



EXECUTIVE

YOU ARE REQUESTED TO ATTEND A MEETING OF THE EXECUTIVE TO BE HELD IN THE JOHN MEIKLE ROOM, THE DEANE HOUSE, BELVEDERE ROAD, TAUNTON ON THURSDAY 30TH APRIL 2009 AT 18:15.

AGENDA

1. Apologies.
2. Minutes of the meeting of the Executive held on 1 April 2009 (attached).
3. Public Question Time.
4. Declaration of Interests. To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct. The usual declarations made at meetings of the Executive are set out in the attachment.
5. Core Council Review - Alternative Approach. Report of the Strategic Director (attached). Brendan Cleere

Tonya Meers
Legal and Democratic Services Manager
23 April 2009

Executive Members:-

Councillor Henley (Chairman)

Councillor Brooks

Councillor Coles

Councillor Horsley

Councillor R Lees

Councillor Mullins

Councillor Prior-Sankey

Councillor Mrs Smith

Councillor A Wedderkopp



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 – 1 April 2009

Present: Councillor Henley (Chairman)
Councillors Brooks, Coles, Horsley, R Lees, Mullins, Prior-Sankey,
Mrs Smith and A Wedderkopp

Officers: Penny James (Chief Executive), Joy Wishlade (Strategic Director),
Tonya Meers (Legal and Democratic Services Manager), Paul Carter
(Financial Services Manager), Maggie Hammond (Strategic Finance
Officer) and Richard Bryant (Democratic Services Manager)

Also present: Councillors Critchard, Farbahi and Morrell.

(The meeting commenced at 6.15 pm.)

36. Minutes

The minutes of the meetings of the Executive held on 26 February 2009 and 4 March 2009, copies of which had been circulated, were taken as read and were signed.

37. Declarations of Interest

The Chairman declared a personal interest as a Member of Somerset County Council. Councillors Brooks and Prior-Sankey declared personal interests as Members of Somerset County Council and as Members of the Somerset Waste Board. Councillor Mullins also declared a personal interest as a Member of the Somerset Waste Board. Councillor Coles declared a personal interest as a Director of Southwest One. Councillor Mrs Smith declared a personal interest as an employee of Somerset County Council.

38. Capital Strategy 2009-2012

Considered report previously circulated, concerning the Capital Strategy 2009/2012, a draft of which had been circulated to Members of the Executive.

Although there was no statutory requirement for the Council to prepare a Capital Strategy, in terms of setting the direction for the use of the Council's capital resources, it was seen as a 'must have' document.

The Capital Strategy was a summary of the Council's approach to capital investment including:-

- The Vision;
- The identification of the Council's needs and needs gap;
- The management and monitoring of the Capital Programme;
- The Capital Programme and the level of resources available;

- The approach to procurement and partnership working; and
- Linkages to other Corporate Plans.

The draft Strategy for 2009-2012 had 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.

The Strategy and Performance Panel had considered the draft document at its meeting on 10 March 2009 and a number of comments made had been incorporated into the draft document. A further alteration to paragraph 8.4 of the Strategy to remove the reference to a "local housing company" was agreed.

Resolved that:-

- (1) the amended draft Capital Strategy for 2009-2012 be noted; and
- (2) Full Council be recommended to approve the Capital Strategy 2009-2012.

39. **Treasury Management and Investment Strategy for 2009/2010**

Considered report previously circulated, which detailed the Treasury Management and Investment Strategies for the 2009/2010 financial year.

It was noted that Council debt was currently £17,000,000 and outstanding investments stood at £14,500,000. Short-term interest rates were currently at 0.5% and looked to remain at this level throughout 2009/2010.

Long term rates were more stable at 4 – 4.5% (50 years) for this financial year. Noted that with the World and United Kingdom economies continuing to decline – the United Kingdom was officially in recession – interest rates were at historic all time low levels. Inflation also continued to fall.

In addition, borrowing and debt restructuring, if undertaken, would need to take advantage of lower rates and match the Council's debt to capital needs.

