



## EXECUTIVE

YOU ARE REQUESTED TO ATTEND A MEETING OF THE EXECUTIVE TO BE HELD IN THE PRINCIPAL COMMITTEE ROOM, THE DEANE HOUSE, BELVEDERE ROAD, TAUNTON ON WEDNESDAY 18TH OCTOBER 2006 AT 18:15.

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### AGENDA

1. Apologies
2. Minutes of the meetings of the Executive held on 13 September and 20 September 2006 (attached)
3. Public Question Time
4. Declaration of Interests  
To receive declarations of personal interests in accordance with the Code of Conduct
5. Extension of the Young Enterprise Programme in Taunton Deane  
Report of the Economic Development and Regeneration Manager (attached)
6. Museum of Somerset - request for funding  
Report of Strategic Director (attached)
7. Pension Changes and the implications for Taunton Deane  
Report of Strategic Human Resources Consultant (attached)

The following item is likely to be considered after the exclusion of the press and public because of the likelihood that exempt information would otherwise be disclosed relating to the Clause set out below of Schedule 12A of the Local Government Act 1972.

8. Wellington Cemetery - Task and Finish Review (attached)

G P DYKE  
Member Services Manager  
10 October 2006





Members of the public are welcome to attend the meeting and listen to the discussion. Lift access to the main committee room on the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is a time set aside at the beginning of the meeting to allow the public to ask questions



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact Greg Dyke on:



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Website: [www.tauntondeane.gov.uk](http://www.tauntondeane.gov.uk) (Council, Executive, Review Board & Review Panel Agenda, Reports and Minutes are available on the Website)

## **Executive 13 September 2006**

Present: Councillor Williams (Chairman)

Councillors Bishop, Mrs Bradley, Clark, Garner, Hall, Leighton and Mrs Lewin-Harris.

Officers: Mr J J Thornberry (Strategic Director), Ms S Adam (Strategic Director), Mr M Western (Head of Housing), Mr J Williams (Housing Operations Manager), Mr M Hembrow (Housing Property Services Manager), Mrs L Wyatt-Jones (Strategic HR Consultant) and Mr G P Dyke (Member Services Manager)

Also present: Councillors Mrs Biscoe, C Cluff, Henley, House, Morrell, Prior-Sankey and Mrs Whitmarsh

(The meeting commenced at 6.10p.m.)

### **69. Apology**

Councillor N Cavill

### **70. Minutes**

The minutes of the meeting held on 23 August 2006 were taken as read and were signed.

### **71. Public Question Time**

Patricia Rowe asked for clarification of the role of tenant members on the Shadow Board. She also asked what consultation had been carried out with the wider community, particularly those who were not Council tenants. She felt that there was a general misunderstanding regarding the valuation of stock.

Malcolm Western and Jeremy Thornberry replied that tenant representatives on the Shadow Board fully understood their role. The prime duty of a Board member was to that body rather than the body or organisation that had nominated them. One third of members of the Board were tenants, one third councillors and the remaining third were independent. Board members were able to represent a particular body of opinion without prejudicing their position. Malcolm Western also stated that although a decision had been taken not to consult the wider community to the same extent as tenants, exhibitions had taken place at a number of public events.

Councillor Garner replied that any questions concerning stock valuation would be willingly answered so that the position was quite clear.

Councillor Williams also replied that the Board would represent the best interests of the community they were there to serve. This was compatible with the Company's objectives and their place on the Board. It was clear that this issue

would impact on the whole community and not just those who were Council tenants.

He made it clear that houses would not receive anything like full market value. However, any surplus that was received would be ploughed back into providing affordable housing. It was important to note that the properties would not be sold to the private sector but would be transferred to a Registered Social Landlord.

## **72. Declarations of interest**

Councillor Mrs Biscoe declared a personal interest in Agenda item no 6 as a member of the Shadow Board and as a tenant of a Council owned garage.

Councillor Prior-Sankey declared a personal interest in Agenda item no 6 as a tenant of a Council owned garage.

Councillors C Cluff and Morrell both declared a personal interest in Agenda item no 6 as members of a company which was involved in providing valuations in respect of Right to Buy properties.

