

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 6TH DECEMBER 2006 AT 18:15.

AGENDA

1. Apologies
2. Minutes of the meetings of the Executive held on 13 November 2006 and 15 November 2006 (attached)
3. Public Question Time
4. Declaration of Interests
5. Savings Delivery Plans 2007/08
Report of Principal Accountant (attached)
6. Fees and Charges 2007/08
Report of Financial Services Manager (attached)
7. Capital Strategy 2006/09
Report of Financial Services Manager (attached)
8. Asset Management Plan
Report of Corporate Property Manager (To follow)
9. Council Tax Base 2007/08
Report of Financial Services Manager (attached)
10. The Legal Form of the Somerset Waste Board
Report of Strategic Director (attached)
11. "Strong and Prosperous Communities" - The Local Government White Paper
Report of Chief Executive (attached)
12. Wellsprings Project
Report of Strategic Director (attached)

G P DYKE
Member Services Manager
28 November 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 (Council, Executive, Review Board & Review Panel Agenda, Reports and Minutes are available on the Website)

Executive – 13 November 2006

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

Officers: Mrs P James (Chief Executive), Mr J J Thornberry (Strategic Director),
Mr M Western (Head of Housing (Housing Transfer Consultation
Coordinator)) and Mr G P Dyke (Democratic Services Manager)

Also Present: Councillors Beaven, Croad, Edwards, Hayward, Henley, The Mayor
(Councillor Hindley), Lees, Lisgo, Meikle, Morrell, Paul, Stone, Stuart-
Thorn, Watson, Wedderkopp and Wilson

(The meeting commenced at 6.00 pm.)

86. Public Question Time

- (i) Nigel Behan, Branch Secretary, Somerset Branch, UNISON, asked what measures the Council would take to secure Council housing being maintained if it was decided not to proceed with the tenant's ballot.
- (ii) Patricia Rowe, representing Taunton Deane's Tenant's Against Transfer, made a statement regarding information that had been published by the Council in support of a Stock Transfer. She also submitted a petition signed by persons who were opposed to the transfer of Council housing.

87. Minutes

The minutes of the meeting held on 18 October 2006 were taken as read and were signed.

88. Declarations of Interest

Councillor N Cavill declared a personal but not prejudicial interest as a member of the Shadow Housing Board.

89. Proceeding to Housing Transfer Ballot

Submitted report which drew attention to the present position now that the end of the formal consultation period with the Council's tenants regarding Stock Transfer had been reached. Now that this consultation period had ended it was for the Council to decide as to whether or not to proceed to Stage Two, the ballot of tenants as to the transfer of housing to Deane Housing Limited.

A subsequent addendum report was also submitted which was read alongside the main report to the Executive. The report contained a further update as to the results of the telephone survey carried out on behalf of the Council. Details were submitted of the results of that survey together with an assessment of what its implications were for the Council.

The telephone survey had been carried out on behalf of the Council by SMSR, an independent market research organisation, so that these results could be taken in to account when deciding whether the Council should proceed to Stage Two (ballot of all tenants).

One of the major objectives of the Stock Transfer project had been to raise awareness of what Stock Transfer was and what it would mean to tenants. A survey had indicated that the aim of ensuring that sufficient tenants were fully aware of the issue before them had been properly met.

Until this point, voting intentions had also shown a steady trend with a reducing level of “don’t knows/won’t reveals” and consistent majority of those who were in favour of transfer over those who were not. However, that trend had now sharply reversed with the recent SMSR opinion testing. The telephone sample had shown a sizable majority opposed to the transfer and with an increased number of respondents unprepared to give their voting intentions. This unexpected reversal in a firm trend presented the Council with a real dilemma as to whether it should now proceed to the formal tenant ballot under Stage Two.

The unanimous view of the Councils’ advisors and the Government Office of the South West was that:

- The survey results pointed to the near certainty that the tenant body would reject the Stock Transfer.
- The work done in raising the level of awareness amongst tenants as to the process and its implications for tenants had been successful and had reached an acceptable level.
- Their advice consequently was that the Council did not proceed to Stage Two ballot.

The cost of employing the Electoral Reform Society to carry out a ballot on the Council’s behalf was £14,000. If the Council did not proceed to Stage Two then that £14,000 would be saved. However, the tenants had always been told that it would be they who would make the final decision as to the future management of their homes. This had been emphasised by the use of the “You Decide” logo and by the commitments made by the Council throughout this project. In view of the promise that had been consistently made to tenants that it would be them that would decide the future of Council housing stock it was;

RESOLVED that Council be recommended to proceed to Stage Two of the formal Housing Stock Transfer by carrying out a ballot of its tenants on

whether Taunton Deane Borough Council transfer its homes to Deane Housing Ltd.

(The meeting ended at 6.55 pm.)

Executive – 15 November 2006

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

Officers: Ms J Wishlade (Strategic Director), Mr S Hughes (Sports Services Manager), Mr G P Dyke (Democratic Services Manager)

Also Present: Councillors Henley, Phillips and Mrs Wilson

(The meeting commenced at 6.15 pm.)

90. Apologies

Councillor Mrs Lewin-Harris.

91 Public Question Time

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

- (i) Following the Council meeting held on 13 November 2006 regarding the Housing Stock Transfer ballot, no mention had been made in the subsequent press release of the opportunity to vote by telephone. Had this proposal now been dropped?

Councillor Garner confirmed that it had not.

- (ii) Councillor Henley referred to the possibility of VAT on Council house service charges and said that, despite raising this matter previously, he had not yet received a reply.

Councillor Garner confirmed that there were no VAT implications on service charges.

- (iii) It had been reported that Mid Devon District Council had agreed to withdraw from its countywide concessionary travel scheme. Were there any proposals by this Council to consider withdrawing from this scheme also?

Councillor Bishop confirmed that the Council had no such proposal.

- (iv) As the Halcon Ward Councillors had heard nothing recently, regarding the future of the former South West Eggs site, Councillor Henley asked for the present position.

Councillor Williams replied that this particular situation was difficult to resolve. Negotiations were currently taking place regarding the future of the land and as soon as there was something to report the Ward Members would be notified.

- (v) Councillor Henley referred to the non-attendance at the Review Board of Councillor Cavill when the decision regarding Highfields, Stoke St Mary had been called in and was discussed. He asked why Councillor Cavill, as the appropriate Executive Councillor, had not been able to attend.

Councillor Williams confirmed that Councillor Cavill had submitted his apologies but he had failed to pass them on. Councillor Cavill replied that he took this issue particularly seriously and unfortunately he had an unavoidable prior commitment.

92. French Weir Park Match Funding for Lottery Bid

Reported that it might be possible to secure a Lottery grant to add to Section 106 funds for improving French Weir Park. A development project with the community over the last year had resulted in an active Friends Group being established and a preliminary development plan being prepared. This work might be funded by the Lottery and an application for such a Project Planning Grant was to be made in November subject to Council approval.

French Weir Park was in need of updating to meet the needs of its community and to play its part in aspirations to develop the river frontage for public use throughout the town. The development plan had been considered by the Health and Leisure Panel at its meeting in February 2006.

The Lottery bid would be for funds to improve and update the park's infrastructure, extend the range of facilities provided, increase the number and types of park users and increase the involvement of the community in its management.

Details were submitted of the main elements of the project.

In order to make this initial application, the Lottery required assurance that the Council would be able to fund its share of the costs of both the project planning costs and final project costs. The total cost of the scheme (project planning plus capital works) was estimated at £900,000. The total share for the Council was estimated to be £225,000 (25%). The implementation project would probably start in 2009 so not all of the funding would need to be made available at the outset.

Full details of the Revenue and Capital implications to the Council were submitted. At present the Council did not have sufficient capital resources of its own to proceed with this scheme independently. It was therefore entirely reliant upon Section 106 monies and an application to the Lottery for funding.

Should the Lottery application be unsuccessful then the works would only be carried out to the value of the available secured Section 106 monies.

The inclusion of a new scheme, within the capital programme, was a Supplementary Estimate and as such required approval from the Council.

RESOLVED that:

- (1) the submission of an application for a Project Planning Grant for French Weir Park, followed by Stage One and Stage Two applications for full project funding be agreed;
- (2) the allocation of the Section 106 sums arising in the vicinity of the park for its development and improvement be agreed; and
- (3) Council be recommended that, subject to a successful bid to the Lottery, this project be added to the approved capital programme (project costs of £900,000) it being noted that this was funded entirely from external sources, including Section 106 monies already held.

93. **Providing Sports Pavilions in Taunton**

Reported that the Council needed to replace the wooden sports pavilions on Hamilton Gault and Galmington Playing Fields. They were in poor condition and no longer provided fitting facilities for sport in the 21st Century.

There was a possibility of securing significant funds from the Football Foundation to replace these facilities with the balance being found from Section 106 agreements for sport.

The Football Association supported replacing these pavilions particularly when aligned to the Clubs that used them adopting the FA Charter Standard Award.

Details were submitted of the Council's existing football pitch pricing policy and its link with the FA Charter Standard Award.

The Football Foundation managed substantial funds in partnership with the FA. It had historically been difficult for a Council to access these funds, as the user of the facilities in question were required to prepare football development plans and to date clubs had had no incentive to do so.

The Sports Services Manager together with the Somerset Football Development Manager had met with Clubs that used the sites and had outlined the benefit of the Charter Standard. Clubs were eager to improve and to develop and would receive support to apply for Charter Standard. Because of this the Football Foundation had suggested that they would consider an application for up to 75% of the cost of providing new pavilions at Hamilton Gault and Galmington Playing Fields.

The English Football Association viewed this initiative with much interest and saw it as a model of good practice. The link between pricing, Charter Standard and improved facilities was clear. The FA were encouraged that those Clubs who would be willing to commit to developing for the benefit of the game stood to be rewarded through improved facilities and reduced prices.

The estimated cost of providing each of the two pavilions would be approximately £400,000. It was hoped and expected to secure up to £300,000 through the Football Foundation for each facility.

The Council did not have enough capital resources to continue with these schemes without external help. It was reliant on funding from the Football Foundation.

The balance needed would be taken from Section 106 agreements relating to sport in the Taunton area.

The inclusion of a new scheme within the capital programme was a Supplementary Estimate and as such required Council approval. This would be the case even though the project would be entirely funded through external sources.

RESOLVED that:

- (1) the work undertaken to date and the future proposals to progress this project be noted;
- (2) the use of Section 106 sums for playing fields and sport to match fund the applications be agreed; and
- (3) Council be recommended that, subject to a successful bid to the Football Foundation, this project be added to the approved capital programme (project costs of £800,000) and note that this was funded entirely from external sources, including Section 106 monies already held.

94. Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting for the item numbered 6 on the Agenda as it contained exempt information as defined in Paragraph 9 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

95. RDA Funding for Project Taunton

Reported that the South West Regional Development Agency had offered financial support for Project Taunton in the following areas:

- Purchase of land for flood alleviation purposes to enable the development of Firepool;
- Purchase of properties to enable the development of Somerset County Cricket Club;
- Purchase of land to enable the Northern Inner Distributor Road to be built and thus enable the full development of the Firepool site;
- Purchase of properties in third party ownership to enable the development of the Firepool site.

Details were submitted of the heads of terms for each of these proposals. Consideration was given to the various terms before granting authority to Officers to finalise the legal agreements.

RESOLVED that the recommendations contained in the report be agreed, the offers of funding from South West Regional Development Agency be accepted and Officers be authorised to complete the required legal agreements based on the terms contained in the report.

(Councillor Hall left the meeting at 7.15 pm and Councillor Mrs Bradley at 7.30 pm.)

(The meeting ended at 7.35 pm.)

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 6th DECEMBER 2006

REPORT OF THE PRINCIPAL ACCOUNTANT

This matter is the responsibility of Executive Councillor Williams

SAVINGS DELIVERY PLANS 2007/08

1 Executive Summary

- 1.1 The Heads of Service have, as part of the budget process for 2007/08, produced savings delivery plans which if accepted by the Executive will enable the forecast budget gap (based on a forecast Council Tax increase of 4.5%) to be closed to within £131k. The Review Board will consider the savings delivery plans on 30 November. The Executive is requested to agree the proposals outlined in the savings delivery plans, and for their inclusion in the draft 2007/07 budget.

2 PURPOSE

- 2.1 Following on from the budget meeting held with the Executive on 26 September 2005, the Chief Executive and Directors issued savings targets to each Head of Service.
- 2.2 The Review Board will consider the savings delivery plans on 30 November 2006

3 MEDIUM TERM FINANCIAL PLAN (MTFP) UPDATE

- 3.1 The estimated budget gap reported to the Review Board on 5 October 2006 was £105k. Since then, the Financial Services team have been progressing the detailed budget spreadsheets with Managers. This is the detail behind many of the assumptions in the MTFP, and until this task is completed, the "budget gap" is still very much an estimate.
- 3.2 The latest predicted budget gap is £219.6k. The main reasons for this increase of £114.6k are:-
- A change in MTFP assumptions regarding PCSO funding (+£21k);
 - Increase in Licensing Income Base Budget (-£11k);
 - Notification of a reduction in Housing Benefit Admin Subsidy Grant (+£22k);
 - Increase in Residents Parking Income Base Budget (-£30k);
 - Increase in Planning Income Base Budget (-£11k);
 - Additional cost of Concessionary Fares (+£175k).
 - Increase Crematorium Income (-£37.4k)
 - Extra income from increased tax base (-£14k)

3.3 The provisional announcement on the Revenue Support Grant (RSG) is due in late November/early December and this could have a negative or positive impact on the budget position.

3.4 A further update on the budget gap position will be provided in the budget consultation packs issued to all Councillors towards the end of December.

4 SAVINGS TARGETS & DELIVERY PLANS

4.1 The table below summarises the targets issued and the proposed level of savings identified by Heads. The detailed delivery plans are appended to this report. Each saving has been considered for its “acceptability” in terms of both operational and public perception aspects.

4.2 Summary of Targets and Proposed Savings 2007/08

Actions	General Fund Savings/ Income Targets £000	Heads of Service Proposed Savings £000	Responsible Officer/Comments
Budget Gap	219.6	219.6	
Savings Targets			
Head of Corporate Services	0	0	KT
Head of Environment	(51.5)	(40)	PW (Appendix A)
Head of Development	(25.8)	(25.8)	TN (Appendix B)
Head of Policy & Performance	(8.6)	(8.6)	BC (Appendix C)
Head of Housing	(8.6)	(9)	MW (Appendix D)
CE/Directors	(5.5)	(5.5)	PJ/Directors (Appendix E)
Remaining Gap	119.6	130.7	

4.3 The table above demonstrates that significant progress has been made by Heads of Service in meeting the targets set by them. If all the proposed savings are taken then the estimated budget gap is now £130.7k.

4.4 A verbal update will be given regarding any comments from the Review Board meeting on 30th November 2006.

5 CONCLUSION

5.1 The Authority must ensure that it is able to delivery a sustainable budget. The Savings Delivery Plans will help the Council to achieve this target.

