TAUNTON DEANE BOROUGH COUNCIL

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 12 September 2012 at 18:15.

Agenda

1 Apologies.

2 Minutes of the meeting of the Executive held on 8 August 2012 (attached).

3 Public Question Time.

4 Declaration of Interests
To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct.

5 Update on proposal to build a swimming pool at Blackbrook Pavilion Sports Centre and refurbish Station Road Pool. Joint report of the Strategy and Performance Manager and the Environmental Health Lead (attached). See also confidential appendices at item No. 13.

Reporting Officers: Scott Weetch
Simon Lewis

6 Financial and Performance Monitoring – Quarter 1 2012/2013. Joint report of the Performance Lead Officer and Financial Services Manager (attached).

Reporting Officers: Dan Webb
Paul Fitzgerald

7 Orchard Multi-storey Car Park, Taunton - Structural Survey and Lifts. Report of the Parking and Civil Contingencies Manager (attached).

Reporting Officer: John Lewis

8 The Deane House Accommodation Project. Report of the Corporate and Client Manager and Parking and Civil Contingencies Manager (attached).

Reporting Officers: John Lewis
Richard Sealy

9 Somerset Strategic Housing Partnership Tenancy Strategy. Report of the Strategy Officer (attached)

Reporting Officer: Vikki Hearn

10 Taunton Deane Troubled Families Programme 2012 to 2015. Joint Report of the Strategy Manager and the Troubled Families Project Manager (attached).

Reporting Officers: Jonny Woodthorpe
Simon Lewis

11 Review of Lease Car, Cash Alternative and Car Loan Schemes. Report of the Retained HR Manager (attached).

Reporting Officer: Martin Griffin

12 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

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

13 Confidential Appendices - Proposed Swimming Pool Provision in Taunton - See also agenda No. 5.
Paragraph 3 - Information relating to financial or business affairs.

Tonya Meers
Legal and Democratic Services Manager

14 November 2012

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under “Public Question Time” is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

If a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council’s Planning Committee and details of the “rules” which apply at these meetings can be found in the leaflet “Having Your Say on Planning Applications”. A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

Full Council, Executive, Committees and Task and Finish Review agendas, reports and minutes are available on our website: www.tauntondeane.gov.uk

Lift access to the John Meikle Room and the other Committee Rooms on the first floor of The Deane House, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available off the landing directly outside the Committee Rooms.

An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.

For further information about the meeting, please contact the Corporate Support Unit on 01823 356414 or email r.bryant@tauntondeane.gov.uk

Executive Members:-

Councillor J Warmington (Community Leadership)
Councillor J Williams - Leader of the Council (Leader of the Council)
Councillor V Stock-Williams (Portfolio Holder - Corporate Resources)
Councillor N Cavill (Portfolio Holder - Economic Development, Asset Management, Arts and Tourism)
Councillor K Hayward (Portfolio Holder - Environmental Services)
Councillor J Adkins (Portfolio Holder - Housing Services)
Councillor M Edwards (Portfolio Holder - Planning and Transportation/Communications)
Councillor C Herbert (Portfolio Holder - Sports, Parks and Leisure)

Executive – 8 August 2012

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Edwards, Hayward, Mrs Herbert, Mrs Stock-Williams and Mrs Warmington

Officers: Shirlene Adam (Strategic Director), Tim Burton (Growth and Development Manager), Roger Mitchinson (Strategy Lead), Nick Bryant (Strategy Lead), Ann Rhodes (Strategy Officer), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager and Corporate Support Lead).

Also present: Councillors Bishop, Henley, Horsley, Morrell and A Wedderkopp

(The meeting commenced at 6.15 pm.)

57. **Apology**

Councillor Cavill.

58. **Minutes**

The minutes of the meeting of the Executive held on 11 July 2012, copies of which had been circulated, were taken as read and were signed.

59. **Public Question Time**

Councillor Henley referred to the Public Conveniences at Rockwell Green, Wellington which had been closed now for almost two years. The building was becoming an eyesore and he asked what the future plans for the toilets were?

In response, Councillor Hayward reported that he would shortly be meeting with the Deane DLO Manager, Chris Hall, to discuss the future of the building. He would provide an update to Councillor Henley in due course.