## **73. Housing Transfer Offer Document**

Members were aware that extensive consultation had been taking place with tenants to consider transfer of the Council's housing stock to a new Registered Social Landlord, Deane Housing. Leaflets, newsletters and other written material had been sent to all of Council tenants to explain:-

- 1) Why the Council had chosen this path
- 2) The £1.85m per annum shortfall in funding that would be experienced should the Council be required to keep services as they are and meet the Government's "Decent Homes" standard.
- 3) The cuts to services and jobs that would be necessary in order to close the funding gap
- 4) How tenants' rights would be protected
- 5) What the benefits of transferring to Deane Housing would mean to tenants.

This information had been supported by staff, Councillors and Deane Housing Shadow Board members attending many different public events, "door knocking", static stands in supermarkets and a mobile trailer visiting many villages and estates. Staff were now visiting tenants who had been missed in the first round of door knocking. There had also been press coverage of the consultation procedures. All staff had been kept updated through meetings, newsletters and information from their managers.

The main aim was to ensure that all tenants knew about the Housing Transfer Consultation and understood its implications

At the same time a draft offer document had been prepared which had previously been scrutinised by the Executive, Housing Review Panel, Deane Housing Shadow Board, the Tenants Forum, advisors and housing managers. The Tenants Panel, supported by Aldbournes, the independent tenants advisors, had worked hard on this document. In conjunction with the offer document a DVD/video and summary pamphlet were being prepared.

After much consultation and advice a final draft of the offer document had now been prepared. A copy of the draft was circulated at the meeting. In view of the tight timescale for producing the document and the need for it to be agreed by various regulators, it had not been possible to circulate it earlier. Indeed a number of last minute alterations were necessary and details of these were also reported.

The majority of the promises in the offer document reflected the issues raised in previous reports and could be funded from the £34.7m valuation. There were, however, some changes to the consultation promises that would have financial implications for the Council. In addition it might be necessary to consider providing an additional service regarding the provision of replacement glazing.

It was now necessary to decide whether the Council should take the next step towards balloting the tenants on transferring the housing stock to Deane Housing. The next step would be "stage one"; and would involve issuing each tenant with a copy of the offer document, DVD/video and summary. At the same time tenants would be visited by staff to ensure a full understanding of the promises contained in the offer document. A market research exercise would then be undertaken to clarify tenants' understanding and likely voting position.

Further special meetings of the Executive and Council had been arranged to take place on Monday 13 November 2006, when the Council must decide whether or not to proceed to ballot.

RESOLVED that:-

- i) funding for individual digital TV reception be diverted to fund dedicated budgets for each sheltered housing scheme;
- ii) the timing and cost of upgrading communal TV aerials be considered once these details were known and built into the Council's Capital Programme;
- iii) an additional £148,000 p.a. be included for improved grounds maintenance, reducing the valuation to £34.545m
- iv) the Leader of the Council and the portfolio holder for Housing Services be authorised to deal with the glazing issue referred to in the report should this prove necessary;
- v) the Council be recommended that the offer document be "signed off" and stage one of the ballot process be implemented with tenants being issued with a copy of the offer document.

(The meeting ended at 7.53p.m.)



## **Executive – 20 September 2006**

Present: Councillor Williams (Chairman)  
Councillors Bishop, Mrs Bradley, Cavill, Clark, Hall, Leighton and Mrs Lewin-Harris

Officers: Mrs P James (Chief Executive), Ms S Adam (Strategic Director), Mr S Kendall (Economic Development and Regeneration Manager) and Mr G P Dyke (Member Services Manager)

Also Present: Councillors Henley and Wedderkopp.

(The meeting commenced at 6.15 pm.)

### 74. Apologies

Councillor Garner.

### 75. Public Question Time

Councillor Wedderkopp, as a member of the public, referred to traffic congestion in Taunton town centre and asked when the Council would consider ring fencing income from car parks to help provide alternative means of transport.

Councillor Williams replied that, although all income went into the General Fund and was used for the general benefit of the whole community, large sums of car parking income were already being used in relation to highways issues. In addition, the excellent take up of the free concessionary travel scheme meant that an overspend was projected which would be entirely funded by Taunton Deane. It was noted that the County Council were the Highway Authority and that this Council were constantly pursuing them to improve the highway service.