6 RECOMMENDATION

6.1 The Executive are requested:-

- (a) To note the updated budget gap for 2007/08 and
- (b) To agree the proposals outlined in the savings delivery plans, and for their inclusion in the draft 2007/08 budget.

BACKGROUND PAPERS

Review Board 5 October 2006, General Fund Budget Setting 2007/08

Review Board 30 November 2006, Fees and Charges 2007/08

Review Board 30 November 2006, Savings Delivery Plans 2007/08

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DETAILS OF PROJECTED SAVINGS 2007/08 - Head of Environment and Leisure

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1	Increase in income from Licensing	3,300	3,300	3,300	1	1	Growth achieved through promotion
A2							
Subtotal group A		3,300	3,300	3,300			
B: PRICE INCREASES							
B1	Increase in Licensing fees	6,700	6,700	6,700	1	2	May be some resistance but generally acceptable
Subtotal group B		6,700	6,700	6,700			
C: EFFICIENCY SAVINGS							
C1	Reduction in Licensing budget	10,000	10,000	10,000	1	1	Can be accommodated as Gambling Act is less onerous than Licensing Act
C2	Reduction in Civil Contingencies budget	15,000	15,000	15,000	1	1	Much of work has proved to be one-off.
C3	Reduction in Public convenience budget	5,000	5,000	5,000	1	1	Achieved through efficiencies
Subtotal group C		30,000	30,000	30,000			
D: FRONT-LINE SERVICE CUTS							
D1							
D2							
Subtotal group D		0	0	0			

TOTAL with category 1s	33,300	33,300	33,300
TOTAL with category 1s and/or 2s	6,700	6,700	6,700
TOTAL with category 3s	0	0	0
Total available	40,000	40,000	40,000
Check (should equal zero!)	0	0	0

DETAILS OF PROJECTED SAVINGS 2007/08 - Head of Development

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1	Increased income from charging for pre-application advice	15,000	15,000	15,000	1	2	Proposed increase in charges for pre-application meetings as follows: £40 for householder application, £80 for minor applications, £120 for major applications (currently charge £30 for any meeting lasting 30 mins or less and £50 for any meeting lasting more than 30 mins)
A2	New agency marketing contracts at the TIC	2,800	2,800	2,800	1	1	Increased income arising from new ticketing agency agreements eg with new bus company service to London at the TIC.
A3							
Subtotal group A		17,800	17,800	17,800			
B: PRICE INCREASES							
B1							
B2							
Subtotal group B		0	0	0			
C: EFFICIENCY SAVINGS							
C1	Countryside trails and circular walks	1,000	1,000	1,000	1	1	Efficiencies arising from in-house printing of leaflets.
C2							
C3							
Subtotal group C		1,000	1,000	1,000			
D: FRONT-LINE SERVICE CUTS							
D1	Business Support Grant	7,000	7,000	7,000	2	3	Reduction in budget from £45,190 to £38,190. Would result in reduced levels of support for start-up and expanding businesses and could jeopardise ability to meet LAA "stretch targets" for business creation and support. This could be avoided if compensatory funding is available from LABGI over the next 2 years (LABGI funding may close after 2 years).
D2							
D3							
Subtotal group D		7,000	7,000	7,000			

TOTAL with category 1s	3,800	3,800	3,800
TOTAL with category 1s and/or 2s	15,000	15,000	15,000
TOTAL with category 3s	7,000	7,000	7,000
Total available	<u>25,800</u>	<u>25,800</u>	<u>25,800</u>
Check (should equal zero!)	0	0	0

DETAILS OF PROJECTED SAVINGS 2007/08 - Head of Policy and Performance

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1							
A2							
Subtotal group A		0	0	0			
B: PRICE INCREASES							
B1							
B2							
Subtotal group B		0	0	0			
C: EFFICIENCY SAVINGS							
C1							
C2							
Subtotal group C		0	0	0			
D: FRONT-LINE SERVICE CUTS							
D1	Cuts within the Policy and Performance Headship	8,600	8,600	8,600	1	1	Various cuts with the Headship.
D2							
D3							
Subtotal group D		8,600	8,600	8,600			

TOTAL with category 1s	8,600	8,600	8,600
TOTAL with category 1s and/or 2s	0	0	0
TOTAL with category 3s	0	0	0
Total available	8,600	8,600	8,600
Check (should equal zero!)	0	0	0

DETAILS OF PROJECTED SAVINGS 2007/08 - Head of Housing

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	Operational	Public	
					ACCEPTABILITY		
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1							
A2							
Subtotal group A		0	0	0			
B: PRICE INCREASES							
B1							
B2							
Subtotal group B		0	0	0			
C: EFFICIENCY SAVINGS							
C1	Reduced costs of Stock Condition Survey	7,000	7,000	7,000	1	1	The costs of the survey can be reduced by partnering with other districts.
C2							
Subtotal group C		7,000	7,000	7,000			
D: FRONT-LINE SERVICE CUTS							
D1	Reduction in consultants budgets for HIMO management	2,000	2,000	2,000	3	1	
D2							
D3							
Subtotal group D		2,000	2,000	2,000			

TOTAL with category 1s	7,000	7,000	7,000
TOTAL with category 1s and/or 2s	0	0	0
TOTAL with category 3s	2,000	2,000	2,000
Total available	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
Check (should equal zero!)	<u>0</u>	<u>0</u>	<u>0</u>

DETAILS OF PROJECTED SAVINGS 2007/08 - CEO/Directors

Ref	DESCRIPTION OF SAVING	VALUE OF SAVING			DIFFICULTY CATEGORY		BRIEF COMMENT & EXPLANATION
		07/08 £	08/09 £	09/10 £	ACCEPTABILITY		
					Operational	Public	
					Easier (1) to harder (3)		
A: INCOME GROWTH							
A1							
A2							
	Subtotal group A	0	0	0			
B: PRICE INCREASES							
B1							
B2							
	Subtotal group B	0	0	0			
C: EFFICIENCY SAVINGS							
C1							
C2							
	Subtotal group C	0	0	0			
D: FRONT-LINE SERVICE CUTS							
D1	Reduction in consultants budget	5,500	5,500	5,500	2	1	This budget is currently used to fund certain corporate initiatives and consultancy costs that arise during the year. This budget saving will mean that should if any unforeseen consultancy requirements arise, then funding will not be available.
D2							
	Subtotal group D	5,500	5,500	5,500			

TOTAL with category 1s	0	0	0
TOTAL with category 1s and/or 2s	5,500	5,500	5,500
TOTAL with category 3s	0	0	0
Total available	<u>5,500</u>	<u>5,500</u>	<u>5,500</u>
Check (should equal zero!)	<u>0</u>	<u>0</u>	<u>0</u>

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 6 DECEMBER 2006

REPORT OF THE FINANCIAL SERVICES MANAGER

FEES & CHARGES 2007/08

This matter is the responsibility of Executive Councillor Bradley

1 EXECUTIVE SUMMARY

1.1 The proposed fees and charges for 2007/08 are laid out in this report. The Executive is requested to recommend these charges to Full Council.

2 INTRODUCTION

2.1 The purpose of this report is for the Executive to consider the proposed fees and charges for 2007/08 for the following services:

- Waste Services,
- Cemeteries & Crematorium,
- Licensing.

3 PROPOSED INCREASES FOR 2007/08

3.1 Appended to this report are the detailed proposed charges for each service as outlined above. The recent public consultation "Your Council, Your Views" clearly indicated that the public prefer to see increases in fees and charges, rather than in Council Tax, as a way for the Council to raise income. Therefore, where possible, fees have been increased to take these views into account.

3.2 Waste Services (Appendix A)

The Council is empowered by the Environmental Protection Act 1990 and by Regulations to charge for the collection of certain types of household wastes. These include bulky items, and garden wastes. The council is also empowered to charge for the provision of waste containers. The proposed charges for waste services are shown in Appendix A. The Somerset Waste Partnership (SWP) has agreed these charges as the 'harmonised' charges that will apply during 2007/08 in preparation for the integrated service contract.

3.3 Collection charges for waste services provide a mechanism for managing participation. If they are too high there is the possibility that participation will be very low and that citizens may be encouraged to dispose of their waste inappropriately. However, if they are too low the level of participation may require a large amount of resources (trucks and crews) to be used that will significantly increase the costs of the service. The proposed charges for garden wastes have therefore been set to control participation at an optimum level to achieve the SWP pooled recycling and composting targets without incurring excessive whole system costs (that is, including the cost of processing that is incurred by SCC). The proposed collection charges for bulky items provide an incentive for householders to use the free collection service for reusable items provided by Home Furniture Trust.

- 3.4 All charges for waste services are inclusive of VAT. Both garden wastes and bulky items can be taken to the Household Waste Recycling Centres operated by SCC for recycling and/or reuse free of charge.
- 3.5 Cemeteries & Crematorium (Appendix B)
For the Cemeteries & Crematorium service fees have been largely increased by RPI. This will generate an estimated additional £37,400. An exception to this is that an additional £3.00 has been added to the cremation fee, this will generate a further £6,600 and it is proposed that this will be used to fund an increase in the grounds maintenance budget of the Crematorium. The total additional income generated from these increases is therefore £44,000.
- 3.6 Licensing Fees (Appendix C)
Many Licensing Fees particularly those in relation to the Licensing Act 2003 are set nationally, and the majority of income derived from licensing activities results from these fees. However for those licensing fees where there is local flexibility to set an appropriate amount Officers have been working to try and increase fees to ensure that the Council's costs in administering and enforcing such licenses are adequately met from the subsequent income received. However it is not possible to set a standard increase across all areas. As can be seen from Appendix D the activities of the Licensing Unit are many and varied. Each activity has to be considered on the basis of the nature of the activity, location and number of existing traders and other market factors and an individual fee or charge proposed accordingly. Consequently the proposed percentage increases vary, however this variance must be considered in the context of the level of fee.
- 3.7 Licensing fees and charges are delicately balanced, put these rates up too much and this will suppress the market and lead to an overall reduction in activity and therefore a reduction in income. This also may encourage more illegal and therefore unregulated trading; resulting in greater risks to public safety and consequently may result in more costly investigations into this activity by the Licensing Unit. However if the fee is reasonable and affordable, people will be more inclined to pay it, and this will therefore afford a greater level of protection of public safety in the Borough. In summary, income from the proposed increases in fees is expected to generate an additional £6,700 in 2007/08.
- 3.8 Members may recall that in previous years the proposed fees for the Land Charges service are usually contained within this report. The Department for Constitutional Affairs are at present consulting on several significant changes to the way in which local authorities can charge for land charge services. The revised guidance on these changes is awaited and therefore Officers are not yet in a position to be able to advise on their implications or on the resultant fee levels for 2007/08 for this service.
- 3.9 The Review Board considered the proposed fees and charges at their meeting on 30 November, and a verbal update on their comments will be given at the meeting. After consideration by the Executive the proposed fees will be referred to Full Council on 12 December.

3.10 The fees and charges relating to the Car Parks service will be subject to consideration by the Traffic Regulations Orders Panel in January and will be considered by Full Council in February.

4 RECOMMENDATIONS

4.1 The Executive are requested to recommend the proposed fees and charges for 2007/08 to Full Council as set out in this report.

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Financial Services Manager
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Appendix A

Waste Services Charges 2007/08

GARDEN WASTE COLLECTIONS	2006/07	2007/08
180 litre green wheeled bin including 25 collections	£15 PA	£20 PA
Paper sacks (sold in bundles of 10)	£5.00	£7.50
As indicated above the proposed increase will harmonise charges with the other Somerset Districts in preparation for the integrated waste collection contract scheduled to commence in October 2007.		

DELIVERY CHARGES FOR WHEELED BINS	2006/07	2007/08
Delivery or exchange of wheeled bins	£15	£15
No increase is proposed for the charge made to customers that choose to have a wheeled bin outside the periods of bulk distribution or that request a larger bin than had previously been provided. This charge transfers the cost of delivery incurred by Council. It is not applied to new residents.		

CADDY LINERS FOR FOOD BINS	2006/07	2007/08
1 x 50:	£4	£5
2 x 50:	£8	£9
3 x 50:	£12	£12
The proposed increases for the compostable food bin liners are to cover the additional costs of postage incurred as a result of the revised postal charges system. A retail network is developing that supply the liners. Some of these outlets sell the liners at less than the prices quoted above. However, it is important that the Council provides a postal service for those residents that cannot access the retail outlets. No income is retained from the sale of caddy liners		

BULKY ITEMS	2006/07	2007/08
1 ST Item	£10	£10
Each successive item (up to a maximum of four)	£2.50	£5
A bulky item is defined as being in excess of 25kgs in weight or greater than either 0.75 m in diameter or 1m in length). There is a maximum of five items per collection at a total cost of £30.		

As indicated above the proposed increase will harmonise charges with the other Somerset Districts in preparation for the integrated waste collection contract scheduled to commence in October 2007. It is not possible to predict the additional income these increases will generate with the available data.

Appendix B

**TAUNTON DEANE
CEMETERIES AND
CREMATORIUM
TABLE OF FEES
AND CHARGES**



Proposed from 1st April 2007

TAUNTON DEANE CREMATORIUM

TABLE OF FEES AND CHARGES

EFFECTIVE FROM 1ST APRIL 2007

Table of fees and other charges, the payment of which may be demanded under Section 9 of the Cremation Act 1902, by the Taunton Deane Borough Council for the cremation of human remains.

