council houses and flats.

PI1A – Property Condition

5. This measures the number of assets as well as the proportion of total floor area of all assets owned by the Council which fall into the following condition categories-

<u>Category</u>	<u>Condition</u>
A	Good
B	Satisfactory
C	Poor
D	Bad

6. Operational assets are defined as those that contribute directly towards the provision of council services e.g. leisure centres. Non-operational assets are those that do not contribute directly towards council services for example leased property such as Millfield Football ground.

<u>CATEGORISATION</u>	<u>2004/05</u>		<u>2003/04</u>	
	<u>%AGE FLOOR AREA</u>	<u>ASSET NO'S</u>	<u>%AGE FLOOR AREA</u>	<u>ASSET NO'S</u>
CATEGORY A:				
OPERATIONAL	0.6	2	0.6	2
NON-OPERATIONAL	-	-	-	-
SURPLUS	-	-	-	-
SUB TOTAL CATEGORY A	0.6	2	0.6	2
CATEGORY B:				
OPERATIONAL	74.0	32	75.8	33
NON-OPERATIONAL	4.6	10	3.3	7
SURPLUS	0.7	2	3.1	7
SUB TOTAL CATEGORY B	79.3	44	82.2	47
CATEGORY C:				
OPERATIONAL	16.3	5	13.8	4
NON-OPERATIONAL	1.6	2	1.6	2
SURPLUS	0.7	2	-	
SUB TOTAL CATEGORY C	18.6	9	15.4	6
CATEGORY D:				
OPERATIONAL	-	-	1.3	2
NON-OPERATIONAL	-	-	-	-
SURPLUS	1.5	4	0.5	2
SUB TOTAL CATEGORY D	1.5	4	1.8	4
GRAND TOTAL	100.0	59	100.0	59

7. This shows that:

- The majority of the council's assets are in satisfactory condition (32 fall within category B)
- The Council no longer has any operational assets classified as being in "bad" condition (category D)
- The number of surplus assets has remained constant.

PI1B – Backlog maintenance by Priority

Priority	Description	Backlog Maintenance 2004/05 £	Backlog Maintenance 2003/04 £
1	Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation	75,000	72,000
2	Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of the occupants and/or remedy a minor breach of the legislation	214,000	273,000
3	Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or a minor breach of the legislation	234,330	111,250
4	Long term work required beyond a period of 5 years that will prevent deterioration of the fabric or services	97,110	89,660
	Total	£620,400	£545,910

8. This shows that backlog maintenance on council assets has increased over the last 12 months. This is because the annual repairs and maintenance budgets are insufficient to prevent deterioration of our asset stock.

PI2 – Internal Rate of Return

<u>Category</u>	<u>2004/05 Rate of Return %</u>	<u>2003/04 Rate of Return %</u>
Industrial	8.6%	14.4%
Retail	11.1%	10.4%
Agricultural	8.2%	8.2%

9. This shows that the Council is achieving a return on its non-operational assets.

PI3 – Management Costs Per Square Metre

<u>Property</u>	<u>2004/05 Actual £</u>	<u>2003/04 Actual £</u>
All	2.78	2.55

10. This shows that management costs have increased but still remain relatively low.

PI4 – Running Costs etc

<u>Repairs & Maintenance</u> <u>Per Sq.m.</u> Category	<u>Actual</u> <u>2004/05</u>	<u>Actual</u> <u>2003/04</u>
	£	£
Office Buildings	16.94	9.92
Leisure Centres	10.63	1.40
Civic Buildings	3.29	2.70
Community Centres	1.24	0.33
Other	15.95	40.40

11. The above shows that the costs of repairing and maintaining the leisure centres appears to have increased significantly although the 2003/04 figure is reckoned to be an underestimate of the true costs. Repairs and maintenance on office buildings such as the Civic Centre has increased as plant and equipment ages and fails. The “other” category of building relates mainly to public conveniences and repairs and maintenance has decreased pending planned capital work.

<u>Energy Cost</u> <u>Per Sq.m.</u> Category	<u>Actual</u> <u>2004/05</u>	<u>Actual</u> <u>2003/04</u>
	£	£
Office Buildings	14.23	9.75
Leisure Centres	16.15	10.40
Civic Buildings	3.12	4.71
Community Centres	7.81	11.85
Other	4.56	7.74

12. The above shows increased energy costs in 2004/05 due to higher fuel prices. There is also increased usage due to additional staff numbers, evening meetings and weekend working within office buildings.

<u>Water Cost</u> <u>Per Sq.m.</u> Category	<u>Actual</u> <u>2004/05</u>	<u>Actual</u> <u>2003/04</u>
	£	£
Office Buildings	2.20	1.17
Leisure Centres	4.73	1.12
Civic Buildings	0.77	0.96
Community Centres	1.74	0.96
Other	20.45	6.80

13. The above shows increased water costs in 2004/05 due to higher prices.

PI5 – Cost and Time Predictability

	2004/05 <u>Actual</u>	2003/04 <u>Actual</u>
Cost	79%	92%
Time	79%	84%

14. The above shows that improved management of capital projects is required as performance has fallen. More detail on the progress of capital schemes will be given to members as part of the quarterly budget monitoring of the capital programme.

conclusion

15. This data provides useful information on the respective running costs of assets and the level of investment required to maintain them in a satisfactory condition. It also provides an indication of the effectiveness of the management of capital programme. Whilst the majority of assets are in satisfactory condition, proper provision must continue to be made through the budget process to ensure they remain fit for purpose.

RECOMMENDED that Members note the Council's asset management performance for 2004/05

Officer responsible for the report	Author of the report
Gary Ridley	Stuart Reid
Director of Central Resources	Head of Finance
Ext 227	Ext 258



CENTRAL RESOURCES COMMITTEE

8 JUNE 2005

Report of the Asset Management Group

LAND LOCATED AT THE DISUSED RAILWAY LINE, LEAZES LANE, ST. HELENS AUCKLAND, BISHOP AUCKLAND

purpose of the report

1. To seek Members' approval to refuse a request to purchase land at the above location.

introduction

2. A request has been received from Mr. T. Buckle of 1 Phoenix Row, Witton Park, Bishop Auckland to purchase the land shown cross hatched black on the attached plan at Annex 7 for the purpose of preserving the line, generally tidying the area and allowing a path to run north. Mr Buckle owns part of the land to the north of the land he wishes to purchase.

consultations

3. The Director of Regeneration confirms that, the land is part of a scheduled ancient monument. Policy BE15 of the Wear Valley District Local Plan states that permission will not be granted for development, which would have an adverse effect on the monument. He therefore could not support the sale of the land.
4. The Acting Director of Community Services raises no objection to the sale although he confirms that part of the land is sited within the settlement boundary and feels its sale may compromise the considerable development value of the adjoining land owned by the Council. He also states that the land is covered with bushes, which provides a screen for the residents of Boyden Close, who may not be agreeable to the screen being removed.
5. The Director of Housing raises objection to the land being sold as he feels that the sale would prejudice the development potential of the site.

author's comments

6. The application should be refused as the land forms part of an ancient monument and should be retained for the benefit of the general public.
7. However, in line with the Councils policy of public speaking at this Committee, the applicant has been invited to attend this meeting.

RECOMMENDED that Mr. Buckle's application to purchase the land shown cross hatched black on the attached plan be refused.

background papers

File no. 81423

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