60. **Declarations of Interest**

Councillor Hayward reported that he had previously declared prejudicial interests when the proposed development site at Ford Farm, Norton Fitzwarren was on the agenda. In considering the adoption of the Core Strategy he stated that if there was any discussion on this site, he would declare a further interest and leave the room.

61. **Adoption of the Taunton Deane Core Strategy**

Considered report previously circulated, concerning the proposed adoption of Taunton Deane's Core Strategy as part of the statutory development plan for the district.

The Taunton Deane Core Strategy had been prepared over a number of years and set out a long-term strategic vision and spatial policies to guide planning decisions in Taunton Deane over the period up to 2028.

Over the period February – July 2012 the Inspector appointed by The Planning Inspectorate had considered the issues that had been raised in representations and made verbally at the hearing sessions. This included the need for any 'Main Modifications', which he considered necessary in order for the plan to be considered 'sound' and recommended for adoption. In addition, a number of further consultations had been held to address the publication of new national planning policies such as the National Planning Policy Framework.

The Taunton Deane Core Strategy Inspector's Report was received on 3 July 2012. This report identified a number of main modifications which were outlined below:-

- Clarifications to Policy CP3 to define the geographical extent of town centres and the operation of the 500 m^2 threshold for impact assessment;

- Additional text following Policy CP4 to set out the process for advancing sites into the five-year housing land supply;

- Removal of a reference in Policy CP7 to an interim policy pending the introduction of a CIL charging schedule;

- Amendment to Policy SP1 relating to housing allocations in minor rural centres to allow greater flexibility;

- Numerical corrections to the housing provision figures in Policies SP4 and SS1;

- Removal of the requirement for the allocation of strategic housing sites within the identified 'broad locations' (Policies SS6 and 7) to await a Core Strategy Review in 2016 and substitution of reference to allocation in the Site Allocation and Development Policies Development Plan Document (DPD) by 2015; and

- Re-wording of Policy SS8 (Broad location for Taunton Strategic Employment) to provide a clear criterion-based context for site identification in a future DPD.

In addition, a new Policy (CP1) had been introduced as a main modification to ensure that the plan properly reflected the presumption in favour of sustainable development introduced in the National Planning Policy Framework (NPPF).

The incorporation of these changes meant that the Plan could be considered sound and capable of adoption.

Reported that the NPPF had made it clear that existing plans could only be given full weight for one year after publication. As the Core Strategy post dated the NPPF and had been considered by the Inspector as "broadly consistent" with national policy, the ability for objectors to argue that the Plan should have limited weight in decision making beyond March 2013 was therefore limited.

Noted that should Members resolve not to adopt the Plan, they needed to know that there would be no up-to-date development plan to provide the framework for decision-making in Taunton Deane beyond the Taunton Town Centre Area Action Plan. The Taunton Deane Local Plan which the Core Strategy supersedes was technically time-expired (it ran from 1991 – 2011) although a number of its policies had been saved by Secretary of State Direction.

A Core Strategy document for adoption had now been prepared. This Plan incorporated the Main Modifications listed above as well as a series of more minor amendments that did not affect the soundness of the document.

Following adoption, work would recommence on the next Development Plan Document. This Plan was likely to encompass further site allocations as well as more detailed development management policies which would further help to guide the decision-making process and help to ensure sufficient land was available for development.

There was likely to be significant further work required to support this next Plan and this would include strategic masterplanning of both Comeytrowe/Trull and Staplegrove and identification of a second strategic employment site for Taunton.

During the discussion of this item, Members thanked all those who had been involved in the preparation of the Core Strategy over the last four years.

Resolved that Full Council be recommended to formally adopt the Taunton Deane Core Strategy 2011-2028, incorporating the Inspector's recommended modifications.

62. **Report on Gypsy and Traveller Statutory Requirements and work being undertaken to address these**

Considered report previously circulated, which sought to update Members as to recent changes in legislation in relation to Gypsies and Travellers and what the Council was doing to address a variety of issues.

Taunton Deane had a statutory responsibility to:-

- Identify the requirements for Gypsy and Traveller Pitches through the life of its Planning Policy;
- Set out in the Core Strategy a criteria based policy for the location of gypsy and traveller sites;
- Allocate sites in the Site Allocations Development Plan Document;
- Identify a five year supply of land for future Gypsy and Traveller pitches; and
- Provide appropriate accommodation for those presenting as homeless.