Part 1 - Cremation

For the Cremation:-	£ 2006/7	£ 2007/8
(i) of the body of a stillborn child or of a child whose age at the time of death did not exceed one month;	16.50	17.00
(ii) of the body of a child whose age at the time of death exceeded one month but did not exceed sixteen years;	88.00	92.00
(iii) of the body of a person whose age at the time of death exceeded sixteen years;	459.00	479.00
(iv) a surcharge will be made when the service does not take place between the hours of 9.00 am and 4.00 pm Monday to Friday;	53.00	55.00
(v) use of Chapel for additional service time.	124.00	128.00
(vi) Chapel Attendant pall-bearing fee.	14.00	15.00

NOTE:- The Cremation fee includes:-

Use of Chapel, waiting room etc.
Services of organist and use of organ
Services of chapel attendant, which includes playing CDs, tapes, etc.
Medical referee's fee
Disposal of cremated remains in Garden of Rest

Certificate for burial of cremated remains
Provision of Polytainer when required

Part 2 - Urns

Supply of Urn or Casket:-	£	£
Stratford	27.00	30.00
Avon/Stirling	28.00	34.00
Malvern	35.00	38.00
Metal Postal	31.00	34.00

Part 3 - Cremated Remains

(i) Temporary deposit of cremated remains:-		
First month	16.00	17.00
Each subsequent month	20.00	21.00
(ii) Forwarding cremated remains excluding carriage	21.00	22.00
(iii) Collection of cremated remains on a Saturday (when available)	50.00	52.00

Part 4 - Memorials

(i) Entries in Book of Memory:-		
Two line inscription	48.00	50.00
Five line inscription	68.00	70.00
Eight line inscription	93.00	96.00
Flower) with five or eight	43.00	45.00
Badge or Coat of Arms) line inscription only	54.00	56.00
(ii) Memorial Cards:-		
Two line inscription	23.00	24.00
Five line inscription	30.00	31.00
Eight line inscription	33.00	34.00
Flower) with five or eight	46.00	48.00
Badge or Coat of Arms) line inscription only	61.00	66.00
(iii) Miniature Books:-		
Two line inscription	48.00	50.00
Five line inscription	61.00	63.00
Eight line inscription	64.00	66.00
Flower	46.00	48.00

Badge or Coat of Arms	65.00	66.00
Subsequent inscriptions		
Per line	15.00	16.00
Flower	40.00	41.00
Badge or Coat of Arms	52.00	54.00
(iv) Cornish Granite tablet for a ten year period		
Standard memorial tablet	286.00	296.00
Memorial tablet with vase	330.00	342.00
Provision of flower container in existing tablet	45.00	47.00
Cost of renewal 50% of current fee	143.00	148.00
(v) Memorial plaque for a five year period	200.00	206.00
Cost of renewal 50% of current fee	100.00	103.00
(vi) Baby memorial plaques for a ten year period	65.00	67.00
<u>Part 5 - Other Fees and Charges</u>		
(i) Certified extract from Register of Cremations	14.00	15.00
(ii) Floral Arrangements:-		
Small arrangement	31.00	32.00
Large arrangement	36.00	37.00

NOTE:- The charges in Part 4 and 5 (ii) include VAT

CEMETERIES

TABLE OF FEES AND CHARGES

EFFECTIVE FROM 1ST APRIL 2007

Table of fees and other charges fixed by the Taunton Deane Borough Council for and in connection with burials in the Taunton Deane St. Mary's, St. James and Wellington Cemeteries.

The fees indicated for the various parts set out below apply where the persons to be interred or in respect of who the right is granted is, or immediately before this death, was an inhabitant of Taunton Deane District, or in the case of a stillborn child where one of the parents is or at the time of the interment was such an inhabitant or parishioner. In all other cases the fees, payments and sums will be doubled with the exception that those set out in Parts 3 and 4 will not be so doubled.

Interment fees out of normal hours will be doubled.

Part 1 - Interments

The fees indicated for the various heads of this part include the digging of the grave but do not include the walling of a vault or walled grave.

	£ 2006/7	£ 2007/8
1. For the interment in a grave in respect of which an exclusive right of burial has not been granted:-		
(i) of the body of a stillborn child or a child whose age at the time of death did not exceed one year;	99.00	103.00
(ii) of the body of a child or person whose age at the time of death exceeded one year.	259.00	268.00
2. For any interment in a grave in respect of which an exclusive right of burial has been granted:-		
(i) of the body of a stillborn child or a child whose age at the time of death did not exceed one year:-		
at SINGLE depth	112.00	116.00
at DOUBLE depth	134.00	139.00
at TREBLE depth	150.00	155.00

(ii)	of the body of a child or person whose age at the time of death exceeded one year but did not exceed ten:-	£	£
	at SINGLE depth	218.00	226.00
	at DOUBLE depth	257.00	266.00
	at TREBLE depth	278.00	288.00
(iii)	for the body of a person whose age exceeds ten years:-		
	at SINGLE depth	321.00	340.00
	at DOUBLE depth	378.00	400.00
	at TREBLE depth	428.00	450.00
3.	For the interment of cremated remains:-		
(i)	in Garden of Remembrance (where cremation has not taken place at Taunton Deane Crematorium)	43.00	45.00
(ii)	in any grave in respect of which an exclusive right of burial has been granted	81.00	84.00
(iii)	Saturday interment (when available)	78.00	81.00
(iv)	To witness interment in Garden of Rest when cremation has taken place at Taunton.	16.00	17.00

Part 2 - Exclusive Rights of Burial in Earthen Graves

1. Taunton Deane Cemetery:-

For the exclusive right of burial for a period of 75 years in an earthen grave 2.3 m by 1.2 m

(i)	in Division L	380.00	400.00
(ii)	in Division A	436.00	450.00
(iii)	in Division B	408.00	430.00
(iv)	Cremated remains grave 78 cm by 76 cm	278.00	288.00

2. St. Mary's and St. James Cemeteries:-

For the exclusive right of burial for a period of 75 years in an earthen grave 2.6 m by 1.2 m

408.00	430.00
--------	--------

3. Wellington Cemetery:-

£	£
---	---

For the exclusive right of burial for a period of 75 years in an earthen grave

(i) 2.3 m by 1.2 m	408.00	430.00
(ii) 1.2 m by 0.6 m	278.00	288.00

The fees indicated in Part 2 include the Deed of Grant and all expenses thereof.

Part 3 - Memorials and Inscriptions

For the right to erect or place on a grave or vault in respect of which an exclusive right of burial has been granted.

1. In any "Traditional Section":-

(i) a flat stone, kerbstone or any other form of memorial;	148.00	153.00
(ii) a headstone or cross with base, bases or tablet;	132.00	137.00
(iii) an inscribed stone vase.	50.00	52.00

2. In any "Lawn Section":-

(i) a headstone;	132.00	137.00
(ii) an inscribed vase.	49.00	52.00

3. Cremated remains flat tablet	132.00	137.00
4. Each removal of memorial for additional inscriptions.	50.00	52.00

Part 4 - Other Fees and Charges

1. Certified extract from the Register of Burials.	16.00	17.00
2. Burial service in Crematorium Chapel (fee includes the use of Chapel, organ and the organist's fee);	125.00	128.00
3. Register search.	16.00	17.00

FEES & CHARGES 2007/8	LICENSING UNIT	
SERVICE	05/06 FEE	06/07 FEE
Gaming Machines	£250.00	£250.00
Gaming Machines - Section 34	£32.00	£32.00
Lotteries- new	£35.00	£35.00
Lotteries - renewals	£17.50	£17.50
Sex Establishment-Grant	£11,000.00	£12,000.00
Sex Establishment - renewal	£6,000.00	£6,500.00
Sex Establishment Licence Variation or Transfer		£95 + £600 if determined by the Licensing Board
Skin Piercing Registration-Premises	£50.00	£50.00
Skin Piercing Registration-Individual	£50.00	£50.00
Admin - uncleared cheques	£25.00	£35.00
Admin charge - request for info	£25.00	£35.00
Duplicate Licence	£10.00	£12.00
Street Trading -Market House,High St,Castle Bow,North St (non food)	£1,500.00	£1,600.00
Street Trading -Market House,High St,Castle Bow,North St (food)	£1,500.00	£1,800.00
Street Trading - Paul St, Billet St	£960.00	£960.00
Street Trading - Laybys	£1500 - £2200	£1500 - £2400
Mobile Traders	£250.00	£250.00
Permanent Site private land	£250.00	£275.00
Daily rate	£10-£50 per day	£20 - £50
Promotional Events	£100.00	£120.00
Pavement Cafes Less than 10m2	£150.00	£175.00
Pavement Cafes less than 20m2	£200.00	£225.00
Pavement Cafes less than 30m2	£300.00	£350.00
Pavement Cafes less than 40m2	£350.00	£400.00
Pavement Cafes - new grants in excess of 40m2	£500.00	£600.00
Hackney Carriage Vehicle Licence	£140.00	£150.00
Private Hire Vehicle Licence	£140.00	£150.00
Change of number plate	£25.00	£25.00
Meter Test	£14.00	£15.00
Replacement Plate	£14.00	£15.00
Internal Identification Sticker	£3.00	£3.00
Photo fee	£2.00	£2.00

SERVICE	05/06 FEE	06/07 FEE
Private Hire Operator Licence	£75.00	£80.00
New Drivers Licence	£95.00	£100.00
Additional Knowledge Test	£17.50	£17.50
Driver renewal 1 year	£75.00	£80.00
Driver renewal 3 year	£200.00	£220.00
Replacement badge	£8.00	£10.00
Advertising on Vehicles		£35.00
Certified copy of Motor Salvage Operator Register		£35.00
Pet Shop Licence	£100.00	£105.00
Animal Boarding Licence	£100.00	£105.00
Home Boarding License	New Fee	£30.00
Dog Breeding	£100.00	£105.00
Dangerous Wild Animals	£135.00	£140.00
Riding Establishments	£135.00	£140.00
Zoos	£500.00	£500.00

Appendix C**CEHO RECOMMENDED % INCREASE 07/08**

0 - Fixed By Statute

0 - Fixed By Statute

0 - Fixed By Statute

0 - Fixed By Statute

0% (£12,000)

0% (£6,500)

0% (£50)

0% (£50)

0% (£35)

0% (£35)

25% (£15)

5% (£1680)

13.3% (£2,040)

0% (£960)

0% (£1500 - £2400)

10% (£275)

9.1% (£300)

25% - 10% (£25 -£55)

12.5% (£135)

14.3% (£200)

11.1% (£250)

10% (£385)

10% (£440)

10% (£660)

10% (£165)

10% (£165)

20% (£30)

10% (£16.50)

33.3% (£20)

66.6% (£5)

50% (£3)

CEHO RECOMMENDED % INCREASE 07/08
12.5% (£90)
10% (£110)
0% (£17.50)
12.5% (£90)
9.1% (£240)
50% (£15)
0% (£35)
0% (£35)
4.8% (£110)
4.8% (£110)
0% (£30)
4.8% (£110)
7.1% (£150)
7.1% (£150)
0% (£500)

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 6 DECEMBER 2006

REPORT OF THE FINANCIAL SERVICES MANAGER

**This matter is the responsibility of Executive Councillor Williams
(Leader of the Council)**

CAPITAL STRATEGY 2006-09

1 Executive Summary

- 1.1 Attached at Appendix A is the draft Capital Strategy for 2006-09. The Executive is invited to comment on the draft strategy before it goes on to Full Council.

2 Introduction

- 2.1 There is no requirement for the Council to prepare a Capital Strategy however in terms of setting direction for the use of the Council's capital resources the strategy is seen as a "must have" document. This is borne out by the Capital Strategy being regarded as a key document in the CPA Use of Resources self-assessment.
- 2.2 The Capital Strategy is a summary of the Council's approach to capital investment including:-
 - Our Vision,
 - The identification of needs and our needs gap,
 - The management and monitoring of the capital programme,
 - The capital programme and the level of resources available,
 - Our approach to procurement and partnership working,
 - Linkages to other corporate plans.

3 Capital Strategy 2006-09

- 3.1 The revised draft Strategy for 2006-09 is attached at Appendix A. It has been updated from last year's version by incorporating new developments being undertaken by the Council and refreshing the financial data included within the document.
- 3.2 The Review Board considered the draft document at their meeting on 30 November and a verbal update on their comments will be provided at the meeting. The Executive is requested to note the Strategy and suggest amendments as appropriate.
- 3.3 After consideration by the Executive the Strategy is programmed to go to Full Council later in the year.

4 Recommendation

- 4.1 The Executive are requested to note the attached draft Capital Strategy for 2006-09 and to make suggestions on amendments to the content prior to submission to Full Council.

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Tel 01823 356418, email p.carter@tauntondeane.gov.uk

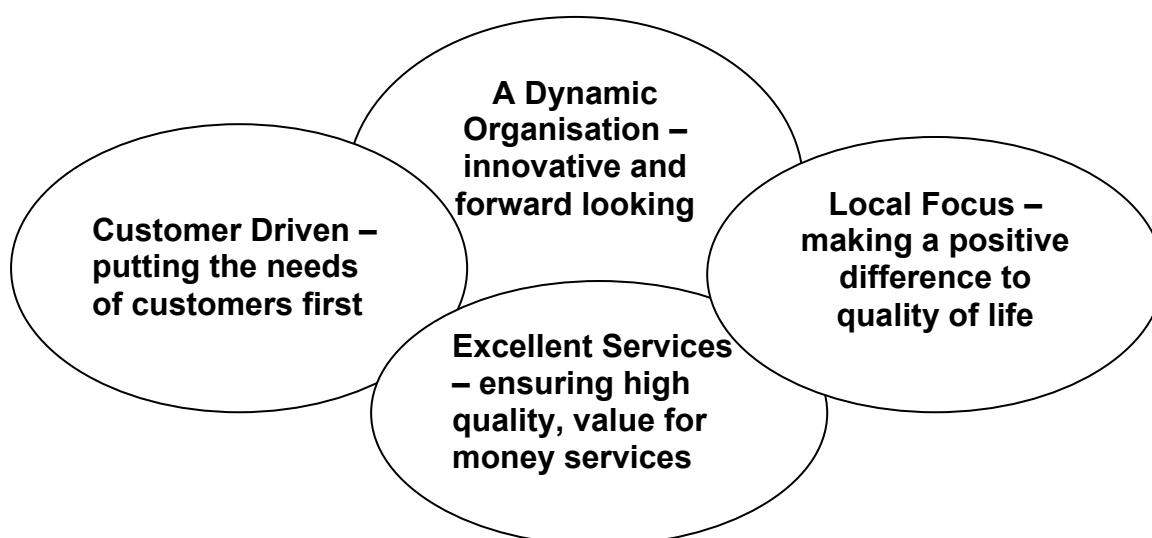
TAUNTON DEANE BOROUGH COUNCIL CAPITAL STRATEGY 2006-2009

1 Content

- 1.1 This Capital Strategy demonstrates how Taunton Deane BC sets the direction of our capital spending plans and considers how we achieve the effective utilisation of our capital assets and resources.
- 1.2 The Strategy details our approach to the following areas:
- Our Vision,
 - The identification of needs and our needs gap,
 - Prioritisation of capital expenditure,
 - The management and monitoring of the capital programme,
 - How we review scheme outputs,
 - The capital programme and the level of resources available,
 - Our approach to procurement and partnership working,
 - Links to other corporate plans.