Councillor Henley as a member of the public asked the following questions:

- (a) Would Councillor Mrs Bradley please clarify why the system of credits made to West Buckland Primary School for recycling had been discontinued.

Councillor Mrs Bradley replied that the Council, in common with all other local authorities in the County, were working towards a joint waste disposal strategy. This meant that all services had to be correlated and on this basis, the system of paying recycling credits to West Buckland Primary School had had to be discontinued. Councillor Williams added that as a County Councillor, Councillor Henley was in a good position to lobby the Somerset Waste Partnership direct.



- (b) Councillor Henley then drew attention to various anti-social issues which had recently been taking place in Vivary Park.

Councillor Clark replied that the Vivary Park Warden was aware of these problems and had had some success in resolving them. The Council were actively working in partnership with the Police to try and resolve these problems. Councillor Mrs Lewin-Harris added that the Police were currently focussing on these problems and as a result made some arrests. Councillor Williams also added that Sgt Murphy, the relevant Beat Manager, had recently contacted him to congratulate the Park Warden on his efforts and to say that he felt that by working together the strategy of managing the park was beginning to show results.

- (b) Councillor Henley referred to the DVD which was being included as part of the information sent to Council Tenants in relation to the Housing Stock Transfer process. He said that not all tenants would have access to a DVD and asked what the cost of producing it and sending it was.

Councillor Williams replied that the cost involved was included within the overall programme. During the consultation exercise, it had been identified that 80% of Council house tenants either had or had access to a DVD. In addition to the DVD's, videos were also being created. Councillor Henley would be informed of the cost of producing and issuing the DVD's. A copy of the DVD will be sent to all Councillors after it had been circulated to tenants.

76. Declarations of Interest

Councillors Wedderkopp, as a single household pensioner, declared a personal and prejudicial interest in the item relating to an application for Council Tax discount and left the meeting during consideration of that item.

77. Application for Council Tax Discount

Mr Brian Allen, Chairman of the Taunton and Wellington Pensioners Forum, read a statement which explained why his organisation had applied for a further 25% discount on Council tax for single household pensioners. He felt that older people needed to be recognised and that the Council had the right and responsibility to take action if they could afford it. The Council should not be afraid to be the first Local Authority to give a discount of this nature. In the opinion of the Forum it was right, fair and proper.

Councillors Williams replied that, the Council was certainly not afraid to be the first local Authority to introduce a discount of this nature but drew attention to the un-affordability of the proposal. There would be an unacceptable impact on others, including pensioners. The Council had to take everyone within the community into account when deciding upon the level of Council Tax.

Mrs Diana Wilson, Secretary of the Pensioners Forum, suggested that the existing benefits system be simplified so that the application process for benefits was less daunting. She felt that a special case for older people had already been recognised in other spheres and suggested that if the Council could not agree to the full discount applied for, that it start by giving such a discount to those over 80 years of age.

Further contributions, in support of the application for a further 25% discount on Council Tax for single household pensioners, were made from Mr P Rowsell-Dobson, Mr Maggs and two other members of the Pensioners Forum.

After hearing the contributions of the representatives of the Pensioners Forum, it was explained that the Local Government Act 2003 had introduced a power for Council tax billing Authorities to reduce the amount of tax payable. This power allowed billing Authorities to either reduce or cancel the Council tax payable, either for specific classes of cases as determined by the billing Authority or for individual cases. This power was introduced to give Council tax billing Authorities the flexibility to create local discounts and exemptions appropriate to their local circumstances. The Authorities were required to fully fund the cost of any such reduction. No provision had been made in the legislation for the other major precepting Authorities (County Councils and Police Authorities) to fund their element of the discount or exemption awarded.

The Executive had previously considered this matter and approved a procedure and framework for the consideration of any applications under this power.

The Taunton and Wellington Pensioners Forum had formally applied under the Act for the Council to consider ways in which single older people living alone in their own homes could effectively receive a further reduction of 25% in Council Tax thus paying only one half instead of three quarters of Council Tax levied by the Council.