The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services required local authorities to set the Treasury Management Strategy Statement for borrowing each financial year.

Taunton Deane regarded the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities would be measured. Treasury management risks had been identified in the Council's approved Treasury Management Practices.

Reported that the main risks to the Council's treasury activities were:-

- Liquidity Risk (Inadequate cash resources);
- Market or Interest Rate Risk (Fluctuations in interest rate levels and thereby in the value of investments);
- Inflation Risks (Exposure to inflation); and
- Credit and Counterparty Risk (Security of Investments).

This Treasury Management Strategy also took into account the outlook for interest rates, the Council's current treasury position and its approved Prudential Indicators. Details of the Performance Indicators relevant to the Strategy were submitted.

The report also set out the Council's Investment Strategy which covered the following:-

- The Treasury Position;
- Outlook for Interest Rates;
- Borrowing Requirement and Strategy;
- Debt Restructuring; and
- The Investment Policy and Strategy.

Further reported that the Treasury Management and Investment Strategies, had assumed the largely neutral impact of Project Taunton. However, projects of this scale could have both a positive or negative impact on the timing of capital expenditure and thus cash flow.

As the project stages were developed and approved, any impact on the Treasury function would be assessed and strategies might have to be altered as a result.

Resolved that the Treasury Management Strategies, outlined in the report, be approved.

40. **Conversion of Taunton Market Site to a Surface Car Park**

Considered report previously circulated, concerning a proposal to temporarily convert the former Market Site off Canal Road/Priory Bridge Road, Taunton, which was now vacant, into a surface pay and display car park.

Works to level the surface, mark out parking bays and to provide a suitable number of pay and display ticket machines would be required, as would measures to ensure the whole site was as secure as possible pending the start of the Project Taunton redevelopment works.

Reported that the costs involved would be funded from the monies generated by the sale of equipment following vacation of the site by the Taunton Market Auctioneers. This had produced a net income of £22,800 which was currently uncommitted.

The Executive was also requested to formally reclassify the site as a car park with effect from 1 April 2009. This was required for the purposes of treatment

within the Council's accounts.

Resolved that Full Council be recommended to:-

- (1) approve a supplementary estimate to the capital programme of £22,800 for the conversion of the former Taunton Market Site to a surface car park (funded from within existing resources);
- (2) authorise Executive Councillor Coles to oversee the full spending plan in conjunction with the Parking Manager and Strategic Director; and
- (3) formally reclassify the land as a car park with effect from 1 April 2009.

(Councillor Prior-Sankey declared a further personal interest during the discussion of this item as the Somerset County Council's Transport Portfolio Holder.)

(The meeting ended at 6.56 p.m.)

Usual Declarations of Interest by Councillors

Executive

- **Members of Somerset County Council – Councillors Brooks, Henley and Prior-Sankey**
- **Employee of Somerset County Council – Councillor Mrs Smith**
- **Director of Southwest One – Councillor Coles**
- **Members of Somerset Waste Board – Councillors Brooks, Mullins and Prior-Sankey**

Taunton Deane Borough Council

Executive – 30 April 2009

Report of Strategic Director (Brendan Cleere)

Core Council Review – Alternative Approach

(This matter is the responsibility of Councillor Ross Henley, Leader of the Council)

1. Purpose of the Report

- 1.1 To seek the views of the Executive on an alternative approach to completing the Core Council Review.

Executive Summary

Proposals for new ways of working and a new structure for the Core Council were approved by Full Council on 17 February 2009.

The new Core Council staffing structure is now based on four themes:-

1. Strategy and Corporate
2. Growth and Development
3. DLO (Business)
4. Operations and Regulation

This report proposes an alternative to the phased approach to implementation of the Core Council Review agreed by Full Council. This would involve the early and simultaneous recruitment of new managers for the Growth and Development and Operations and Regulation themes. The initial brief for these new theme managers would be to bring forward detailed structural proposals for consideration by Members in autumn 2009.