2 Our Vision

- 2.1 The Council has set out its overall vision and business principles in its Corporate Strategy 2006-2009. The business principles are set out below:



- 2.2 The Council has profiled all of its services in line with its six main corporate priorities. This has enabled investment to be focussed on high priority services. Our overall priorities are:

Priority	Strategic Aims
Economy	Regenerating Taunton and strengthening the economy of the Borough
Transport	Minimising the growth in traffic congestion
Crime	Promoting safer communities and tackling anti-

	social behaviour
Healthy Living	Promoting healthy and sustainable communities
Environment	Safeguarding and enhancing the local environment
Delivery	Delivering accessible, value for money services

2.3 Below are the key actions from our Corporate Strategy 2006-2009 that show how we will use our capital resources to achieve our strategic aims. Those marked with * indicate that they are being delivered in partnership with other organisations:

Priority	Actions
Economy	<ol style="list-style-type: none"> 1. Free up the Firepool development area for Project Taunton and commence commercial/employment development. * 2. Kick start the Cultural Quarter of Project Taunton by developing the Tangier site.* 3. Secure a major business incubation centre for Taunton.* 4. Develop, with partners, 10 small business units.* 5. Develop 2 hectares of land for business use through S106 agreements.* 6. Facilitate the development of 20 hectares of employment land in Wellington & Wiveliscombe by 2009.*
Transport	<ol style="list-style-type: none"> 1. Implement the Taunton car park strategy to operate 7 new Multi Storey Car Parks around the town centre. * 2. Deliver the actions of the TDBC employees travel plan by March 2008. 3. Develop a S106 policy to ensure new commercial premises have a S106 agreement requiring travel plan considerations. *
Crime	<ol style="list-style-type: none"> 1. The refurbishment of derelict buildings 2. The sale of unwanted assets 3. Crime reduction measures within the Housing capital programme ie the provision of double glazing and security lighting 4. The provision of facilities for young people ie skateboard park and new play equipment. *
Healthy Living	<ol style="list-style-type: none"> 1. Planning gain through S106 agreements – ie the need to provide in partnership social and subsidised housing* 2. Utilise council owned sites to develop social and subsidised housing. * 3. Improving both private and public sector housing conditions through an extensive capital programme of works and grants.
Environment	<ol style="list-style-type: none"> 1. Complete the roll out of the “Sort It!” recycling and

	waste collection service *
Delivery	<ol style="list-style-type: none"> 1. Development of our assets through our key partnership project, ISIS* 2. Continued investment in IT systems such as the new Open Revenues system 3. Improvements to our public buildings in line with our customer access goals

3 The identification of needs and our needs gap

- 3.1 The Council has found that, unsurprisingly, resources to meet our overall aspirations for the Borough and our priorities in particular cannot wholly be met by the Council alone. Therefore as part of our role as an enabler and facilitator we will look to maximise external income from sources such as the Lottery, Central Government, the South West Regional Development Agency and from private developers via section 106 agreements and commuted sums in order to deliver our priorities. The Council has an External Funding Group whose role entails promoting new external funding opportunities to benefit the Council.

- 3.2 In addition we will look to make the most of partnerships including the private sector. This is key for ensuring that long-term projects such as the delivery of Project Taunton have sustainable sources of capital finance. Both PFI and PPP finance will be considered should any suitable schemes be identified. An example where the private sector option is being explored is through the work being done to develop the ISIS project for shared corporate services.

- 3.3 The Council will consider the use of additional borrowing to help deliver key aspirations. However this will only be done in line with the principles of the Prudential Code, ie providing that such borrowing is prudent, affordable and sustainable. This will be key to delivering Project Taunton. Where possible specific contributions from revenue will be made to fund one off and “invest to save” capital schemes and boost capital resources. We will also use the additional resources generated under the LABGI scheme to meet some of our economic development goals. In particular the ability to set up a “fighting fund” for sustainable improvements in economic development will be investigated.

- 3.4 Capital receipts are important for the Council, particularly Right to Buy receipts. In order to maximise the usable proportion available for capital investment the Council will, where appropriate, designate land areas for social housing purposes thereby avoiding any pooling liability.

- 3.5 Via the budget process and through ongoing budget monitoring the level of projected available capital resources is continuously reviewed by Officers. This ensures that resources can be matched to priority schemes.

3.6 It is not only within the capital programme where resources are scarce, within its revenue budget the Council has a backlog of low priority maintenance items, and this amounts to, in total £675k. A key improvement required is by the authority to ensure that this backlog is managed and reduced over time, although this will not be easy given the pressures on the revenue budget. More details on this area are shown in the Asset Management Plan.

4 Prioritisation of capital expenditure

4.1 Effective capital prioritisation will help ensure that scarce resources are targeted towards key schemes, which will deliver our priorities.

4.2 The Authority has in place an established system to enable Corporate Management Team and the Executive to prioritise bids for new capital schemes. This system is known locally as the Project Appraisal Report (PARs) system. The purpose of the PAR is to provide comprehensive information on each new scheme, thereby enabling informed choices to be made.

4.3 A PAR requires the following areas to be considered:

- Project Outline and Description,
- Category of Scheme (ie legal obligation, service necessity, service maintenance or service necessity),
- Establishment of Need – appropriate analysis of need and rationale,
- Fit with Corporate Priorities,
- Fit with Service planning objectives,
- Sustainability,
- Option appraisal – ie “do nothing”, full scheme, partial scheme, scheme provided by other agencies, scheme provided through partnership working,
- Risk identification,
- Overall project evaluation,
- Resource implications, capital and revenue, monetary and non-monetary,
- Timescale for implementation,
- Recommendations.

4.4 It is important that we do not forget the impact on the revenue budget of capital decisions, therefore the Council’s Medium Term Financial Plan for both General Fund and Housing Revenue Account services includes specific details on the likely impact of the capital programme on the revenue budget.

4.5 At present priority is given to schemes which pay for themselves on a “invest to save” basis. For these schemes the annual revenue savings generated through capital investment are put back into unallocated capital resources, for example Crematorium improvements. In addition

schemes that lever in external funding are also given priority. This is consistent with the principles outlined in the Council's Financial Strategy, which was approved in April 2004. The Council is developing the PAR system to include a framework to ensure that all investment and disposal decisions are based on thorough option appraisal and whole life costing.

5 The management and monitoring of the capital programme

5.1 Monitoring of the capital programme is integrated into the corporate performance management cycle and is reported to members three times a year. The Council is in the process of improving the monitoring of the General Fund capital programme. Unreported slippage in the programme has occurred in recent years and improvement in the monitoring of this area is necessary. This work will focus on not only spend against budget but also progress of each scheme against other non-financial aspects. The Housing capital programme does not suffer the same slippage problems and it is expected that by using the methodology employed within Housing (our largest area of capital spend) will benefit the General Fund programme. Monitoring will also include project progress, spend against budget, VAT implications and the treasury management consequences of capital spending.

5.2 The process of strategic risk management is employed for high spend/risk/profile capital projects. Where applicable, multi discipline project teams are formed to manage these schemes and to report progress and risks to Corporate Management Team. Post project reviews are used to improve overall future project management techniques.

6 How do we review scheme outputs?

- 6.1 The monitoring of capital investment is achieved on several levels, namely:
- The Project Board who monitor progress on a variety of corporate projects across the Council. This group has been established in line with the principles of PRINCE2 project management.
 - The Chief Financial Officer is responsible for the monitoring and management of both the capital programme and capital resources. This is done by the Financial Services Unit who report the outcomes to Heads of Service, Corporate Management Team and to Members.
 - The Corporate Property Officer is responsible for the monitoring and management of the Asset Management Plan,
 - Individual officers are nominated as lead on each specific scheme.
 - Finance staff support service department officers with budget monitoring and financial advice.

In the next year the Council wishes to incorporate within its quarterly budget/performance monitoring reports a process for evaluating the

impact of capital investment on the achievement of its corporate objectives and priorities.

7 The capital programme and the level of resources available

7.1 A summary of budgeted capital spending for the period 2006/07 to 2008/09 is shown below.

Portfolio	2006/07 £000	2007/08 £000	2008/09 £000	Total £000
Corporate Resources	604	60	60	724
Econ. Dev. & Tourism Council Businesses	1,121	180	0	1,301
Environmental Policy	674	25	25	724
Housing (HRA & GF)	6,174	5,966	5,966	18,106
Leisure, Arts & Culture	618	202	117	937
Planning & Transportation	36	45	25	106
Total	9,227	6,478	6,193	21,898

7.2 At present the General Fund has unallocated capital resources of only £18k. For the Housing Revenue Account there are no unallocated resources. In order to ensure that our resources are maximised Officers are reviewing the financing of certain capital schemes to see whether options such as the use of finance leases to provide capital investment in services, rather than outright purchase may provide better value for money. The level of capital receipts arising from Right to Buy sales is also carefully monitored.

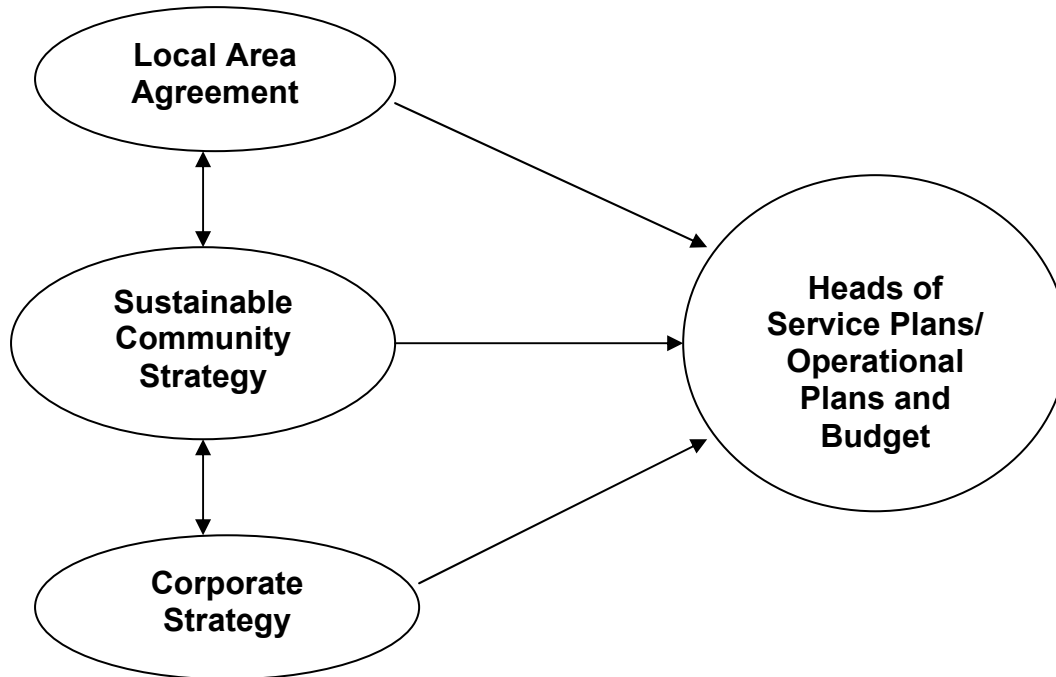
8 Our approach to procurement and partnership working

8.1 The Council is currently reviewing its procurement processes to ensure that maximum value is obtained from all capital contracts. This will supplement the benefits obtained from our tendering procedures and contract standing orders.

8.2 Partnership working within capital schemes will be encouraged where added value and synergies can be achieved. We will work with partners to identify resourcing solutions and to determine priorities and innovative ways of procuring capital investment. We will, wherever possible, ensure that partnership working is achieved; this is to ensure that services are delivered to the public with more than just our own priorities in mind.

8.3 We are an active partner on the Local Strategic Partnership, which includes representatives from the voluntary sector, private sector and

other public sector bodies such as the Health Authority. Our Community Strategy and Local Area Agreement targets helps inform our corporate priorities, which ultimately shapes the way in which our services are delivered. This is shown below:

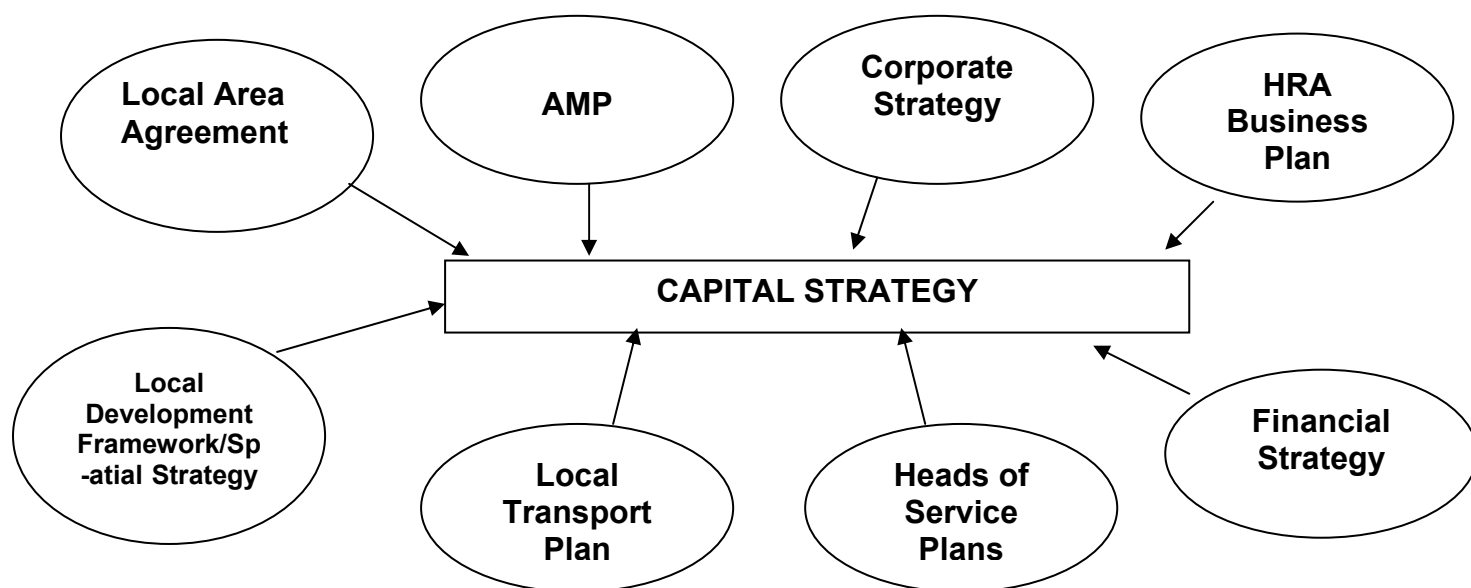


8.4 The vast majority of projects shown in paragraph 2.3 above are being delivered in partnership with a variety of other public and/or private sector organisations. Further information on our key partnerships is shown in the Council's Corporate Strategy 2006-2009.

9 Links to other corporate plans

9.1 The Capital Strategy is informed by other plans and strategies that the Council has, it is consistent with those plans and its development depends on capital priorities being integrated into all that the Council does.

9.2 A summary of the key links to the Capital Strategy are shown below:



9.3 In particular the Asset Management Plan (AMP) provides the detail relating to how our assets are performing and how they have improved from year to year. The AMP should be read in conjunction with the Capital Strategy. For the year ahead the Council is looking at developing a range of local Performance Indicators for our assets to ensure that the physical assets meet our corporate objectives.

10 Our Strategy for Capital Investment – A Summary

10.1 The Council faces many challenges in the coming years, for our assets there are numerous aspects to consider. For example:

- The implications of a potential Housing Stock Transfer on our remaining assets, or conversely,
- In the event of the Council retaining its Housing stock the expected £1.85m per annum shortfall that is required to meet the Decent Homes standard,
- The financial implications of the Disability Discrimination Act,
- The existing maintenance backlog facing our assets,
- Our customer access ambitions,
- The impact of our joint venture partnership, ISIS,
- The delivery of our key goal – Project Taunton,
- The need to modernise our public swimming facilities,
- Relocating key services where appropriate (ie our existing plant Nursery site).