Following the application, the Council had approached both Somerset County Council and Avon and Somerset Police Authority and asked whether they as major preceptors would be willing to support and fund their share of any discount awarded. Both Authorities had already replied to the effect that they were unable to meet this request and therefore the burden of any further reduction in Council Tax for a particular section of the community would fall entirely on Taunton Deane. It was felt that the issue around the affordability of Council Tax by single pensioner households was very much a national issue. The knock on effect of awarding the local discount to make up a perceived inadequacy in the national Council Tax and welfare system was also considered. It was acknowledged that other groups might then be able to make a case locally on a national issue. In addition, the local government funding regime was currently under review. Attention was drawn to the existing Council Tax benefits system which was in place to help those on low

incomes. The Council's Benefits team had been actively encouraging people to take up the benefits that they were entitled to.

It was reported that all single occupier households were already entitled to a 25% discount on Council Tax. This was a national regulation and therefore was not charged directly to Taunton Deane Borough Council. The amount of discount awarded under this regulation was approximately £4.2 million per annum.

Based on best estimates, if the Council were to award a further 25% discount to single household pensioners then the cost to Taunton Deane Borough Council would be an extra £2.24 million per annum. This would clearly have a significant impact on the Authorities budget position increasing its budget requirement by some 17.6%. There would be no government grant to cover this so the entire impact would be felt by the Council's tax payers. The financial impact of granting a discount would be a significant one on the remaining Taunton Deane tax payers adding around £57 to the current Band D tax bill (an increase of 45% per annum on Taunton Deane's share of the Council Tax). It would also be significant in the eyes of central government and would be likely to cause the Council to breach the Government's guidelines for a Council Tax increase and trigger the capping regime.

The Executive felt that it had demonstrated that the impact of granting such a discount to be funded entirely by this Council was quite simply unaffordable.

RESOLVED that:

- (a) the application by the Taunton and Wellington Pensioners Forum for a further 25% discount on Council Tax for single household pensioners be not agreed;
- (b) the Council's Council Tax and Housing Benefit take up strategy be further reviewed and the Pensioners Forum be encouraged to write to Sir Michael Lyons outlining its concerns so that this could be taken into account in the review of local government funding;
- (c) details of this issue be drawn to the attention of the Local Government Association, Department of Communities and Local Government, the Prime Minister and the Chancellor of the Exchequer so that all involved were fully aware of the dilemma being faced both by pensioners and local Authorities;
- (d) the appropriate Government department be informed the complicated nature of current benefits forms.

#### 78. Taunton Christmas Ice Rink 2006

Reported that Taunton Town Centre Company had brought a very successful ice rink to Taunton over the Christmas period in 2005.

Following its success, there was popular demand to bring a larger rink back to the town again this year. The Town Centre Company intended to work in

partnership with Tone Leisure Limited in the management and responsibility of this scheme if repeated in 2006.

To bring this to Taunton, the costs were considerable and both organisations had worked hard to secure sponsorship. To date, the committed financial support from the private sector was not sufficient for either organisation to feel confident that break even could be achieved and neither organisation could afford to take a significant financial risk.

Notwithstanding this situation, the Taunton Town Centre Management Committee had pledged a further £10,000 of its resources towards the cost of this project.

The Council had been approached by the Company with a request that it make a contribution of £16,000 towards the running costs of the rink. In addition, the Council was also requested to agree a further maximum £10,000 guarantee against loss should there be a shortfall. It was noted that both amounts could be financed from within existing budgets.

The Council's Review Board had considered this matter at its meeting on 7 September 2006 and had recommended that the Executive agree this request. Details of the discussion that had taken place at the Review Board were submitted.

RESOLVED that the request from the Town Centre Management Company that the Council contribute the following amounts within the existing budgets be agreed.

- A fixed contribution of £16,000 as part funding of the running costs of the rink; and
- A maximum contribution of up to £10,000 which will be payable only in the event of the facility making an overall loss.

(The meeting ended at 7.54 pm.)

## **TAUNTON DEANE BOROUGH COUNCIL**

### **EXECUTIVE**

**18 OCTOBER 2006**

**Report of the Economic Development & Regeneration Manager.  
(This report is the responsibility of Executive Councillor N. Cavill)**

### **EXTENSION OF THE YOUNG ENTERPRISE PROGRAMME IN TAUNTON DEANE**

#### **Purpose of the Report**

To introduce to Members of the Executive a proposal to fund a Young Enterprise Programme in Taunton Deane's Primary schools over a three year period from January 2007 to March 2010 at a cost of £5,000 per annum.