The approach proposed for the DLO (Business) theme would involve working with members and key stakeholders to establish a clear brief on the outcomes the Council would like to see for residents from this theme. This brief will be used to commission independent expertise to develop a number of options for delivering the outcomes specified by Members. A preferred option will be signed off by Members in autumn 2009.

Section 4 of the report outlines the financial implications of the alternative proposed approach.

Corporate Management Team believes that the alternative approach has a number of advantages which will ensure the delivery of the overall timetable originally agreed, taking account of the particular priority attached by Members to the DLO (Business) theme.

2. Background

2.1 The original aim of Core Council Review remains - to introduce a new structure and ways of working that will enable the Core Council to:-

- Be fit for purpose, delivering our vision, widened roles and ways of working
- Deliver substantial efficiency savings for 2009/10 and beyond.

2.2 Proposals for new ways of working and a new structure for the Core Council were approved by Full Council on 17 February 2009. The Core Council staffing structure is based on four themes:-

Theme 1 - Strategy and Corporate

Theme 2 - Growth and Development

Theme 3 - DLO (Business)

Theme 4 - Operations and Regulation

2.3 A diagram of the overall Core Council structure is attached as Appendix A.

2.4 Following approval by Full Council, the detailed structure for theme 1 (Strategy and Corporate) became operational on 1 April 2009.

2.5 Detailed structural proposals for themes 2, 3 and 4 were to come forward at different times over 2009/2010, in accordance with the original agreed phasing timetable attached as Appendix B.

2.6 Having just implemented theme 1 and also reflected on Full Council's resolution to attach particular importance to the theme 3 (Business/DLO), Corporate Management Team (CMT) has developed an alternative proposed approach to completing the Core Council Review. This approach is described in the following section.

3. An Alternative Approach to Completing the Core Council Review

Themes 2 and 4

3.1 The current phasing approach would see the Growth and Development (theme 2) and Operations and Regulation (theme 4) developed and implemented at different stages over 2009/2010.

3.2 It is now proposed that these two themes are brought together onto the same implementation timetable. This would involve the early recruitment of two new permanent manager posts for the Growth and Development theme and one new permanent manager post for the Operations and Regulation theme. The functions relating to each theme are outlined in Appendix B.

3.3 The nature and level of responsibility placed on these new theme managers will be significantly greater than existing Core Council Managers. Remuneration will therefore be the same as the level set for the recently appointed theme manager posts in the Strategy and Corporate theme.

- 3.4 The initial brief for the new theme managers will be to work with the relevant Strategic Director and bring forward detailed structural proposals for themes 2 and 4, for consultation and consideration by members in autumn 2009 and implementation by the end of March 2010. Over this period, all other existing structural arrangements for these two themes will remain.
- 3.5 With the Operations and Regulation theme, CMT's proposal for the interim period is for one theme manager. However, depending on the detailed proposals that are developed, further theme managers may be appropriate to lead this theme in the longer term. This will be looked into further as proposals are worked up by the newly appointed theme manager.
- 3.6 A chart outlining the above proposed interim structure is attached as Appendix C.
- 3.7 Internal applications will be sought in the first instance for the three new theme manager posts, which will be Member appointments. If necessary, temporary back-filling arrangements would be made to cover vacancies arising from internal promotion to theme manager posts. External recruitment will follow if any posts remain unfilled following internal recruitment.
- 3.8 In addition to the above new management posts, it is also proposed that the existing temporary post of Project Taunton Delivery Manager is made permanent. The current post holder would have prior claim on this post, without prejudicing the opportunity on the post holder to apply for the new theme manager posts. This post has historically been wholly funded from a mix of external sources (e.g. Growth Point and the South West Regional Development Agency) and it is anticipated that this external funding will continue. If this external funding was to cease, then the Council would need to consider funding this post as part of our own staff establishment.
- 3.9 An indicative timetable for the above proposal is outlined in table 1, below:-