10.2 In the light of these challenges we need to ensure that our assets meet the needs of our profile of services. This will require disposing of surplus and poorly performing assets, maintaining and enhancing assets relating to high priority services and purchasing new landholdings to facilitate the Project Taunton.

10.3 In order to achieve this there are some key actions required:

- The land strategy relating to all aspects of Project Taunton needs to be finalised,
- We need to review our asset holdings, to generate resources and to focus spending on frontline areas – this will be particularly important following the implementation of ISIS and in the event of a potential Housing stock transfer,
- We need to consider the benefits of Prudential Borrowing to finance some of our aspirations, but be mindful of the cost implications and the need to provide services which are value for money,

The Council recognises that this will take time to deliver but these actions will ensure that we have assets that match our reputation as an excellent Council.

11 Conclusion

11.1 Capital Investment is necessary to ensure that the Council can meet its overall priorities. However this can only be done in partnership with others and in a way that makes the most of limited resources. This will be achieved through the principles outlined in the Capital Strategy and in the actions detailed in plans such as the Corporate Strategy.

11.2 The Capital Strategy will continue to develop over time in line with the Corporate Strategy.

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 6 DECEMBER 2006

REPORT OF THE FINANCIAL SERVICES MANAGER

COUNCIL TAX BASE 2007/8

This matter is the responsibility of Executive Councillor Williams, Leader of the Council

EXECUTIVE SUMMARY

To approve the Local Council Tax Base for 2007/08, which is calculated at 39,786.35, an increase of 427.45 (1.07%) on the 2006/07 Tax Base.

1 Purpose

- 1.1 To request approval by the Executive of the Council Tax Base for the Borough and for each parish for 2007/08.

2 Introduction

- 2.1 The Council Tax Base, which is calculated annually, has to be set between 1 December and 31 January each year.
- 2.2 The Council tax base is the "Band D" equivalent of the properties included in the Valuation Officer's banding list as at 30 November 2006, as adjusted for voids, appeals, new properties etc., and the provision for non-collection.
- 2.3 The Band D equivalent is arrived at by taking the laid down proportion of each Band as compared to Band D, and aggregating the total. This is shown in Appendix A.
- 2.4 The approved base has to be notified to the County Council, the Police Authority, the Fire Authority, and to each of the parishes.

3 Other adjustments and rate of collection

- 3.1 Adjustments have also been included for new dwellings and for initial void exemptions for empty properties.
- 3.2 The Council Tax Base also has to reflect the provision for losses on collection. The rate for 2007/08 is 0.8%, as in the previous year, giving an anticipated collection rate of 99.2% for 2007/08.
- 3.3 Appendix A sets out in summary form the totals for each band. The adjustments for appeals and property movements is then shown and the total for each Band expressed as "Band D equivalents".

- 3.4 Appendix B sets out the same information but analysed over each parish and the unparished area and the further reduction for the non-collection provision is shown.
- 3.5 Appendix C sets out the Band D equivalent for each parish with the parish reduction for non-collection provision and the resultant Local Tax Base.
- 3.6 The Council Tax Base for 2006/07 is 39,358.90 and the recommended base for 2007/08 of 39,786.35 represents an increase of 427.45 or 1.07%.

4 **Recommendations**

- 4.1 The Executive is recommended to approve the following:-
- a) That the report of the Financial Services Manager for the calculation of the Council Tax base for the whole and parts of the area for 2007/08 be approved.
- b) That, pursuant to the Financial Services Manager's report, and in accordance with the Local Authority (Calculation of Tax Base) Regulations 1992, the amount calculated by Taunton Deane Borough Council as its Tax Base for the whole area for the year 2007/08 shall be 39,786.35 and for the parts of the area listed below shall, for 2007/08 be: -

Ash Priors	74.00
Ashbrittle	88.39
Bathealton	80.85
Bishops Hull	1,079.90
Bishops Lydeard/Cothelstone	1,919.98
Bradford on Tone	278.16
Burrowbridge	203.46
Cheddon Fitzpaine	643.95
Chipstable	119.73
Churchstanton	308.21
Combe Florey	122.31
Comeytrowe	2,088.55
Corfe	130.15
Creech St Michael	943.89
Durstun	57.64
Fitzhead	123.31
Halse	143.54
Hatch Beauchamp	256.79
Kingston St Mary	460.80
Langford Budville	215.56
Lydeard St Lawrence/Tolland	198.30
Milverton	593.29
Neroche	246.02
North Curry	717.91

Norton Fitzwarren	696.58
Nynehead	153.26
Oake	329.74
Otterford	166.26
Pitminster	454.24
Ruishton/Thornfalcon	620.40
Sampford Arundel	131.54
Staplegrove	711.86
Stawley	120.43
Stoke St Gregory	384.75
Stoke St Mary	210.55
Taunton	15,914.40
Trull	1,022.07
Wellington	4,576.12
Wellington (Without)	297.40
West Bagborough	157.33
West Buckland	405.03
West Hatch	141.36
West Monkton	1,111.64
Wiveliscombe	1,086.71

Total

39,786.35

Contact Officer: Paul Carter
Financial Services Manager
Tel: 01823 356418
Email: p.carter@tauntondeane.gov.uk

Council Tax 'T' Figure Calculation for 2007/2008 Charge

TOTALS - ALL PARISHES

Description of information	Band A (disabled)	Band A	Band B	Band C	Band D
Total no of banded dwellings	0.00	6,654.00	14,737.00	9,097.00	6,775.13
Additions	0	76	214	121	95
Exempt dwellings	0	277	365	219	150
Demolished dwellings	0	0	0	0	0
Disabled relief aggregate	8	50	-6	-7	-6
Total no of banded dwellings	8.01	6,502.60	14,579.84	8,992.03	6,714.59
25% discounts	2	3,954	5,718	2,894	1,794
50% discounts	0	55	85	73	50
10% discounts	0	125	135	75	60
Discounts deduction	1	1,029	1,486	768	480
MOD properties (exemption clas	0	0	67	15	11
Net dwellings	7.51	5,474.10	13,161.20	8,239.16	6,246.09
Band D equivalent	4.17	3,649.40	10,236.49	7,323.70	6,246.09
less additions (Band D equiv.)	0.0	-50.4	-166.3	-107.6	-95.5
Summary Total as at 31 Octobe	4.2	3,599.0	10,070.2	7,216.1	6,149.5
Total	4.2	3,599.0	10,070.2	7,216.1	6,150.6

BAND D

MOD Properties (exemption class O)					
band D equivalent	0.00	0.00	52.00	13.00	11.00
ratio	5/9	6/9	7/9	8/9	9/9
gross amount	0.00	0.00	66.86	14.63	11.00

Appendix A

Band E	Band F	Band G	Band H	Totals	CTB1 return row at 30 Nov
5,205.00	3,128.00	1,382.00	89.00	47,067	1
72	57	32	1	668	per below
91	44	29	8	1,183	2
0	0	0	0	0	3
-6	-14	3	-22	0	line 6-line 5
5,180.32	3,127.03	1,387.88	59.81	46,552	
1,017	512	153	5	16,049	line 8 + line 9
48	37	37	5	390	line 13
23	16	11	0	445	line 15
281	148	58	4	4,252	
13	5	1	1	113	Gross number
4,912.86	2,983.78	1,331.23	57.06	42,413	
6,004.61	4,309.90	2,218.72	114.12	40,107.21	
-88.4	-82.4	-53.1	-1.6	-645	
5,916.2	4,227.5	2,165.6	112.5	39,461	
5,916.2	4,227.5	2,165.6	112.5	39,462	Should agree to 31 October
16.00	7.00	2.00	2.00	103	Line 20
11/9	13/9	15/9	18/9		
13.09	4.85	1.20	1.00	113	Also shown on Discount list

total

TAX BASE - BAND D EQUIVALEI

Band	A (disabled)	A	B	C	D
Taunton Deane Borough	4.31	3,649.60	10,236.72	7,323.78	6,246.36
Ash Priors	0.00	2.30	1.60	2.70	6.80
Ashbrittle	0.00	3.90	6.40	12.90	14.50
Bathealton	0.00	3.30	2.10	8.70	5.50
Bishops Hull	0.60	75.43	274.28	200.92	235.28
Bishops Lydeard/Cothelstone	0.00	74.41	306.07	483.75	355.27
Bradford on Tone	0.00	10.50	7.40	28.20	52.50
Burrowbridge	0.00	7.80	16.10	27.10	44.60
Cheddon Fitzpaine	0.00	15.28	92.15	186.58	104.10
Chipstable	0.00	0.70	12.00	15.80	17.70
Churchstanton	0.00	12.20	30.50	36.10	74.30
Combe Florey	0.00	0.80	4.90	12.70	16.30
Comeytrowe	0.00	44.31	363.92	663.71	400.65
Corfe	0.00	3.90	5.40	14.40	11.50
Creech St Michael	0.40	12.40	87.00	257.00	222.10
Durston	0.00	0.80	5.10	15.80	4.00
Fitzhead	0.00	0.00	8.80	12.00	25.00
Halse	0.00	2.50	3.10	8.10	20.30
Hatch Beauchamp	0.00	3.90	30.33	37.50	35.38
Kingston St Mary	0.00	17.28	50.28	38.93	37.01
Langford Budville	0.00	1.80	20.20	27.70	40.80
Lydeard St Lawrence/Tolland	0.00	3.80	25.80	17.50	23.90
Milverton	0.00	27.96	96.53	75.76	83.50
Neroche	0.00	1.90	16.40	35.50	36.60
North Curry	0.00	50.00	59.90	57.50	115.50
Norton Fitzwarren	0.00	141.80	147.50	174.70	121.80
Nynehead	0.00	7.10	8.40	20.90	23.30
Oake	0.00	27.20	18.10	37.00	64.40
Otterford	0.00	11.40	5.60	11.70	20.80
Pitminster	0.00	7.50	19.30	29.80	46.90
Ruishton/Thornfalcon	0.60	75.70	51.50	112.70	155.60
Sampford Arundel	0.00	3.20	6.80	18.10	23.70
Staplegrove	0.00	42.00	149.30	115.80	95.20
Stawley	0.00	2.80	7.60	12.00	10.80
Stoke St Gregory	0.00	10.34	71.76	38.71	80.36
Stoke St Mary	0.00	18.39	17.77	15.35	17.64
Taunton	2.10	2,166.80	6,070.63	2,992.74	2,245.50
Trull	0.00	19.07	52.42	98.18	146.16
Wellington	0.60	550.89	1,647.31	886.49	717.09
Wellington (Without)	0.00	4.30	9.10	20.70	48.90
West Bagborough	0.00	2.50	29.10	20.40	21.30

West Buckland	0.00	10.20	72.10	65.00	51.90
West Hatch	0.00	6.20	3.50	9.00	24.80
West Monkton	0.00	88.86	104.82	127.20	158.39
Wiveliscombe	0.00	76.17	217.85	240.45	188.72
	<u>4.31</u>	<u>3,649.60</u>	<u>10,236.72</u>	<u>7,323.78</u>	<u>6,246.36</u>
Non Collection Provision	0.03	29.20	81.89	58.59	49.97
COUNCIL TAX BASE	<u>4.27</u>	<u>3,620.41</u>	<u>10,154.83</u>	<u>7,265.19</u>	<u>6,196.39</u>

Appendix B

NTS

E	F	G	H	Totals
6,004.59	4,309.58	2,218.14	114.12	40,107.21
17.70	27.40	16.10	0.00	74.60
16.80	23.50	9.60	1.50	89.10
25.70	29.60	4.60	2.00	81.50
167.64	73.69	58.75	2.02	1,088.61
328.34	242.51	136.94	8.17	1,935.46
62.90	71.50	45.40	2.00	280.40
50.10	46.90	12.50	0.00	205.10
126.49	93.44	29.07	2.03	649.14
35.70	31.10	6.20	1.50	120.70
71.70	56.00	27.90	2.00	310.70
26.90	37.60	22.10	2.00	123.30
428.12	152.87	51.81	0.00	2,105.40
14.80	36.80	42.90	1.50	131.20
249.20	90.60	30.80	2.00	951.50
14.10	11.60	6.70	0.00	58.10
31.80	23.80	22.90	0.00	124.30
46.40	32.90	29.40	2.00	144.70
62.76	57.90	28.93	2.16	258.86
79.55	84.42	147.44	9.61	464.52
34.50	56.50	29.80	6.00	217.30
48.60	59.10	21.20	0.00	199.90
102.24	148.39	61.66	2.03	598.07
39.40	81.60	29.60	7.00	248.00
217.90	133.50	85.40	4.00	723.70
64.80	26.90	20.70	4.00	702.20
37.60	32.10	22.10	3.00	154.50
69.70	85.90	24.60	5.50	332.40
60.50	44.40	11.20	2.00	167.60
104.40	119.20	125.80	5.00	457.90
151.40	52.30	25.60	0.00	625.40
45.80	17.30	15.70	2.00	132.60
163.20	99.30	50.80	2.00	717.60
24.10	33.80	23.30	7.00	121.40
93.45	56.57	36.65	0.00	387.85
29.18	69.70	44.21	0.00	212.25
1,271.70	946.50	340.77	6.00	16,042.74
240.36	255.39	212.72	6.01	1,030.31
577.36	188.44	42.79	2.04	4,613.02
88.20	102.80	25.80	0.00	299.80
23.50	30.70	27.10	4.00	158.60

93.50	71.40	44.20	0.00	408.30	
32.70	45.50	20.80	0.00	142.50	
350.04	213.46	73.82	4.01	1,120.61	
183.75	114.71	71.79	2.04	1,095.47	
<u>6,004.59</u>	<u>4,309.58</u>	<u>2,218.14</u>	<u>114.12</u>	40,107.21	
48.04	34.48	17.75	0.91	320.86	(0.08%)
<u><u>5,956.55</u></u>	<u><u>4,275.11</u></u>	<u><u>2,200.40</u></u>	<u><u>113.20</u></u>	39,786.35	(99.2% Collected)

APPENDIX C

TAX BASE
LOCAL TAX BASE (WHOLE/PART AREAS)

	Band D Equivalents	Provision for Non Collection (at 0.8%)	Local Tax Base
Maunton Deane Borough Council - whole area	40,107.21	320.86	39,786.35
<hr/>			
Ash Priors	74.60	0.60	74.00
Ashbrittle	89.10	0.71	88.39
Bathealton	81.50	0.65	80.85
Bishops Hull	1,088.61	8.71	1,079.90
Bishops Lydeard/Cothelstone	1,935.46	15.48	1,919.98
Bradford on Tone	280.40	2.24	278.16
Burrowbridge	205.10	1.64	203.46
Cheddon Fitzpaine	649.14	5.19	643.95
Chipstable	120.70	0.97	119.73
Churchstanton	310.70	2.49	308.21
Combe Florey	123.30	0.99	122.31
Comeytrowe	2,105.40	16.84	2,088.55
Corfe	131.20	1.05	130.15
Creech St Michael	951.50	7.61	943.89
Durstun	58.10	0.46	57.64
Fitzhead	124.30	0.99	123.31
Halse	144.70	1.16	143.54
Hatch Beauchamp	258.86	2.07	256.79
Kingston St Mary	464.52	3.72	460.80
Langford Budville	217.30	1.74	215.56
Lydeard St Lawrence/Tolland	199.90	1.60	198.30
Milverton	598.07	4.78	593.29
Neroche	248.00	1.98	246.02
North Curry	723.70	5.79	717.91
Norton Fitzwarren	702.20	5.62	696.58
Nynehead	154.50	1.24	153.26
Oake	332.40	2.66	329.74
Otterford	167.60	1.34	166.26
Pitminster	457.90	3.66	454.24
Ruishton/Thornfalcon	625.40	5.00	620.40
Sampford Arundel	132.60	1.06	131.54
Staplegrove	717.60	5.74	711.86
Stawley	121.40	0.97	120.43
Stoke St Gregory	387.85	3.10	384.75
Stoke St Mary	212.25	1.70	210.55

Taunton	16,042.74	128.34	15,914.40
Trull	1,030.31	8.24	1,022.07
Wellington	4,613.02	36.90	4,576.12
Wellington (Without)	299.80	2.40	297.40
West Bagborough	158.60	1.27	157.33
West Buckland	408.30	3.27	405.03
West Hatch	142.50	1.14	141.36
West Monkton	1,120.61	8.96	1,111.64
Wiveliscombe	1,095.47	8.76	1,086.71
	<u>40,107.21</u>	<u>320.86</u>	<u>39,786.35</u>

The Legal form of the Somerset Waste Board

Report of Strategic Director Joy Wishlade

(This is the responsibility of Executive Councillor Mrs D Bradley)

Executive Summary

The Somerset Waste Partnership (SWP) is working towards the creation of a Somerset Waste Board (SWB) that will manage the disposal (county) and collection (district) waste functions across the whole of Somerset. This will include the new integrated waste collection contract for the whole of Somerset that is currently being procured. It is expected this arrangement will lead to increased efficiencies and improved service delivery.