#### **1. Background**

- 1.1. In June of this year, Richard Huish School in Taunton reached the Regional Finals of the Young Enterprise (YE) competition for groups of sixth form school students. This competition requires schools to identify a group of students to work up a business idea, and to develop and deliver a business product or service. Each group is 'mentored' by a local businessperson. Richard Huish School has reached the Young Enterprise Regional Finals in each of the last three years and their efforts and success should be commended.
- 1.2. The Leader of the Council and the Executive Councillor for Economic development and property attended the Regional Finals event, and following discussions with the Regional Organiser of Young Enterprise sought a proposal from them to maximise the take up of the Young Enterprise Programmes in schools in Taunton Deane.
- 1.3. One of the key characteristics of the Taunton Deane economy is its relatively poor performance in relation to annual new business creation when compared to both regional and national averages. In addition, whilst un-employment in the Deane is relatively low, there are a number of areas (notably North and East Taunton and North Wellington) that exhibit levels of multiple deprivation within the top 25% in England. In addition, recent research carried out by Local Futures identified that a further key characteristic of the Deane's economy lies in the high proportion of low wages and low skills and aspirations within the local workforce. The Council has prioritised action to address this situation, and to seek to improve both incomes and job opportunities for residents across the Deane, but especially for those within these areas of deprivation.

- 1.4. The Economic Development Unit is keen to expand and extend the positive experience for students entering Young Enterprise activities; to concentrate these efforts on younger children; and in particular to promote enterprise in schools whose catchment includes the areas of North and East Taunton and North Wellington. Discussions were initiated with the Regional Office of Young Enterprise with a view to their developing a local programme based around their newly developed 'Primary Programme'.
- 1.5. The mission of Young Enterprise UK is "to inspire and equip young people to learn and succeed through enterprise." Young Enterprise is an organisation that has been established for over 40 years and is probably best known for its Company programme.
- 1.6. Young Enterprise programmes are based on the principle of 'learning by doing' and bring trained volunteers from the business community into the classroom to work with the teacher and pupils. The sessions are highly practical, activity based and enjoyable. Pupils will learn about the value and role of business and about the world of work. There will also be benefits in the curriculum areas of citizenship and personal development.
- 1.7. Young Enterprise has become well known for its work with older school students, but has recently introduced the Primary Programme aimed at younger school students in School Years 1 to 6.

## **2. The proposal**

- 2.1. It is proposed to offer 20 Taunton Deane primary schools the chance to participate in the first year, 24 in the second year, rising to 28 schools in the third year. (There are 42 primary schools in the TDBC area and the more deprived areas would be targeted first).
- 2.2. Each school project would be based on an average of 30 students in year 5 and 6 (aged 9 to 10, and 10 to 11 years) that would be 'enrolled' on the Young Enterprise Programme. The proposed programme would reach 600 students in year one, increasing to a further 720 in Year Two, and 840 in the final year. Assuming that sufficient schools within Taunton Deane joined the Programme up to an overall total of 2,160 students would be able to benefit from the Programme over the three years.
- 2.3. Each year the programme envisages a one-hour session per week for 5 weeks. Over the 3 years the ethos and culture of interactive learning (about work and enterprise) should become embedded in the curriculum. This time frame also allows for the development of the wider community interest and links to be developed between businesses and each of the schools. As these students progress into secondary education it is hoped that they will embrace more readily the

Young Enterprise Business programmes, such as that run at Richard Huish School

- 2.4. The Programme has been designed by Young Enterprise to be as flexible as possible for the schools, so whilst capacity will be created for individual schools to enter a three-year programme, each school could elect either to deliver the same 'project' to different pupils each year, or to further develop the curriculum content, and deliver this using YE mentors to the same cohort as they progress through the school.
- 2.5. The management of the Programme would be carried out by Young Enterprise, who would be responsible for 'recruiting' schools to the programme, as well as developing contacts with local business to identify and engage with YE Mentors. It is proposed that the Programme commences in January 2007, in order to allow Young Enterprise sufficient time to put the Programme into place.
- 2.6. It is anticipated that a detailed monitoring of the Programme will be carried out by Young Enterprise, who will be required to provide an annual report, and if requested by the Review panel, to present their report to this Panel.