Table 1: Indicative Timetable for Themes 2 and 4

Action	Indicative Date
Discussion with UNISON and/or Unison Change Forum on proposed amended approach	Early- Mid April 09
Overview and Scrutiny Board considers alternative approach to Core Council Review	21 April 09
Executive (special meeting) decides on alternative approach to Core Council Review	w/s 27 April 09
Member recruitment to new theme manager posts (2 for Growth and Development, 1 for Operations and Regulation)	Early June 09
New theme managers in post	July 09
Detailed proposals for themes 2 and 4 published	Late September 09
Consultation on detailed proposals	Ends in late October 09
Executive considers consultation responses and detailed proposals. Makes recommendations to Full Council	11 November 09

Action	Indicative Date
UNISON considers Executive recommendations, with opportunity to comment on these prior to Full Council on 8 December.	Between 11 November and 8 December 09.
Full Council decides on detailed proposals	8 December 09
Implementation of new structures for Growth and Development and Operations and Regulation	By end March 2010

3.10 Staff briefings will be held at appropriate times throughout the Review.

Theme 3 (DLO/Business)

3.11 CMT has considered Full Council's resolution that particular priority should be attached to this theme, and the proposed approach to completing this part of the Core Council Review is outlined in the table below.

Table 2: Indicative Approach to Review of the DLO

Activity	Indicative Deadline
Discussion with UNISON and/or Unison Change Forum on proposed approach	Early- Mid April 09
Analysis of current DLO functions and their cost.	Mid May 09
Challenge of current activities by members and identification of priority outcomes the Council want to deliver for residents and the communities of Taunton Deane, from this theme. DLO staff will be engaged in this process.	End June 09
Detailed brief agreed by members (via Overview and Scrutiny Board and Executive), outlining the current position and the priority outcomes that the Council wishes to deliver.	End July
Independent and external specialist advice commissioned to develop options against the brief agreed by members.	End July
Interim feedback on emerging options provided to Overview and Scrutiny Board and Executive. Members to provide guidance on which options to develop in more detail.	End September 09
UNISON considers steer given by Members, with opportunity to provide input prior to decision on preferred option.	October 09
Members sign off preferred option (Overview and Scrutiny Board, Executive and Full Council if necessary)	End October 09
CMT produce proposals to implement the preferred option, with timetable.	December 09

3.12 Staff briefings will take place at appropriate times throughout the review.

- 3.13 CMT believes that a robust and independent approach is required to fully explore options for this theme, applying best value principles of *challenge, compare, consult* and *compete*.
- 3.14 The Housing Asset Management function is currently grouped under theme 3. If the above approach is approved, it is proposed that the Housing Asset Management function is considered both as part of theme 3 and as part of theme 4 (Operations and Regulation) to determine where in the longer term this function best sits.

Corporate Management Team

- 3.15 It is proposed that a final review of the whole working structure, to include the role of Chief Executive and four strategic directors is undertaken in 2010, six months after the four themes are fully operational. This time will allow for any issues with the new structure to emerge and solutions to be developed in a strategic rather than piecemeal fashion.

Political Management Arrangements

- 3.16 Following discussion with Members, it is now proposed that the current political managements are reviewed when detailed proposals for the new Core Council structure are agreed. Implementation of any new political management arrangements would coincide with the new municipal year in 2010.

Links to Pioneer Somerset

- 3.17 Pioneer Somerset is a five year programme of enhanced two tier working, agreed by the six principal authorities of Somerset after the rejection of a bid for a single unitary council for the County.
- 3.18 There are a number of emerging proposals for enhanced two tier working under the umbrella of Pioneer Somerset. This proposal precedes the longer term proposals coming out of the Pioneer Somerset Programme. However, the Core Council will work in a way to shape the further development of Pioneer Somerset proposals and respond to these as they emerge.