There are a number of options that could be used to establish the legal form of the SWB. These options are considered in this report. The SWP is being advised by external legal advisors, Nabarro Nathanson and Roger Henderson QC. This advice has been considered by the six partner councils' legal representatives, the Legal Sub Group (LSG), which has made a recommendation on the preferred option for the legal form of the Board. This recommendation has been further considered by the Directors Implementation Group, made up of a director from each partner council and in effect the project board.

1. Background

All the SWP partner councils have approved constitutional principles for the operation of the Somerset Waste Board, these were approved by Taunton Deane's Executive on December 7th 2005. The constitutional principles are summarised below:

- (a) The SWB will be an independent entity unless this is legally impracticable;
- (b) The duration of the SWB will be indefinite and provision will be made for withdrawal of individual partners or the winding up of the partnership;
- (c) The partnership will discharge both waste collection and waste disposal functions;
- (d) The SWB will be funded by an agreed budget pooling mechanism;
- (e) Two members are to be nominated from each constituent authority;
- (f) Each member will have one vote;
- (g) The chairperson will not have a casting vote;

- (h) Unanimity will be required to change the constitution whilst other matters will be decided by a simple majority vote;
- (i) The SWB will be empowered to make all decisions relating to the provision of waste services in Somerset, but the “ratification” of the SWB’s decisions will be required where there is “a significant impact on budgetary contributions” or on “service design”.
- (j) The SWB will be open and accountable to the public
- (k) Members of the SWB will act in the interests of the partnership as a whole and not just in the interests of their own authorities

2. Options Considered

2.1 Our legal advisors outlined six potential options that they considered should be examined as potential options for the structure of the SWB. These options were endorsed by the LSG. The potential structures examined were:

- Joint Committee with administering authority;
- Free-standing limited company;
- Free-standing limited liability partnership;
- Joint Committee plus limited company;
- Joint Committee plus limited liability partnership; and
- Joint Authority.

It should be noted that in addition to these structures the potential for the use of either a charity or trust was discussed but these structures were not considered to be appropriate/practical for the SWB’s objectives.

Below is a summary of issues relating to each potential legal structure.

2.2 Joint Committee with Administering Authority

Two or more local authorities have the legal power to appoint a joint committee to discharge any of their functions jointly. This is a relatively straightforward power and commonly used in local government since it was introduced in the Local Government Act 1972. However, there was a question around whether a joint committee could be set-up to discharge waste collection and waste disposal functions as the Environmental Protection Act specifically defines district councils as collection authorities and county councils as disposal authorities. Leading Counsels advice is that this would not be an obstacle to creating a Joint Committee, stating:

...section 101(5) of the 1972 Act is sufficiently broad to allow the county council qua waste disposal authority and the district councils qua waste collection authorities to collaborate in a joint committee along the lines envisaged in the SWP’s Specification

A joint committee does not have a separate legal personality and as such is not able to enter into contracts or employ staff. If a joint committee is required to

enter into contracts and employ staff a well established solution is that one of the authorities that form the joint committee becomes the 'administering authority' for the purpose of entering into contracts and employing staff.

2.3 Free-standing limited company and Free-standing limited liability partnership

Local authorities cannot delegate functions to a limited company or a limited liability partnership ("LLP"). As such both of these options were dismissed.

2.4 Joint Committee plus limited company

This option is similar to a joint committee with administering authority but a limited company is used as the vehicle to hold the contracts and employ staff. There are potential benefits of using a company structure rather than a local authority as it could increase the SWB's ability to engage in commercial activities. There are a number of options available to create a limited company in these circumstances. The one that probably provides the most flexibility would be s95 of the Local Government Act 2003 that gives local authorities powers to trade. However, these powers are only available to councils with a CPA rating of fair and above. As two of the SWP partners have CPA ratings of "weak" this power is not available to the partnership. In addition, even if all the partner authorities did have the requisite CPA rating and we considered using the s95 powers any council who lost the CPA rating would have to withdraw from its trading activities, essentially requiring them to pull out of the SWB. It is considered that this in itself would be an unacceptable level of risk for the partnership.

The SWB could potentially combine powers in the three pieces of legislation; the LGA 1972 that gives councils powers to act in a manner that is conducive to the discharge of their functions, the LGA 2000 that sets out general well being powers, and specific powers in the Environmental Protection Act 1990 that give local authorities the power to trade in recyclables and commercial waste activities. At present the general view of the Legal Sub Group is that although this appears to be a viable option further work is required before it could be recommended as a preferred option.

2.5 Joint Committee plus limited liability partnership

This option is very similar to joint committee with limited company but using a limited liability partnership. There are potentially benefits in using a LLP instead of a company around tax. LLP's are tax transparent which means the SWB members would not pay corporation tax on any profits made. In addition they do not have the duty of directors of the company to act in the company's interest mitigating the potential for conflict of interest.

One of the purposes of establishing an LLP must be the intention to make a profit. The law relating to LLPs does not define what is meant by profit, however, the general nature of the phrase "with a view to a profit" is likely to denote an intention to increase the amount of gain made by the business during a fixed period of time in the context of monetary gain. One of the intentions of creating

the SWB is to make efficiency savings and our legal advisors were asked to consider if this could be regarded as profit for the purposes of creating an LLP. It maybe that the SWB could combine the s95 LGA 2003 trading powers referred to above to make a profit and create an LLP, however, this option is ruled out for the reasons given above. The legal advice received concluded:

In the circumstances, the use of the LLP model coupled with a joint committee is problematical. I do not consider that the LLP option is satisfactory.

2.6 Joint Authority

Under the provisions of the LGA 1999 the partnership could apply to the Secretary of State to create a Joint Authority, essentially a new public body. This would need to be justified on the basis of securing continuous improvement in the exercise of local authority functions having regard to a combination of economy, efficiency and effectiveness. In addition to this members should note that the recently published White Paper has given a clear indication that the pending Local Government Bill will include provisions for councils in two tier areas to create joint waste authorities. It is probable that these will still require Secretary of State approval but having a specific power to refer to will reduce the risk that the Secretary of State would refuse a future application for a Joint Authority.

Our legal advisors and council solicitors regard the Joint Authority option as the most appropriate legal structure for the SWB as it creates the same level of political control and accountability as a joint committee but does not need a supporting legal entity. The main drawback with creation of a joint board is the time required to establish it. If we assume the new powers referred to in the White Paper will come into force in late 2007 it will probably take in the region of two years from this point to get approval to create the Joint Authority.

3. Recommendation of the Legal Sub Group

On considering the advice on the legal options the Legal Sub Group recommended that the SWB should adopt the Joint Committee with Administering Authority model in the short-term with a view to the creation of a Joint Authority as the long-term solution.

The LSG considered all the options in detail including the Joint Committee with company option. Although there was a consensus that we could not use the trading powers of the LGA 2003, due to the CPA issues, there was considerable debate around setting up a company using a different legislative approach, as outlined above in 2.4. The Group's view was that although this approach to creating a company structure could be of merit it should be ruled out on the balance of risk, cost and time.

4. Scrutiny

With regard to scrutiny the view of all legal advisors is that it is not possible to undertake joint scrutiny in a pure sense. All partner authorities will have the ability to call-in SWB decisions in accordance with their constitution. To mitigate the potential adverse impact that reporting to six scrutiny committees could create it is consider that whatever option is pursued it should be supported by a

joint scrutiny committee. Although this committee would not have any statutory function it is expected it will be an effective conduit to report SWB issues to the partner authorities' formal scrutiny committees.

5. Financial implications

There is no change to our current tax liability using the Joint Committee option. However, all authorities concerned have agreed to pool their waste budgets to fund the SWB. The work to produce a methodology to do this is progressing well and Lead Waste Officers, senior Finance Officers and S151 officers from all authorities have been involved and support the methodology principles. A presentation of progress to date was given at the HLRP meeting on December 4th and will come for decision by the Executive early in 2007.

6. Recommendation

In order to ensure the Somerset Waste Board has an appropriate legal form in the short and long-term and having regard to the need to mitigate risk and resolve these issues in a timely cost effective manner it is recommended that:

1. In the short-term the legal form of the Somerset Waste Board should be a Joint Committee with Administering Authority;
2. The Somerset Waste Partnership applies to create a Joint Waste Authority using:
 - i. The powers that are expected to arise from the Local Government Bill following the recently published White Paper; or
 - ii. The Local Government Act 1999 powers.
3. Having regard to the balance of risk, cost and time the option of using a joint committee with company structure should be ruled out.

Background Papers

Executive Report: Somerset Waste Partnership – Contract Integration 7th December 05

Report of Chief Executive

Executive – 6th December, 2006

“Strong and Prosperous Communities” – The Local Government White Paper

Invitations to Councils in England to make proposals for future structure or partnership models

(This matter is the responsibility of the Leader of the Council)

1. Executive Summary

- 1.1. This reports deals solely with the issue raised in the White Paper of unitary status and two-tier partnership models, including pathfinders.
- 1.2. The report does not seek to analyse these options but to request direction from the Executive on the various options available, namely:-
 - To support Unitary Authority(ies) for Somerset.
 - To support a formal pathfinder bid for Somerset
 - To support enhanced two-tier working across Somerset.
- 1.3. The broader proposals of the White Paper will be debated through Review Board or the Community Leadership Panel.

2. Introduction

- 2.1. The Local Government White Paper was published on 26th October, 2006. It maps out a series of reforms designed to empower citizens and communities, create stronger more visible leadership and put in place a new framework within which local authorities and partners can work to improve their areas.
- 2.2. The full document is available at <http://whitepaper.lga.gov.uk>. By way of an overview the paper covers proposals for:-
 - A new performance framework
 - An enhanced role for councils as strategic leaders and place-shapers
 - Stronger cities and strategic regions
 - Stronger political leadership
 - A strengthened role for front-line councillors

- A wider and stronger role for scrutiny
- Devolution of powers
- Community cohesion
- An invitation to Councils in shire areas to bid for unitary status or enhanced two-tier working

2.3. This report deals solely with the last proposal.

3. The purpose of the Invitation

3.1. The Government started a “debate” in December 2005 on two-tier government. They have reached the following conclusions:-

- (a) That local government in two-tier areas faces additional challenges that can make it harder to achieve that strong leadership and clear accountability which communities need. There are risks of confusion, duplication and inefficiency between tiers, and particular challenges of capacity for small districts.
- (b) That many local authorities are already working to improve the quality of services in two-tier areas, building strong and sustained partnerships between councils in a county area, but the Government considers there is the potential to go further. In short, the Government believes that the status quo is not an option in two-tier areas if councils are to achieve the outcomes for place shaping and service delivery that communities expect, and deliver substantial efficiency improvements.
- (c) That in a number of areas where there is a broad cross-section of support for this, these reforms should now involve a move to unitary local government.
- (d) It also recognises that in the majority of county areas reforms will now take the form of developing innovative new models of two-tier working as described in the White Paper. This process is to be assisted by pathfinder partnerships of a county council and all the district councils in the county, committed to pioneering radical change.

3.2. Any proposals for governance change, whether involving new two-tier models or moving to unitary structures, should:-

- (a) enhance strategic leadership, neighbourhood empowerment, accountability, value for money and equity;
- (b) command a broad cross-section of support; and
- (c) be affordable, representing value for money and meeting any costs of change from councils’ existing resources.

- 3.3. The Government expects all councils in continuing two-tier areas, even if they are not pathfinders, to pursue new arrangements to achieve the same level of improvement and efficiency gains as the new unitaries and pathfinders will be achieving.
- 3.4. Proposals must be submitted to the Department for Communities and Local Government on or before 25th January, 2007.

4. The Invitation for Unitary Structures

- 4.1. Any principal council in England outside the area of Greater London and the Metropolitan counties may respond to the invitation.

4.2. Terms of the Invitation

- 4.2.1. A proposal must be submitted by a council or a group of two or more councils.
- 4.2.2. Any proposal must relate to the area of the council, or of each of the councils, submitting it. The area covered by a proposal may, in addition to the area of the council or councils submitting the proposal, also include adjoining areas which are currently outside that of the submitting council or councils.
- 4.2.3. The area of any proposed future unitary authority must consist of either:-
- (a) the whole of the area of an existing local authority – county or district council (including those with unitary status); or
 - (b) a combination of such whole areas.
- 4.2.4. A proposal must set out the future local government structure for all the areas affected by the change. Hence, where a proposal involves the creation of a unitary authority for an area that does not cover an existing whole county area or areas, the proposal must set out the arrangements which are to apply in the remainder of the affected county area or areas. The proposal must be presented in the form of a business case with full supporting financial analysis.

4.3. The Criteria for Unitary Structures

- 4.3.1. The criteria with which any proposal must conform are:-
- (a) the change to the future unitary local government structures must be:-
 - affordable, i.e. that the change itself both represents value for money and can be met from council's existing resource envelope. The pay-back period must be no more than 5 years.