Reported that these Statutory Requirements were being addressed as follows:-

(1) Establishing need: The 2010 Gypsy and Traveller Accommodation Assessment (GTAA) had established the need for pitches between 2010 and 2020. However, as this had been produced before the new legislation, it did not cover the period up to 2028. An addendum would therefore be required to the GTAA. A meeting was being arranged with the Somerset Planning Policy Officers from the other districts to discuss jointly commissioning this work from De Montfort University who had produced the original GTAA;

(2) Addressing Need: Plan Making – The Core Strategy set out the need identified through the GTAA in Core Policy 4 : Housing and Development. A key change in policy direction was for sites to be sustainable – economically, socially and environmentally. Allocations would be made in the Site Allocations Development Plan Document;

(3) Addressing Need: Site Allocations Development Plan Document – This document could allocate sites in any of the sustainable locations identified in the Core Strategy. Although the Government had recommended identifying locations for small family run sites, this was a contentious and complex process;

(4) Addressing Need: Establishing a five year supply – This was a new requirement for the Council. The current five year requirement was 21 pitches. Pitch requirements were very specific. There was no established building industry promoting sites and landowners did not routinely offer land for Gypsy and Traveller sites. The process to establish a five year supply would therefore be both lengthy and complicated;

(5) Addressing Need: The first call for sites. This was undertaken in September 2011 and nine potential sites were promoted. However, none of the sites were suitable due to either availability or policy constraints. Currently a second call for sites was underway with a widened scope to include stakeholders such as Somerset NHS and Wessex Water;

(6) Addressing Need: Transit Provision – It was important for Taunton Deane to provide accommodation to members of the Gypsy and Traveller community who were homeless or at risk of being homeless and also to provide alternative accommodation to those occupying unauthorised sites. Although transit provision should be met through the planning process, details of other options to provide temporary accommodation were submitted. To implement the GTAA recommendations relating to this need, a significant amount of work would be required involving landowners, local authorities and other organisations.

(7) Addressing Need: Affordable Accommodation – There was a need to provide affordable accommodation. However, the Council's affordable housing partners did not possess the specialist knowledge or resources to deliver Gypsy and Traveller sites. Further work to identify sources of such knowledge were continuing.

(8) Addressing Need: Capital Fund for the provision of Gypsy and Traveller Pitches – The Council had previously applied jointly with the Gypsy and Traveller Community for funding from the Government and a capital fund of

£150,000 had been created to be used for the purchase of land and installation of infrastructure. Again though the implementation of the GTAA would be very difficult due to problems with identifying suitable sites.

(9) Identifying and Resolving Issues: Gypsy and Traveller Forums – The forums were a vital, two-way communication tool. The Somerset Equalities Officers Group had funded the charity 'People Can' to facilitate the forums in four of the Somerset Districts, however attendance had waned. Action was currently being taken to revitalise the forums to re-establish communication with this minority group.

(10) Identifying and Resolving Issues: Gypsy and Traveller Working Group – This Group had been established to bring a number of teams in Taunton Deane together to jointly tackle issues, following the sale of the County Council owned Gypsy and Traveller sites to a private company.

Resolved that:-

(1) The report on Gypsy and Traveller Statutory Requirements be noted; and

(2) The actions proposed in the report in relation to identifying need, addressing need and engaging with the Gypsy and Travelling Community, for implementation by the Council be endorsed.

63. **Executive Forward Plan**

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

(The meeting ended at 7.17 pm.)

AGENDA ITEM NO. 5

Taunton Deane Borough Council

Executive – 12 September 2012

Update on proposal to build a swimming pool at Blackbrook Pavilion Sports Centre and refurbish Station Road Pool

Joint report of the Strategy and Performance Manager and the Environmental Health Lead
(This matter is the responsibility of Executive Councillor Catherine Herbert)

1 Executive Summary

1.1 This report updates the position from the April 2012 report to Executive which should be referenced in conjunction. As a result, consultants were appointed to undertake financial modelling and provide independent advice.

1.2 The report sets out proposals for providing a new 25 metre pool with learner pool and associated spa and café facilities located at Blackbrook Pavilion; the refurbishment of Taunton pool and; closure of St James Street pool.