4. Financial Implications

- 4.1 A key aim of this review remains to deliver substantial efficiency savings for 2009/2010 and beyond.
- 4.2 Theme 1 of the review has now been implemented, and will generate ongoing revenue savings of £342,000 per annum. The one-off costs of implementing theme 1 of this review were approximately £750,000. This falls well within the sum of £1m 'ring-fenced' from General Fund reserves to fund this phase of the review. The balance of approximately £250,000 will be returned to reserves, leaving a General Fund Reserve position of £1.55m.
- 4.3 Implementing the proposed alternative approach to completing the Core Council Review will have a number of financial implications. For themes 2 and 4, there will be a one-off additional cost in the range £27,030 (minimum) to £161,330 (maximum), incurred as a result of having three new theme

managers in post while the cost of the current structure remains unchanged for a period of up to 9 months. The actual one-off additional costs will depend on whether the new theme managers are recruited internally or externally.

- 4.4 While the alternative approach to themes 2 and 4 has additional one-off costs, a number of significant benefits are also envisaged, including:-
- The early creation of additional capacity, in the form of new theme managers, to develop detailed proposals for themes 2 and 4, and help the Council through a period of major structural and cultural change. Responsibility for delivering the overall programme will remain with Strategic Director – Brendan Cleere.
 - The early establishment of a ‘peer group’ of theme managers to help embed the new ways of working that are critical to the success of the new Core Council.
 - Retention of key staff and levels of service in themes 2, 3 and 4, during the proposal and implementation phase.
 - A simpler, more coherent and ‘joined up’ approach to consultation, achieved by bringing the timetable for themes 2 and 4 together. This will save time and energy for all staff, unions and Members involved in the process.
 - Ability to make connections between themes as they are working over the same timetable.
 - Implementation of all three remaining themes within the 2009/2010 financial year.
- 4.5 To cover the most costly scenario above, a supplementary estimate of £148,000 from General Fund Reserves would be required to fund one-off costs. Similarly, a sum of £13,400 would be required from the HRA Reserve. Any unused amount would be returned to reserves.
- 4.6 For the DLO (Business) theme, the main cost will arise from commissioning independent external advice to bring forward options for consideration by Members. Members are advised that a sum of £80,000 will be required to be earmarked from DLO reserves to fund this part of the Core Council Review. The approach to this element of the Core Council Review remains largely unchanged from the original proposal, but there is increased emphasis on a fundamental and independent challenge, given the priority attached to this theme by Members.
- 4.7 Although savings arising from themes 2, 3 and 4 will not be known until proposals have been published in autumn 2009, any ongoing savings could be used to replenish reserves and fund posts in the new theme structures.
- 4.8 If Members chose not to support the alternative approach due to the costs associated with it, then the original approach agreed by Full Council on 17 February 2009 would stand. The original approach has the benefit of

reduced one-off costs, but the benefits of the alternative approach would be lost and in some cases become potential risks, such as:-

- Lack of capacity to complete the Core Council Review to timetable and/or maintaining 'business as usual'.
- Loss of key staff who may seek opportunities elsewhere while the review is rolled out.

5. Consultation

- 5.1 Consultation with UNISON, staff and Members has taken place in previous stages of the Core Council Review. UNISON and staff representatives have been asked to give feedback on the consultation that has taken place to date, with any suggested improvements for later stages of the Review.
- 5.2 Formal consultation with staff and Members will take place when detailed proposals for the remaining themes of the Core Council have been published. In addition, opportunities for informal consultation on the Review will be provided, through mechanisms such as staff briefings, workshops and attendance at team meetings.

6. Overview and Scrutiny

- 6.1 The Overview and Scrutiny Board considered these proposals at its meeting on 21 April 2009. The key comments made are summarised below:-
- Members were concerned that there was a degree of uncertainty regarding the costs of the proposal, but they were reassured that the risks would be mitigated.
 - Members felt that the new proposal had more advantages for staff and hoped that this would result in fewer redundancies.
 - Members commented that it was essential to have an independent business driven review of the DLO.
 - We should determine whether any of our Pioneer partners had the skills to carry out the DLO review rather than using consultants.
 - Concern that there would not be enough in reserves to fund the same level of redundancies as Phase 1.
 - Tables of costings and timetables would be useful for future reports.
 - Should consider the option of making the Theme Managers temporary – if reserves weren't sufficient to implement the structure, then staff could return to their original roles.
 - Seconded staff could be a problem in the future – worth considering fixed term contracts.
 - Essential that Members are involved in the process and recruitment to the senior posts.