- Supported by a broad cross-section of key partners, stakeholders and service users/citizens; and
- (b) those future unitary local government structures must:-
- provide strong, effective and accountable strategic leadership;
 - deliver genuine opportunities for neighbourhood flexibility and empowerment; and
 - deliver value for money and equity on public services.

5. Improving Two-tier Government

- 5.1. The Government recognises that in the majority of county areas reforms will take the form of enhanced two-tier working.
- 5.2. To assist this the Government is inviting proposals for pathfinder partnerships of a county council and all district councils in the county, committed to pioneering radical change.

5.3. Terms of the Invitation

5.3.1. The aim of the two-tier model to be pioneered should be:-

- (a) unified service delivery with service users having no need to understand whether the county, district, or indeed other service provider is responsible;
- (b) stronger leadership for place shaping;
- (c) effective accountability arrangements so that people know who is responsible for what decision; and
- (d) shared back office functions and integrated service delivery mechanisms.

5.3.2. The new two-tier model must relate to the whole of the county area.

5.3.3. The two-tier model should meet the same criteria (set out in paragraph 4.3) as proposed new unitary structures. As regards the affordability criteria, it is not expected that implementing two-tier models will result in authorities having to incur and finance transitional costs in advance of savings.

5.3.4. A proposal must outline the new two-tier model which the partnership intends to develop, highlighting in particular the legislative changes it believes would be necessary to develop the model to the full.

- 5.3.5. A partnership submitting a proposal must be prepared for its development and implementation to be subject to long term evaluation that the Government would commission.

6. **Timetable**

- 6.1. An indicative timetable for handling proposals is set out below:

25th January 2007	Deadline for councils to submit proposals for unitary structures
End of March 2007	Announcement of the Government's preliminary views as to those unitary proposals that have met specified criteria. Consultation with local stakeholders that are potentially affected by proposals.
	Announcement of successful pathfinder proposals.
End of June 2007	Stakeholder consultation on "shortlisted" unitary proposals close.
Early July 2007	Final announcement of those areas that will be restructuring into unitaries
May 2008	Elections to new unitaries
By April 2009	New unitaries up and running.

7. **The Current situation across Somerset**

- 7.1. Somerset County Council approved a motion at Full Council on 22nd November, 2006, instructing officers to work on a bid and prepare a submission for the creation of a Unitary Council for the existing area of Somerset. This will be considered at a special meeting of the Full Council in January 2007.
- 7.2. **The Executive's view on this Motion and proposal for a Single Unitary authority for Somerset is sought.**

8. **The Council's Current Strategic Position**

- 8.1. The Council has made great strides towards delivering much of the White Paper agenda.
- 8.2. Focussing on the invitation which is the subject of this report the Council is at the forefront of improving its performance across all tiers of government.

- 8.3. The Improving Services in Somerset project (ISiS) will ensure unified service delivery and sharing of back office functions. Substantive quality and efficiency gains will accrue.
- 8.4. Taunton Deane Local Strategic Partnership is considering with Somerset County Council and this Council future area arrangements for this Borough to ensure aligned localism.
- 8.5. As officers we are currently reviewing our structure to ensure it is aligned to the ISiS and emerging area agenda. Officers would be open to the consideration of shared management teams across Somerset. This could be developed as vacancies arise, therefore avoiding enforced redundancy and retirement costs.
- 8.6. This Council has very strong leadership as verified externally by the Audit Commission and Leadership Centre for Local Government.
- 8.7. The Council enjoys exceptionally high levels of customer satisfaction. We are currently just short of 70%. The combined figure for all districts is 65%. The average for Unitary Councils is 51%. Somerset County Council's figure is 51%.
- 8.8. There is no evidence available nationally that suggests unitaries perform better or are more cost-effective than the combined efforts of Counties and Districts. This Council prides itself on high quality, low cost services.
- 8.9. The "your council your views" survey (May 2006) also gave some very good results for us, especially in light of the current unitary debate:
 - 57% think that Taunton Deane Borough Council should have main responsibility for setting priorities for the area (Somerset County Council = 23%).
 - 2. 81% associate Taunton Deane (the place) with Taunton Deane .Borough Council (the organisation).
 - 3. 60% think we deliver good value for money.

Questions 1 and 2 were asked by us on behalf of the Lyons Inquiry and submitted to the Inquiry in June. Generally, we have a very good understanding of our residents' needs and priorities and an ability to respond to these.

- 8.10. Finally, we have many partnership arrangements at community and service level that are driving forward service quality and/or efficiency gains. Examples include the Somerset Waste Partnership and the move to an integrated service, the South West Audit Partnership and the Somerset Strategic Housing Group, jointly procuring housing surveys and IT systems.
- 8.11. My personal opinion, not borne from a belief that we must defend District Councils at all costs, is that this Council's direction of travel accords highly

with the White Paper. I believe a formal (through Pathfinder) or informal bid to further enhance two-tier working across the whole of Somerset is the way forward.

8.12. In terms of unitary status for Somerset, we have yet to see the detail of any bid(s). However, I would currently have concerns around:-

- Loss of democratic representation
- The size, particularly of a single unitary
- The loss of local identity
- The loss of local ability to be responsive and make decisions and deliver on behalf of local communities
- The real ability to pay back transactional costs and to delivery business case projections
- The distraction that reorganisation would cause to service delivery.

8.13. I believe all of these concerns could be addressed by retaining the current structure and focussing on the improvements already in hand.

9. Other Options for Somerset and Taunton Deane Borough Council

9.10. A single authority would service a population of over half a million people, over a vast geographical area. It is plausible, therefore, that this Council may wish to lead or support a proposal for two Unitary Authorities for Somerset.

9.11. The Executive view (in principle) on the potential to submit or support a proposal for two Unitary authorities for Somerset is sought.

9.12. Three or more Unitary authorities would clearly be unsustainable based on current configuration of unitaries.

9.13. Some interest has been expressed across Somerset in submitting a Pathfinder bid. This Council is already closely aligned to the Pathfinder principle through its work on the ISiS project.

9.5 The Executive view (in principle) on the potential to support a Pathfinder bid for Somerset is sought.

9.6. It is clearly stated in the White Paper that status quo is not an option. Following discussions with the Government Office for the South West it is clear that this Council could submit an “informal” response to enhance two-tier working. This would follow the Pathfinder principles but would not necessarily have to command support from all five other Somerset authorities. Again, Taunton Deane Borough Council’s general direction of travel would align with any proposal.

9.7 The Executive view (in principle) to support an informal “Enhancing Two-tier” bid for Somerset is sought.

10. Conclusion

10.1. To date, no officer time has been dedicated to working up a specific response to the Government’s invitation.

10.2. Before resources are committed to either work up a bid or to support or to campaign against any proposal, the views and direction of the Executive is sought.

10.3. In terms of the County bid and any other that may come forward for unitary status, the Council will have a formal opportunity to respond to any bid made after 25th January, 2007.

10.4. Further reports will be submitted as appropriate.

11. Recommendation

11.1. The Executive’s views on the Invitation to Councils are sought.

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TAUNTON DEANE BOROUGH COUNCIL

Joint Report of Strategic Directors, Chief Solicitor, Financial Services Manager and Corporate Property Manager to the Executive Meeting on 6 December 2006

The Wellsprings Centre

1. Purpose

- 1.1 This report is to inform the Executive that all the issues arising out of the recovery of the project to build the Wellsprings Centre have at long last effectively been resolved and to formally report the outcome of the Council's claim against its original contractor Mr R W F Warner – trading as the Warner Group.
- 1.2 The report also provides details of the overall cost of the project and recommends how the small underspend on the approved budget set aside for its completion should be dealt with.

A A Summary of the Progress of the Project

2. History of the Project

- 2.1 In the mid 1990's the need for a sports centre that would serve the community and the needs of Ladymead School were identified and the project formed part of the North Taunton package under a "Capital Challenge" scheme.
- 2.2 In early 1998 tenders were received to construct a dry sports centre on the site at Ladymead School based on a design and build scheme. At the same time an application was submitted to Sport England for grant assistance towards the cost of the scheme. Sport England gave approval to a grant of approximately £2.2 million in the Autumn of 1999.
- 2.3 In May 2000 work commenced on site, the contractor being R W F Warner. For a variety of reasons the formal written contract with Warner was not finally signed until April 2001 but Warner was nevertheless contractually bound to complete the scheme by November 2001.
- 2.4 Early in 2001 it became clear that the contract was not progressing in accordance with the agreed programme and – despite a succession of unfulfilled promises - the agreed date for completion passed with the Centre being far from complete. From October 2001 to March 2002 pressure on Warner was increased with formal discussions taking place with the aim of having Warner comply with the terms of his contract with us by resolving the unsatisfactory progress with construction.
- 2.5 Detailed advice was sought from our external lawyers as to how we could bring this to a head. As a result, in March 2002 we served Warner with the formal notice legally required to start the contract termination process. Our advisors made clear that he had still to be given some chance to fulfil his contractual duties. He did not do so and, it soon became quite clear that Warner was not going to be able to complete the construction work within an acceptable period. The Council therefore decided in June 2002 to take the final step available to it by serving further notice formally terminating the contract with him. The site was immediately re-possessed and secured.

- 2.6 The next phase was particularly demanding and complex. The Council needed to recover the project as quickly and as efficiently as possible yet with the threat of major litigation involving Warner being very real. Consequently in July 2002 the Symonds Group Limited was appointed as our project managers to complete the building of the Centre. On their appointment their initial focus was upon a “stock-take” of both the quantity and the quality of what had been constructed so as to assess the scope of the work required to complete the Centre and to support the Council’s eventual financial claims against Warner.
- 2.7 Having prepared the necessary procurement process, tenders were invited from appropriate contractors for the completion of the Centre and Bluestone Plc was appointed as the Council’s chosen contractor in 2003.
- 2.8 In view of the substantial additional costs which the Council now needed to find, an application for additional grant support of £550k was submitted to Sport England in January 2003. The normal rule is that no further work should be carried out whilst such an application is being considered by them. Given the condition of the Centre – they agreed that we could nevertheless proceed with the limited work of making sure that the Centre remained wind and water tight. This work was carried out in April 2003.
- 2.9 Sport England’s decision was delayed even further because of their policy of not making funding decisions around the time of elections. Thus it was that the unwelcome and unexpected decision by Sport England not to increase the grant aid already given to the Council was received immediately following the Borough elections in May 2003.
- 2.10 Having thus exhausted all options for additional external funding, the works by Bluestone to complete the Centre started. Practical completion was achieved just before Christmas 2003 and the Centre was opened to the public in January 2004.

3. The Council’s Claim against Mr R W F Warner

- 3.1 In October 2003 Council Officers and our external lawyers met with Warner to outline the claim which the Council intended to make against him for the cost of completing the Centre. It was estimated that our claim would be in excess of £2 million. In turn Warner was intending to seek compensation of £250,000 against the Council - claiming he had not been properly paid for the work he had carried out. When confronted with the Council’s claim Warner claimed that he was insolvent and that any such claims against him would be fruitless.
- 3.2 In December 2003 Warner initiated court action to prevent himself being made bankrupt. During this process it became apparent that there were a multitude of other creditors with claims against him including suppliers, sub-contractors and one other local authority – Derbyshire Dales DC.

- 3.3 Warner held a creditors meeting in January 2004. This was in order to get approval from his creditors for him to create an Individual Voluntary Arrangement (IVA) which would have the effect of staving off his personal bankruptcy. Warner's trustee decided to initially disallow both Councils' claims against him under their construction contracts.

This meant that legally we were not at that stage able to vote in any meaningful way against the proposed IVA. As a result in February 2004 our lawyers and those of Derbyshire Dales DC issued court proceedings to challenge the decisions taken at the creditors meeting.

Between February and April 2004 the court proceedings and discussions with Warner and the lawyers acting for the Chairman of the creditors meeting continued to see if the various competing claims could be resolved.

- 3.4 When the Council was given details of Mr Warner's assets and liabilities we decided to instruct a firm of "forensic accountants" to carry out a thorough investigation of Warner's financial affairs so that the Council could be confident that nothing was being hidden. It would also ensure that decisions about our claims against him could be soundly based.
- 3.5 The conclusion which we and our legal and financial advisors came to with considerable regret on the conclusion of these investigations was that there were no prospects whatever of recovering the kind of compensation which would otherwise have been properly claimed by us in the courts from Warner. Whilst we were successful in having our claim eventually admitted in the IVA, Warner's assets were so small that the amount awarded and paid to the Council amounted to only £59k. That amount appears in the final account set out in the next section.

4. Financial Summary

- 4.1 When the Wellsprings Centre was first commissioned by the Council (1997/98) the expected net cost, after taking into account the expected level of support from external funding partners such as the Lottery was £578k.
- 4.2 The difficulties with the Warner contract, the subsequent determination of that contract, together with the "rescue" package to finalise the construction of the Centre have required approval from Full Council for supplementary estimates totalling £2.5m. This brought the budgeted net cost to the Council to £3.095m.
- 4.3 A summary of the how the budget has increased in recent years is shown below:

Year	What for	Amount £000
1997/98	Original Net Budget	578
2001/02	To meet additional costs following changes in the BCIS inflation index and its subsequent impact on the overall contract cost	128
2002/03 (via Budget Process)	Contingency to meet expected overspend	80
2002/03	Additional costs arising from decision by Full Council in March 2002 to continue contract with Warner (including an allowance for "incentive payment" if project was completed	362

	by June 2002)	
2002/03	To meet costs arising from subsequent contract determination	99
2003/04 (via Budget Process)	To part fund expected completion costs	696
2003/04	To meet additional costs arising from the Guaranteed Maximum Sum provided by Bluestone	1,062
2003/04	Repairs to external blockwork	90
Total		3,095

- 4.4 With the construction of the Centre now complete and all legal cost recovery mechanisms having now been exhausted, Officers are now in a position to be able to report on the final cost of the project. In summary the net cost to the Council is £2.849m. The table below details its final costs when compared to the approved budget:

Cost Heading	Budget £000	Actual £000	Variance £000
External Legal Fees	200	182	-18
External Project Managers	207	257	50
Construction Costs	5,397	5,237	-160
Total Expenditure	5,804	5,676	-128
External Income	-2,709	-2,827	-118
Total	3,095	2,849	-246

- 4.5 This is £246k less than the revised budget cost of £3.095m. Below is a schedule of the main savings achieved on the project – as compared to the approved budgeted figures:-

Cost Heading	Saving £000
Guaranteed Maximum Sum - underspend	-69
Legal Fees	-18
Retention withheld from original contractor	-77
Emergency expenditure re: drainage works	36
Additional external income	
• Claimed back from original contractor	-59
• Other additional external income	-59
Total Underspend	-246

Members should note that these costs exclude the substantial time spent by a range of senior officers on the management and recovery of the project. It is estimated that these amount to in excess of £200k. In total the Council has been able to recover only around £79k of its costs from Warner. This has been in the form of both legal expenses (£21k) and the dividend accruing to the Council from the IVA (£59k).