1.3 An independent report has been commissioned by the Council on future swimming demands and business modelling, which tested the affordability of the proposals. This was a high level report to test the viability of the proposals and to provide the Council with independent advice. The report concludes that the income/revenue generated from the proposed changes could service between circa £3.5m to £4.5m of capital borrowing through a range of potential funding models.

1.4 Models for project procurement have been analysed. It is a preferred route that, subject to further specific advice on tax issues, Tone Leisure leads on the procurement and funding of the new pool, the capital costs funded through borrowing and the loan serviced by new projected income/revenue savings from the new pool and the proposed new associated spa and café. There will be a requirement to extend the existing term of Tone Leisure management contract and leases to enable this.

2 Background

2.1 This report sets out options and proposals to build a new public swimming pool in Taunton and refurbishment of an existing pool to provide future public swimming

provision. Background papers on the need for future provision and business modelling are referenced at the end of this report.

2.2 This report originated from the findings of the Swimming Task and Finish Review and the resultant report that was supported by Corporate Scrutiny and Executive to investigate future swimming delivery options for Taunton. A leading option to address this is to build a new pool at Blackbrook Pavilion. A summary of the issues are detailed in Appendix A.

2.3 The Swimming Task and Finish Review very quickly concluded that St James Street Pool in particular was nearing the end of its life which the Council was totally financially unprepared for and lacked any contingency or long term plan. Without taking action, Taunton would be unable to offer swimming facilities for primary schools and swimming clubs or would have to sacrifice public swimming at Station Road Pool to do so. In addition to school swimming and clubs, the extensive 'Swimskool' lesson programme would be disrupted/stopped. Furthermore, sudden closure of St James Street would cost the Council money, as currently St James Street makes a financial contribution to leisure, due to the way in which it is programmed.

2.4 The alternative would be to continue to invest increasing amounts of public money in the futile hope that St James Street Pool could be kept operational into the long term.

2.5 The issues with Station Road Pool were also of great concern in that the capital investment needed to continue to operate was significant and that further investment would also be needed to ensure that the pool would continue to be attractive to users and to prevent future decline in membership. The Task and Finish Review broke this work down into 'essential' and 'desirable' works.

2.6 A wealth of research and evidence from external agencies and the Council's leisure management operator, Tone Leisure, has been reviewed to help inform the potential solutions.

2.7 On the 11th April 2012, the Executive considered a comprehensive report which identified some principle propositions:

- Three outline procurement models for funding and delivering a new pool, circa £2.5m -£3m.
- The potential of new associated 'commercial income generating facilities'.
- The needs for capital spend on major refurbishment of Taunton Pool (Station Road) of £1.5m to £1.8m, including essential and desirable works.
- The closure of St James Street pool and disposal of the site.

2.8 To test the propositions, a budget of £20,000 was approved to fund specialist consultants' work on operational/business affordability modelling, procurement advice, leisure management contract implications for the new pool and impact on the existing pools to service borrowing. The work would involve close liaison with Tone Leisure.

3 Timetable

3.1 All parties are agreed there are pressing issues of the current pools continuing to deteriorate with the resulting adverse impact on local users and the rising costs of maintenance. Therefore there is an imperative to progress the project expediently.

The Committee timetable is currently:
Corporate Scrutiny Committee - 16th August 2012
Executive - 12th September 2012
Full Council – 2nd October 2012

3.2 The Tone Leisure Board have unanimously agreed the proposals in principle.

3.3 Detailed work can then progress on the various aspects of the project as outlined earlier, to develop a detailed Business Case including achieving the first stage of cost confidence on the overall scheme. This will take around six weeks to complete. The aim is to report back to the Executive meeting on the 5th December 2012, seeking the necessary approvals for the pool project to commence.

3.4 The new pool, spa and café could be open by early summer 2014 on the basis that Tone Leisure lead on the project procurement and funding including submission of the planning application.

4 Options for funding and building a new pool

Business Modelling

4.1 Officers have undertaken extensive research into the various options on how to fund and deliver a new pool, with agencies including the Amateur Swimming Association, Sport England and other local Authorities.

4.2 It was evident that in the absence of any substantial Council capital receipts or substantial external grants to carry out the project, the only route forward for a council-funded development was to explore prudential borrowing that could only be approved with a clear business case that demonstrated how it would be repaid.