### **3. Financial Implications**

- 3.1. The Council will contract with Young Enterprise South West to deliver a Programme for the period January 2007 to March 2010. It is proposed that £5,000 per annum be approved to finance this contract.
- 3.2. Each participating School will be required to contribute to the costs of the programme in their school, and it is envisaged that, as the commitment within each school grows from year to year, the level of financial contribution from each school will rise also. It is this element of the funding proposal that will allow the number of schools participating in the programme to increase in each of the years of the Programme.
- 3.3. The costs of this proposal can be contained within Economic Development Budgets during the periods of the contract.

### **4. Programme Monitoring**

- 4.1. Teachers provide feedback forms after each session and Young Enterprise monitor these.
- 4.2. As part of the contract Young Enterprise (SW) will provide the Council with a summary and progress report at the end of each academic year. Details of this will be circulated for information at the appropriate time.

### **5. The Views of the SPTED Scrutiny Panel**

- 5.1. This report was presented to SPTED Scrutiny Panel on 26 September 2006.
- 5.2. Members supported the proposal, and wished the Executive to ensure where possible that schools within North and East Taunton, and in

North Wellington were given first option to join the Scheme. This was in recognition of the special case for help for residents of these areas to address the issue of 'low wage, low skill, and low aspirations' identified in recent economic studies of the Borough.

## **6. Recommendations**

6.1. That the Executive resolves to:

- a) Approve proposals to deliver a Young Enterprise Primary Programme in schools across the Borough.
- b) Ask Young Enterprise to concentrate efforts on recruiting primary schools to the Programme in the areas of North and East Taunton, and North Wellington
- c) Approve proposals to fund this Programme at a cost of £5,000 for each of the three years 2006/07, 2007/08 and 2008/09

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## **Executive 18<sup>th</sup> October 2006**

### **Museum of Somerset – request for funding**

#### **Report of Strategic Director, Joy Wishlade**

(This matter is the responsibility of Executive Councillor J. Clark)

##### **Executive Summary**

Somerset County Council is leading the project to re-develop the Museum of Somerset into a vibrant visitor attraction which will significantly boost the local economy. A major funding bid of £4.8m is being made to the Heritage Lottery Fund and support of partners needs to be demonstrated in order that the project has the best possible chance of approval. Members are therefore requested to approve a supplementary estimate of £20,000 from General Fund reserves to support this project.

#### **1. Background**

- 1.1 The vision for the Museum for Somerset is that it will unlock and interpret Somerset's rich history and heritage in an innovative and sustainable way for the benefit of Somerset people of all ages as well as for visitors to the county. The project will also support the Vision for Taunton in that it will provide a focus for renewal and regeneration in the town and develop a central visitor attraction in the cultural quarter.

#### **2. Taunton Castle**

- 2.1 Rejuvenation of the museum will allow for the conservation and interpretation of the castle as a historic structure which has been central to the story of Taunton and of Somerset. The need to rediscover the Castle as a historic structure and public space is fully supported by the owners of the building, the Somerset Archaeological and Natural History Society.

#### **3. The Project**

- 3.1 The project aims to restore and interpret the ancient fabric of Taunton Castle by the redisplay to the best modern standards of the County Museum located

within it and by creating a museum which has learning, inspiration and discovery at the heart of its ambitions.

3.2 The project aims to optimise space within the Castle and improve its

immediate environs. The Museum will provide greatly enhanced physical and intellectual access to heritage, outstanding learning opportunities and an excellent visitor experience which is enriching, challenging and enjoyable.

3.3 The project seeks to create a first class 21<sup>st</sup> century museum that will tell the story of Somerset eloquently and memorably for the first time. The collections have been assembled and curated over a period of 150 years but much is currently hidden from public access. The new museum will allow for improved and more accessible displays of the collections.