- Majority of Members felt that this approach was the way forward.

7. Conclusion

- 7.1 This report sets out two approaches to completing the Core Council Review – the original approach and a proposed alternative approach.
- 7.2 Both approaches have benefits and costs associated with them, and CMT's view is that the alternative approach, whilst introducing one-off costs, brings with it significant benefits and mitigation of significant risks to the authority.

8. Recommendation

- 8.1 The Executive is **recommended** to endorse the proposed amended approach to completing the Core Council Review, and to seek approval from Full Council.

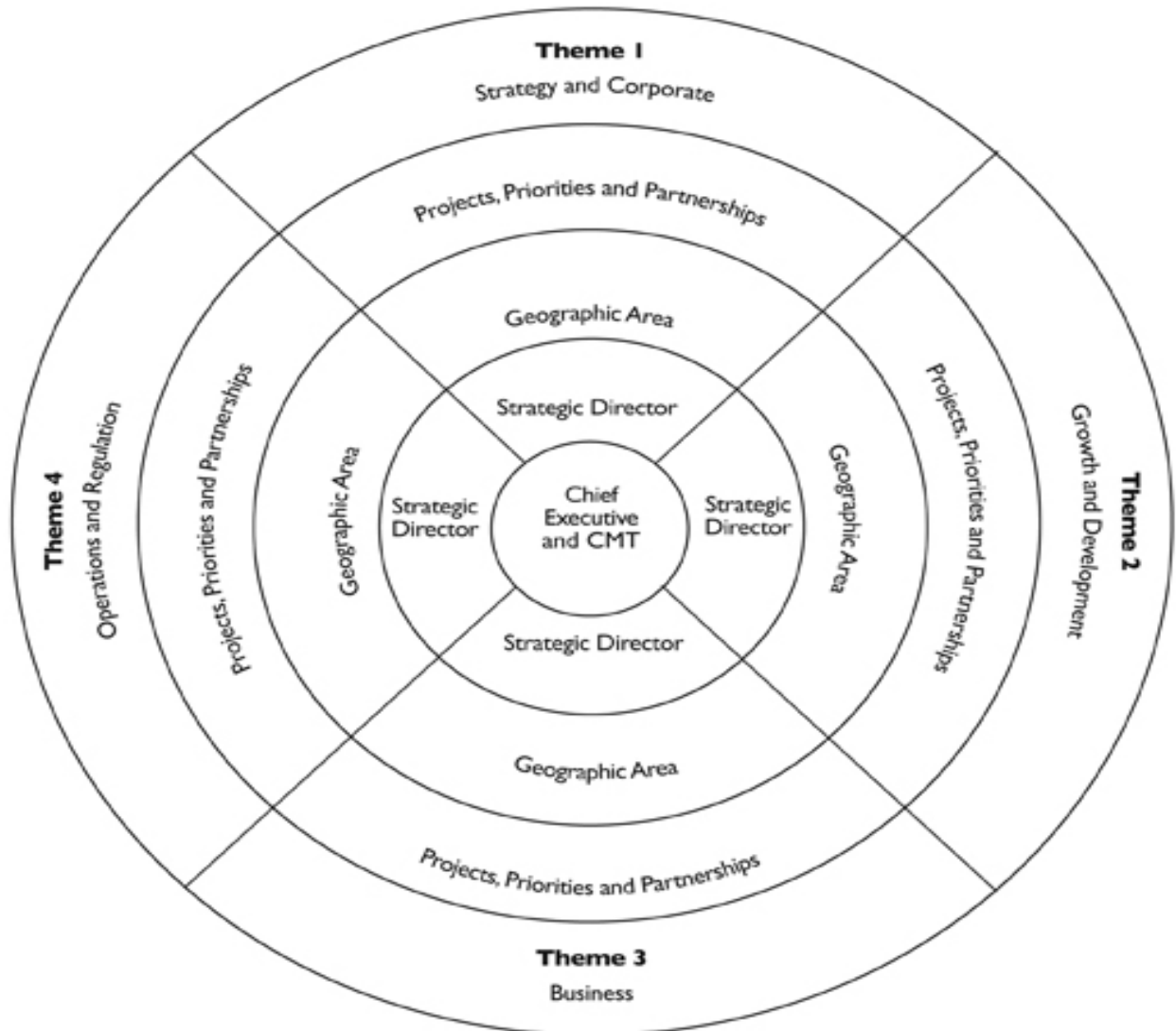
Background Papers:

Core Council Review Proposals, Executive, 4th February 2009.
Overview and Scrutiny Board Report, 21st April 2009

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Appendix A – Overview of Core Council Structure agreed by Full Council (Feb 09)



Appendix B – Overview of Current Theme Functions and Phasing Arrangements

Theme	Role and Functions	Management Arrangements	Phasing
Strategy and Corporate	<i>Strategy</i> for the place and the organisation. Functions include: performance and improvement, forward planning and the Local Development Framework, CAA, economic strategy, sports strategy, housing strategy, community strategy and Local Area Agreement, legal & democratic; research & consultation, equalities, health improvement, sustainability, climate change, PR & marketing, client and contract management, retained services, transformation, corporate performance, information management, website and strategic customer access.	3 management posts and new staffing structure	Implement in one phase , with recruitment to all new posts in March 2009.
Growth and Development	<i>Delivery</i> of growth and development in the community. Functions include, enabling affordable housing, development management/control, heritage and landscape, economic development & regeneration, Tourist Information Centre, community development and empowerment, leisure development and open spaces, community safety, community projects, Project Taunton.	Current management and staffing arrangements continue, pending full review	Proposal approved by members: June 2009. New structure implemented: October 2009.
Business (DLO)	Highways, Horticulture & Housing DLO, and Housing Asset Management pending full review.	Current management and staffing arrangements continue, pending full review.	Commissioning proposals approved by members: June 2009 Preferred option approved by members: October 2009. Implementation timetable depends on nature of preferred option.
Operations and Regulation	Bringing together all other functions not listed above, i.e.: environmental health, parking, cemeteries & crematorium, housing operations, building control.	Current management and staffing arrangements continue, pending full review	Proposal approved by members: October 2009. New structure implemented: January 2010.
CMT and full review of final structure	Chief Executive, strategic directors and support staff.	Current management and staffing arrangements continue, pending full review	Proposal approved by members: January 2010. New structure implemented: April 2010.

Appendix C – Proposed Interim Core Council Management Structure (April 2009 – March 2010)

Chief Executive
Penny James

Strategic Director
Brendan Cleere

Strategic Director
Joy Wishlade

Strategic Director
Shirlene Adam

Strategic Director
Kevin Toller

Strategy & Corporate Theme Managers
Simon Lewis (Strategy)
Richard Sealy (Performance & Client)
Tonya Meers (Legal & Democratic)

Growth & Development Theme Managers
2 FTEs (vacant)

Project Taunton Delivery Team

Operations & Regulation Theme Manager
1 FTE (vacant)

DLO (Business) Theme
Current structure remains, pending review

Strategy and Corporate Staffing Structure
(This is set out in report to Executive, 4 February 2009)

The following management posts and related staffing functions will remain, pending Core Council Review proposals:

Growth and Development – Development Manager, Leisure Development Manager, Economic Development Manager
Operations and Regulation – Chief EHO, Chief Housing Officer, Cemeteries & Crematorium Manager, Parking & Civil Contingencies Manager, Building Control Manager
DLO – Highways & Cleansing Manager, Parks Manager, Housing Property Services Manager