4.3 Although there is potential that future Community Infrastructure Levy (CIL) monies could be set aside for a new pool, its status as a CIL priority and the timing of

funding has yet to be agreed by Council. Consequently this project has proceeded on the basis that prudential borrowing by the Council or the Council's contractor funding the project would be required with a clear business case.

4.4 To address this, an independent study was commissioned from FMG Consulting (attached as Appendix F), a specialist company who carry out business modelling for the leisure industry and local authorities. FMG worked closely with Tone Leisure and officers to produce their report.

4.5 The modelling was carried out using an industry standard analysis of the local population on current and future demand for swimming, health and fitness, and overall swimming provision including the impact of the proposed housing growth, likely new users and existing providers with a range of possible results on projected income.

4.6 Based on a future scenario of a new pool at Blackbrook, a refurbished Taunton Pool and St James Street Pool closed, the comprehensive FMG report identified that there is a positive potential for funding the development of the Pool.[1]

4.7 This would be achieved through: increased income and cost savings from a single managed (wet and dry) site at Blackbrook; reduced staff costs, energy and maintenance requirements; increased demand for swimming and health & fitness provision; and a new high quality spa and café. A swimming pool alone on the Blackbrook site would not generate enough revenue to service the proposed debt.

4.8 A second specialist report was commissioned by Tone Leisure to investigate the addition of a spa which has confirmed the facility should generate a net operating surplus taking into account projected demand and costs. This would help support the ongoing business case.

4.9 Work was also carried out by FMG evaluating other additional commercial activities on the Blackbrook site. However, it was accepted that this could form a second phase of development in the future, led by Tone Leisure, and therefore will not feature in any income projections within this report.

4.10 The report concluded that the total amount of projected new income/savings available for the new pool project including a spa and café by Year 3 of operation is between £357k at the lower range and £474k at the upper range. This is based on the increased net income generated through the spa and café, plus efficiency savings by operating the swimming provision with a new pool on a shared leisure site. Initial estimates indicate that a leisure funding broker would be likely to access funds at a borrowing rate in the region of 6% over a 20 year loan term. At this rate the broker could leverage between circa £3.5m and £4.5m of capital resources.

[1] The FMG report is available to Members in strict confidence, at Appendix F. The spa report is available on the same basis at Appendix G.

4.11 The report conclusions have been independently reviewed by Mike Marsh, Managing Director of MMA Ltd, acting as the leisure advisor to the Council. MMA Ltd has recently supported Thanet District Council and the local Leisure Trust, Thanet Leisure Force, to successfully develop a similar new swimming pool project in Ramsgate.

4.12 His conclusions are that the FMG report's evidence base is robust, with a thorough analysis of the market potential. It takes account of the variables in developing the financial models, ensuring that the projections for new income /savings have been deliberately conservative. This view has been supported by Tone Leisure and Council officers who endorse the report's findings.

4.13 The Council undertook local public consultation on the pool service and provision in 2005. The consultation suggests that there was a high level of satisfaction with the sports and swimming facilities, although issues that rose at that time included fees and charges; poor viewing galleries; pool sizes which need to be more flexible; cleanliness and easy access.

4.14 There was demand for a spa facility, fun element for young people and youth facilities plus a café at Blackbrook.

4.15 The current proposals address issues raised in the 2005 consultation. Once the project is considered viable and a scheme has been designed, it is proposed that residents and pool user groups including schools and clubs have the opportunity to comment on the proposed plans through a number of information days to take place in the current pool sites, to be staged jointly by the Council and Tone Leisure.

4.16 Sport England's Facilities Planning Model Strategic Assessment of Needs for Sports Halls and Swimming Pools report in 2009 indicated that future swimming pool provision to address planned housing growth and increased participation will require a new pool. This leads to the conclusion that an 8 lane new pool at Blackbrook rather than a basic six lane new pool, coupled with a refurbished Station Road pool would be a prudent low cost additional investment to meet demands of public and club/school users/swim coaching.