3.4 The objectives of the project are to:

- Increase the profile of Taunton Castle as a historic structure by telling the story of the building itself
- Improve the physical access to the building and to comply with DDA legislation
- Create public spaces for events etc
- Create display spaces to provide access to the museum collections
- To provide an experience which inspires renewed pride in Somerset and concern for its future
- To create secure temporary exhibition space to attract regional and national touring exhibitions
- To increase revenue streams through marketing, sales, visitor refreshment facilities etc.
- To greatly increase visitor numbers
- To remove current uses of the building that are inappropriate to the historic structure
- To provide increased public access to the Castle site by opening up and interpreting more of the Castle grounds including the remains of the Castle keep

#### **4. Funding**

4.1 The total cost of the project is £6.43m. The bid to the Heritage Lottery represents £4.8m of this, the remainder of £1.63m to be found from partner match funding. To date £55,550 has been raised, not taking into account any contribution from TDBC. Somerset County Council is underwriting the remainder at this stage. In order for the bid to HLF to succeed it is essential that key partner organisations are seen to demonstrate their support. It is felt that a capital contribution of £20,000 from this Authority would greatly assist with the success of the HLF bid and with demonstrating our support for the project. Given the restricted amount of capital reserves available this would need to be financed from General Fund reserves. For members information the balance on the General Fund reserve as at 31 March 2007 is currently forecast to be £1.287m.

4.2 It should be noted that TDBC will also be contributing in kind towards this project as we seek to enhance the surrounding area of the Castle, including Castle Green, as part of the Vision developments.

**5. Recommendation:**

5.1 The Executive is asked to demonstrate its support for the Museum for Somerset project and are recommended to request that Full Council agree to a capital contribution of £20,000 towards the project. Finance for this would be sourced from a supplementary estimate from General Fund reserves.

## TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 18 OCTOBER 2006

**Report of Strategic Human Resources Consultant (Lisa Wyatt-Jones)**  
**This matter is the responsibility of Executive Councillor T Hall (Portfolio Holder for Resources)**

### PENSION CHANGES AND THE IMPLICATIONS FOR TDBC

#### EXECUTIVE SUMMARY

As a result of the recently introduced Age Discrimination legislation, the way in which TDBC are able to pay redundancy compensation and retirement in the Interest of Efficiency packages, has changed. The options have been outlined in the report and a recommendation for the Executive has been identified. CMT have formally reviewed the options and support the recommendation. Unison and Staff Side have also been consulted.

#### 1. Background

- 1.1 Due to the recent Age Discrimination legislation the Government has published draft Regulations relating to discretionary payments to employees whose employment terminates early, either on the grounds of redundancy or early retirement in the Interest of Efficiency.
- 1.2 As of the 1<sup>st</sup> October 2006 TDBC will no longer be able to pay Compensatory Added Years on pensions.
- 1.3 The discretionary power to award a one-off lump sum payment on the basis of up to 66 weeks pay based on age and length of service to enhance a redundancy package, has been revoked.

This is a provision that TDBC has never used; therefore, its removal from the redundancy policy will have no practical implications.

- 1.4 The LGE (Local Government Employers) have advised that granting augmented service (albeit payable at any age) should not be inherently age discriminatory (compensatory added years for pensions are currently only paid to those age 50+). Augmented service should therefore be applied consistently to all ages on loss of employment through retirement in the Interest of Efficiency or redundancy.
- 1.5 TDBC can still calculate redundancy payments based on full pay (rather than the statutory maximum levels).

The Government have decided to continue to use the current statutory tables for calculating redundancy payments based on age and service.

For any redundancy or compensatory payment of up to 104 weeks pay, tax is still payable on the amount exceeding £30K.  
Employees aged under 18 and over 65 will now be eligible to receive a redundancy payment.

## **2. Alternatives to Compensatory Added Years**

### **2.1 Option 1**

2.1.1 TDBC could chose to only pay the Statutory Redundancy rate based on actual pay, and no other compensation.

2.1.2 *This would be cost saving and non-discriminatory, but there would be a significant drop in the package for employees 50+ who have been used to redundancy plus up to 6 2/3rds added years. This would make voluntary redundancy more difficult to achieve with the over 50's.*

### **2.2 Option 2**

2.2.1 Instead of compensatory added years we could pay a compensatory lump sum.

2.2.2 Under the new rules we could grant the maximum of 104 weeks' pay (2 years salary) for leavers on the grounds of redundancy or Interest of Efficiency retirement.

2.2.3 This would be possible at any age – it would also be consistent and not ageist. Any redundancy payment must be off-set to ensure that the maximum 2 years pay was not exceeded.