- 4.6 With the construction of the centre complete and no other works now required, it is recommended that the underspend of £246k is now returned to unallocated general fund reserves.

B Review of the Wellsprings Project

Having set out this outline of events of this ill-fated construction contract and its financial consequences, the remaining sections of this report outline the processes which we put in place to manage an exceptional – and probably unique - set of challenges for the Council's members and officers. The report also summarises some of the significant lessons that were learnt and the far-reaching changes which have been put in place since that time.

5. Recovery Project Control

- 5.1 In order to manage the complex task of recovering the Wellsprings Centre project a new Multi Disciplinary Officer Group was established early in 2002. It took control of the closing down of the Warner contract, the recovery and completion of the project and the attempts to sue Warner for compensation. In this we were helped by external project management consultants - appointed by Sport England to protect the grant assistance they had already made to the project – and by procurement officers of the County Council.
- 5.2 At Member level an all-party Project Steering Group was also created in 2002 comprising the Leader and Deputy Leader of the Liberal Democrat Group (who were then the majority party) together with the Leaders of the other political groups. When the political control of the Council changed in May 2003 the membership of this Members' Steering Group then consisted of the Leader of the Conservative Group, the Leader of the other political groups together with the Portfolio Holder for Leisure and Recreation and one other Conservative councillor. During the pre-completion phase, the Steering Group also invited representatives of the County Council and of Ladymead Community School to be present at their meetings.
- 5.3 In addition to the internal arrangements detailed above, when it was clear in the Autumn of 2001 that the contract with Mr Warner was not progressing properly the Council engaged one of the country's leading firms of construction lawyers to advise it on its dealings with Warner and on the legal issues arising not only from the termination of his contract but also on the new contract to complete the Centre.

6. Reviews/Scrutiny Arrangements

- 6.1 Throughout the whole of the period since the contract was first let to Warner, the project has been examined on a number of occasions by our internal Auditors and the District Auditor and has been the subject of a number of internal and external reviews.
- 6.2 In particular, in January 2003 (after the collapse of the Warner contract and before construction re-commenced) the District Auditor issued a review report with recommended actions aimed at minimising the future risks to the Council. The recommendations were immediately accepted and implemented in full.

- 6.3 An extract from the 2003 Annual Audit letter summarises the District Auditor's comments:-

“Wellsprings Project

Work started on site in May 2000 for the Wellspring Centre but as the project progressed it became clear that the original contractor could not complete the work to agreed timescales and budget. The Council ‘determined’ the contract in June 2002, and this raised a number of issues for the Council and for us as the external auditors. We carried out a review of the project and reported our findings in January 2003.

Throughout the duration of the contract there were a number of events, which with the benefit of hindsight were warning signs that the contract may not be delivered within the agreed timescales and budget. The Council could have responded to these events more proactively by increasing their input and staff resources in the management and supervision of the project. Whilst this may have resulted in bringing matters to a head earlier, it is unlikely that the end result would have been any different.

Although there are lessons to be learnt with regard to risk assessment and project management, there is no evidence to suggest that the Council has acted imprudently or improperly.

There remain many issues with the original contractor, which need to be resolved by the Council, in order to bring the original contract to a conclusion. The Council is rigorously pursuing the recovery of the increased costs from the contractor.”

- 6.4 As mentioned earlier, the management of the recovery of the project has also been thoroughly reviewed by an independent Project Manager appointed by Sport England. As a result of his report the grant support awarded to the Council in 1999 has also been paid in full.
- 6.5 Weekly bulletins on progress were shared with the Members Steering Group throughout 2002/2003. Regular reports on the project have been submitted to the Executive since June 2000 and to the Council through to July 2004. All significant decisions as to the Warner contract termination and as to the funding needed to effect the Centre's completion have also been taken through Full Council.

7. Lessons Learned

- 7.1 The Wellsprings Centre itself – now that it has been open for use for three years – has been an undoubted success and is contributing to the local community just as was hoped when it was planned in the mid-90s. But the construction contract posed more problems for this Council than any other in its lifetime. It has cost substantially more than was originally planned and its eventual delivery was more than two years late. The recovery process demanded the input of significant amounts of the scarce time of a range of senior officers and from lead councillors from all parties. The expectations of the school and of the local community to have this Centre available by the end of 2001 were dashed.

- 7.2 Without doubt the Warner affair was a major contractual failure which caused real damage to the Council through those years. No-one who has been affected by it would wish to see a repeat. Thus significant work has gone into learning from this - hopefully - unique experience.
- 7.3 A number of formal reviews of the project were carried out – independent of the Council – notably by the District Auditor and by Sport England. Whilst none pointed to any significant event or approach on the Council’s part which led to the contract’s failure – other than the actions of Warner himself - each made recommendations as to how the risk of a recurrence should be minimised. All such recommendations were immediately acted upon.
- 7.4 In addition, the Officer Group has carried through a searching review of what other lessons needed to be learnt and what changes should be made in our approach to procurement. This review was facilitated by external project management consultants. As it progressed it was evident that a wide range of improvements or changes had already been made in response to the extreme problems which had come to light during the recovery process. The appendix to this report contains a summary of some of the main issues which we noted during that exercise

8. Present Position

- 8.1 Although one or two minor items still remain to be resolved with the Centre, it forms an important and successful element of the leisure facilities being managed by Tone Leisure.
- 8.2 The facility is a popular one and is trading well - providing a valuable resource for both the school and the community of North Taunton.

9. Conclusions and Recommendation

- 9.1 The failure of the original construction contract with Warner was extremely damaging to the authority and to the local community. Its recovery has required considerable resources, in both financial and people terms, to get the project completed.
- 9.2 A range of lessons have been learned and implemented - as detailed in this report - and those lessons have made a considerable impact on the way that our procurement management now operates.
- 9.3 The budgets approved by the Council to ensure the completion of the project have not been fully exhausted and a sum of £246k remains. It is recommended this sum should be returned to unallocated general fund reserves.

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STRATEGIC DIRECTOR

S ADAM
STRATEGIC DIRECTOR

R I TAYLOR
CHIEF SOLICITOR

P CARTER
FINANCIAL SERVICES MANAGER

S J RUTLEDGE
CORPORATE PROPERTY MANAGER

APPENDIX

	Issue	What happened?	Action taken?
1	Contract definition	There were early problems over elements of the contract where Warner took advantage of ambiguities to gain a limited financial advantage	DA Action Plan. All recommended changes adopted.
2	Pre-contract checks	Full, proper financial checks were carried out pre-contract. But in retrospect we concluded that these could have been more rigorous and could have been updated as the contract start became delayed.	Procedural changes have been made to tighten up this aspect
3	Procurement process	<ul style="list-style-type: none"> Warner was <u>not</u> the lowest tenderer, yet - in retrospect - this contract largely failed because he had contracted to provide the Centre for an unrealistic sum. Construction projects inevitably cost what they are truly worth – whatever the price label originally claims. Our formal contract standing orders and tendering mechanisms needed to be updated. 	<p>A rigorous approach needs to be adopted to overly-attractive contract offers.</p> <p>Our procurement procedures were reviewed and new contract standing orders adopted by the Council in 2003.</p>
4	Contract Documentation	<ul style="list-style-type: none"> Minimise all ambiguity of wording in documentation pre-contract Ensure written contracts completed as early as possible 	District Audit Action Plan included recommended changes. These were implemented in early 2003
5	Risk Management skills	At the time of its procurement stage in the late 90s, a full Risk Management approach had not yet been adopted by the Council. This has subsequently become an integral and important part of the Council's corporate governance arrangements and is now invariably applied to the management of all our projects	Done
6	Project Management skills	These too had not been formalised at the procurement stage of this contract. They became an important part of the approach during the recovery phase. They have now similarly been recognised as a vital skill for all staff involved in delivering a wide range of council-initiated schemes	Fully introduced and developed
7	Contract management capacity	The intensity and complexity of the work needed to enable contracts of this size and difficulty is hard to overestimate. Over the years we have been extremely fortunate to	Whilst the use of external consultants can often be far from

	Issue	What happened?	Action taken?
		have had staff with the ability and experience to be able to manage very demanding and sizeable contracts. "Punching above our weight" is a compliment often rightly paid to us. However, when things go wrong – as in this case – the demands far outweigh the capacity which we could reasonably expect to have available. .	ideal, we have now accepted the reality that - for larger and more specialist projects – the employment of such external expertise is essential.
8	Succession Planning	Similar to the previous item, the retirement of a number of staff who were key to the delivery of this project created very real problems in terms of our capacity	As above. We have now acknowledged that external skills – and the costs associated - do need to be imported more often - and at an earlier stage - than we have previously hoped was necessary.
9	Future acceptability of the Design and Build approach	The adoption of the Design and Build approach has often been quoted as a significant contributor to the failure of this project. Sport England decided during the recovery phase that it no longer supported D&B as a delivery method. D&B <u>can</u> be an effective way of delivering some types of project. It has its strengths and its risks. With the proper application of a Risk and Project Management culture there is no "in principle" reason to exclude this method for all purposes. But it does need to be treated with caution.	It is unlikely that major capital projects of this scale - directly commissioned by the Council - will now arise too often. Whilst not ruling out D&B, the experience gained here will need to be fully taken into account in any such procurement.
10	The recovery process – how well did it cope	The Council – both at member and officer level – devoted an exceptional amount of time and energy into the unattractive task of recovering this project from the brink of complete failure. It has been generally accepted that the recovery process that we put in place worked well and the individual lessons learnt as a result have been implemented – and are referred to elsewhere in this report	
11	The roles of the Officer Group and of the Member Steering Group	It was essential that a joint approach was taken to this project with full input from senior elected members and officers. That was achieved successfully. Whilst inevitably there were occasional strongly voiced disagreements, the two groups worked well together and devoted an exceptional amount of time and energy to achieving the best it could for the Council.	

	Issue	What happened?	Action taken?
12	The all-party approach to effective disaster recovery	This was the council working at its best. The recovery was managed across the May 2003 elections by an all-party working group who remained united throughout despite considerable external pressure and the unattractive nature of the task before them. Without that unity of purpose any prospect of the project's successful recovery would have been remote.	
13	Communications – internally, with our partners and with the public	This is not the sort of story that anyone enjoys either writing - or reading. Wellsprings figured significantly in the local media throughout the contract's painful collapse and recovery phases. After some initial uncertainty, the communication links were revised and a full and regular sharing of current information was put in place. Given the highly litigious atmosphere prevailing at the time and the consequent need to take extra care as to confidentiality – the extent and nature of the information released is regarded as having worked well.	This has acted as a useful reminder of the power of transparency and openness at times of rumour, suspicion and misunderstanding. This lesson subsequently helped us see how best to support local communities when afflicted by other crises - such as the Oxen Lane North Curry invasion
14	The necessity for - and the part played by - external advisors during the recovery phase	Lessons were learnt as to both the benefits and the inevitable limits of external advisors. "Getting it right" at the start can save the need for substantial remedial work further down the line. Of equal importance is the need to make sure that the nature of the task is fully understood by potential appointees and that their track record shows their experience in dealing with this demanding type of work.	There is now a greater recognition that we cannot realistically hope to meet all exceptional situations from within our own resources.
15	Understanding the legal restrictions created by the contractual relationship and the limits placed on the clients' ability to apply immediate and effective sanctions.	Contracts can be blunt instruments and – when they start to fail – are often not capable of immediate and effective remedial action. Once chosen, legally, a contractor and the client have a duty to do all they can to co-exist and to overcome obstacles.	For all involved in the recovery, the strong legal advice about this duty posed real problems for us. The natural instinct of many at the time was to terminate immediately. That was simply not deliverable.
16	Should contracts of this type be supported by a financial bond to	It has not been the Council's practice to require bonds to support contract delivery. Bonds do not come cheaply. It is doubtful whether a bondsman would have materially improved the	

	Issue	What happened?	Action taken?
	guarantee its delivery?	recovery of this project	
17	Appreciating the impact which such a contract failure has upon the approach taken by external contractors and consultants	For anyone – and this includes external consultants - being associated with a contract failure is an extremely unattractive activity. In terms of their reputations, the work carries high risks and yet the rewards for a successful recovery are small. None is obliged to take on such work and – if they do – they will inevitably take a cautious approach to putting it right.	This is an inevitable consequence of such a contract failure. Recovery from such a crisis must be accepted as being an expensive and slow business
18	The slowness of the recovery process	Linked to 17. The process was necessarily painstaking and took 18 months from Warner termination until the building's completion. There were two main contributors to this. First was the necessity to stock-take and to ensure we had a strong basis to sue Warner. Secondly was the need to pursue further grant from Sport England. As it has turned out, litigation by Warner (or against Warner) had limited scope (as described earlier in the report); and Sport England decided not to increase its grant to us	These aspects were reviewed. Although - in hindsight - a number of months delay occurred - the right decisions were made at the time
20	RWF Warner	A great deal has rightly been written about the Wellsprings contract failure and as to what we could have done to avoid it. It is right that we should do so. But the key to this crisis is the actions of Mr RWF Warner himself and the level of competence shown by him in managing this project. This is borne out by our discovery during the recovery phase of similar problems being encountered with other of his contracts in the South and Midlands. Yet it is this Council which has had to take the brunt of the financial damage he caused. He himself has substantially limited the financial consequences of his actions by entering an IVA. Every effort was made – and external specialist advice taken - to avoid this result. But rightly or wrongly that is the way which the insolvency law of the land now works	A painful lesson has been learnt
21	We should not have contracted with an individual. If the contractor had been a corporate body we would have been in a stronger position to recover our costs	This is not actually the case. If a similarly ill-fated contract had been with a limited <u>company</u> then their financial ability to cope with the substantial legal claims may not have been any greater. Insolvency – albeit of a different kind – would have surely followed.	
22	Sport England – the refusal of additional	A substantial amount of work was devoted to this new application to Sport England which	No substantive reason was given

	Issue	What happened?	Action taken?
	funding – could we have done more	was submitted in January 2003 but not decided by them until May of that year. The application was worked up with the officers of Sport England and we felt we had quite some reason to be optimistic about its chances of success. The decision announced immediately after the elections came as a considerable surprise.	for the rejection and although a strong plea for an urgent review of their decision was requested, no further comment was made by them.
23	The demands placed on staff during the recovery phase.	This recovery project across 2002 and 2003 placed exceptional pressures on a number of our senior staff who formed the recovery team – in addition to the demands of their “day jobs”. The nature of the task – along with its regular setbacks and disappointments - made it far from attractive. Taunton Deane was very fortunate to have a group of officers with the expertise to take on this task.	There are issues of capacity here. When they happen, crises soak up excessive amounts of our scarcest resources. The taking of a proper Risk Management approach will reduce the frequency and gravity of such crises but they cannot eliminate them.
24	The District Audit Report – completion of the Action Plan?	All recommendations made by the District Auditor in January/February 2003 were acted upon immediately.	