5 Procurement Options

Extensive work has been undertaken by the lead officers in assessing different procurement models to deliver a new pool, supported by MMA Ltd, a specialist leisure consultancy, with general technical advice provided by the Amateur Swimming Association and Sport England. This has produced four primary options and a fifth 'do nothing 'option. The options should also be cross referenced to the risk table in Appendix D. The capital costs of any associated commercial activities such as a spa/café are not included in option A (i) and (A (ii).

Option A (i)	**Council undertakes the procurement via a framework, building a 'basic' 25m pool with learner, funded by prudential borrowing using Sport England's benchmark costs (as at Appendix B)**
Explanation	A traditional route where the Council leads the procurement using a framework approach, tendered through the OJEU process, based on a 'Single Stage Design and Build' package. Preliminary discussions have taken place with Southwest One over their potential involvement in delivering the project, however they have acknowledged that they do not have the in-house specialist pool design/systems experience and this element would need to be sub-contracted to a pool specialist company producing a likely increase in fee costs and possible longer contract build duration.
Advantages	The Council retains control of the overall process
Disadvantages	Unfortunately there are a number of high profile examples of new Council pool projects which have been subject to late delivery, substantial cost overruns and/or subsequent building defects, generating loss of income for either the Council or compensation claims from the leisure management contractor. This is described as Optimism Bias. HM Treasury recently reviewed optimism bias to consider the extent to which the public sector looked at developments too optimistically when procuring contracts in terms of cost and time. Different types of construction projects had different weightings. For non standard buildings the starting point is plus +39% for the extended duration of the project and +51% for the increased capital expenditure on the project.
Expected Build timescale	104 – 130 weeks from the decision to procure.
Indicative Costs	A basic 6 lane pool construction with learner pool including professional fees and, external works and contingencies = £4,690,600 (see appendix B) A basic 8 lane pool construction with learner pool including professional fees and, external works and contingencies = £5,457,200
Future Maintenance	As a new building with an expected life of 20-30 years, the ongoing liability of the limited annual maintenance costs of plant,

Costs and Liability	machinery and interior and liability would be transferred to the leisure operator with the liability for the roof, walls and services retained by the Council *
Ownership of assets	Council
Impact on leisure contract	Any new net income generated by a new basic pool would be used to offset the contractor's management fee to produce savings for the Council to meet the cost of the prudential borrowing payments. Without the addition of commercial facilities the 'pool only' net income would be minimal *
Risks	The council will need to manage and mitigate for a number of risks which results in the level of procurement/management costs described above. See also appendix D for risk register.

* subject to the renegotiation of the existing leisure contract

Option A (ii)	**A Council managed turn-key contract via a pool specialist to build a 'basic' 25m pool with learner, funded by Council prudential borrowing**
Explanation	A potential model identified by the Amateur Swimming Association which would see the Council procuring a specialist pool development company who would provide a 'turnkey' solution. This would include developing the specification, undertaking the architect and clerk of works roles, overseeing the procurement as a Design and Build package and then project managing and overseeing the contractor deliver the pool.
Advantages	The completed pool would be perfectly functional and comply with European standards but would be a basic facility and costs would be saved from reducing the traditional procurement and consultancy costs by using a standard design model
Disadvantages	Such companies are pool specialists but have less experience in designing and developing commercial facilities such as the proposed spa and café. These aspects are necessary as the business case does not support a pool on its own.
Expected Build timescale	Based on Sport England, MMA Ltd & specialists modelling: 62-78 weeks from the decision to procure
Indicative Costs	A basic 6 lane pool construction plus learner pool, £2,950,000 + 2.5% council procurement/ client management/fees costs of £73,750. Total: £3,023,750 (costs from Jim Gordon Associates) A basic 8 lane pool construction plus learner pool, £3,100,000 + 2.5% council procurement/ client management costs of £77,500. Total: £3,177,500
Future Maintenance Costs	As a new building with an expected life of 20-30 years, the limited annual maintenance costs of plant, machinery and interior and liability could be transferred to the leisure operator

	with the liability for the roof, walls and services retained by the Council *
Ownership of assets	Council
Impact on leisure contract	Any new net income generated by a new basic pool would be used to offset the leisure contractor's management fee to produce savings for Council to meet its cost of the prudential borrowing payments. Without additional commercial facilities the 'pool only' income would be minimal *
Risks	The benefits of this option are that cost and time overrun risks are transferred to the company.