2.2.4 *This would potentially be very costly if it were to apply to all ages, and is unlikely to be consistent with the other Districts.*

### **2.3 Option 3**

2.3.1 TDBC could decide to pay the same lump sum to everybody regardless of age, length of service or salary, e.g. £2,000 fixed sum.

2.3.2 *This would be disproportionate and could mean that a 25 year old with 4 years service on SCP 20 would be entitled to the same payment as a 55 year old with 30 years service on SCP 50.*

### **2.4 Option 4**

2.4.1 TDBC could use the statutory redundancy tables (based on actual weeks pay) as a means of calculating double or triple the statutory level of redundancy payments for all employees – to a maximum of 3.46 times: which equals 30 weeks x 3.46 = 104 weeks pay. (Maximum statutory redundancy pay is 30 weeks).

2.4.2 There is a choice of multiplier used for the compensatory lump sum. Therefore, the total cost of all redundancy and retirement in the Interest of Efficiency packages since April 2004 have been calculated to assess the affordability.

2.4.3 The number of Augmented years service that can be bought with the enhanced payment will be less than the previous maximum of up to 6 2/3<sup>rd</sup> years added pension.

2.4.4 Scheme members could then be given the choice of receiving the compensatory lump sum or using it to purchase augmented service.

The proposal is to use a multiplier of 3, which would provide a fair level of compensation to employees over 50 years old, without being significantly generous to employees under 50 years old.

**Example**

**Redundancy**

Redundancy package = £10,000

x this by 3 (the proposed multiplier) = £30,000

Employee can either take the £30,000 as a lump sum OR take £10,000 Redundancy and give £20,000 (or part thereof) to the pension fund to augment into added years.

2.4.5 Employees who retire in the Interest of Efficiency will have their package calculated on the basis of the redundancy package and this will be multiplied by the agreed multiplier minus 1, because they will not receive the redundancy payment, just the enhancements which will be tax free up to £30K (which they can use to augment into pensionable years).

**Example**

**Retirement in the Interest of Efficiency**

Enhancement calculated on the redundancy package = £10,000

x this by 2 (the proposed multiplier minus 1) = £20,000

Employee can either take the £20,000 as a lump sum OR give £20,000 (or part thereof) to the pension fund to augment into added years.

2.4.6 *The benefit of this approach is that it is quick to implement, easy to calculate & legally compliant (i.e. completely free of any possibility of a discrimination claim because it is consistent as it is based on an increase to the statutory provisions). An older employee with longer service would still receive a higher payment but it would be objectively justified.*

#### 2.4.7 Notes on Augmented service

- *A one off lump sum on early retirement will still be payable (we currently pay this to the Local Government Pension Scheme over 1 or 3 years to cover the cost of premature payment of benefits and interest is payable if paid in 3 years) but not an annual fee.*

### 3. **Conclusion**

3.1 The regulations are in draft and will not be agreed until after the summer recess, however the following must still take place:-

- Stop paying compensatory added years from 1<sup>st</sup> October 2006.
- The Executive need to make a decision on an alternative to the compensatory added years.
- The Redundancy policy must be amended to accommodate these changes.
- A Retirement Policy must be produced which accommodates these changes and the Age Discrimination legislation.
- The Executive must be made aware that additional policy changes may be required if the final Regulations are different to the Draft Regulations
- Under the new regulations, any new policy must be workable, affordable and reasonable to prevent loss of confidence in the public service

3.2 Consider taking a joint approach with all the other SCC pension fund employers: - Somerset County Council and other Districts i.e. one consistent policy for all (SCC have provisionally agreed a multiplier of 3 which is the same as the proposal in Option 4, although this is still awaiting ratification).

### 4. **Recommendations**

4.1 The Executive is requested to:-

- a) consider and support the Option 4 proposal to enhance the redundancy and retirement in the Interest of Efficiency packages by a multiplier of 3 and give staff the choice to augment the additional payment into added pensionable years. Following discussions with the Section 151 Officer, Shirlene Adam has confirmed that the proposed multiplier is within our current budgets.
- b) support work on the changes to the redundancy policy and a new retirement policy.
- c) consider and support any changes, which are made subsequently to the policies subject to any regulation changes.

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