Option A (ii) variant	**A Council managed turn-key contract via a pool specialist to build a 'basic' 25m pool with learner, high spec spa and café funded by Council prudential borrowing**
Explanation	A new basic pool as set out in A (ii) but with the additional costs of specialist designs and construction of a spa and café funded by Council prudential borrowing
Advantages	Transfer of the primary risk for the delivery of the project to specialists.
Disadvantages	Potential of contract complications with two specialists working on the project
Expected Build timescale	Based on Sport England, MMA Ltd & specialists modelling: 78-90 weeks from the decision to procure
Indicative Costs	A basic 6 lane pool plus learner construction, £2,950,000, spa & café £850,000 (median cost) + 2.5% council procurement/ client management/ design fees /costs of £95,000. Total: £3,895,000 (costs from Jim Gordon Associates) A basic 8 lane pool plus learner construction, £3,100,000, spa & café £850,000 (median cost) + 2.5% council procurement/ client management/design fees/ costs of £98,750. Total: £4,048,750
Future Maintenance Costs	As (option A(i) & A(ii)), but the commercial facilities would require a higher level of maintenance and upgrade on a five year cycle to stimulate more income
Ownership of assets	Council
Impact on leisure contract	The new net additional income particularly from the commercial activities of a spa and café would require a continuing reduction in the leisure contractor's management fee*
Risks	The benefits of this option are that cost and time overrun risks are transferred to the specialist pool company. However any build contract time/construction failures unless legally water tight could result in loss of income claims from the leisure contractor

* subject to the renegotiation of the existing leisure contract

Option B	**Tone Leisure procures the project via a specialist leisure funding broker to facilitate the funding and procuring the design and build of a new 25m pool, learner pool, spa and café**
Explanation	Tone Leisure has been exploring options for funding, procurement, project management of the new build/fitting out, and has identified the potential of using a leisure funding broker. There are a small number of UK companies (leisure funding brokers) who specialise in facility development for Leisure Trusts and Local Authorities. The model is based on the leisure funding broker obtaining the project funding via city financial institutions and procuring the design and build through a specialist design company and a building contractor. This would be backed by a supporting robust business case which confirms any borrowing can be supported by increased income/reduced expenditure The leisure funding broker could procure the building works and demonstrate best value by seeking tenders from a number of contractors. Tone Leisure would borrow the money through a loan over a 20 year period, (plus a 5-10 year loan for equipment), facilitated by the leisure funding broker. This is incorporated into a single monthly payment for Tone Leisure, made affordable by the increased revenue/savings generated by the new facilities.
Advantages	Over a hundred leisure projects have been successfully delivered through this model for local authorities and leisure trusts. Cost certainty can be achieved.
Disadvantages	The funding model has a potentially higher rate of borrowing, offset by lower construction costs
Expected Build timescale	66 weeks from the decision to procure (including the build and fit out of the spa and café).
Indicative Costs	A basic 6 lane pool and learner pool, construction,£2,950,000, spa and café £850,000 (median cost) Total: £3,800,000 A basic 8 lane pool and learner pool, construction, £3,200,000, spa and café £850,000 (median cost) Total: £4,050,000
Future Maintenance	As a new building with an expected life of 20-30 years, the ongoing liability of the limited annual maintenance costs of plant,

Costs	machinery and interior and liability would be the responsibility of the leisure operator with the liability for the roof ,walls and services retained by the Council
Ownership of assets	Although Tone Leisure would be making payments to service the borrowing the new building assets would still be owned by the council.
Impact on leisure contract	Tone Leisure would require a new lease, co terminus with the length of borrowing and an extension of the current management contract by 3 to 5 years, subject to revised heads of terms
Risks	The procurement risk transfers from the Council to the Trust, the risk of the build and cost and project time overruns would be transferred to the specialist broker and build contractor. The Council would be required to act as Guarantor for the loan, which means that the Council retains financial risk if Tone Leisure is not resilient to any downside on business case projections. This would provide a Contingent Liability that would need to be recognised through the decision process There could also be some impact on the subsidy to Tone written in to the performance aspect of the project, and potential future asset transfer provisions would need to be incorporated into the lease.

Option C	'Do nothing and continue providing the status quo
Explanation	This option sets out continuing with the existing pool provision in aging pool buildings with limited annual maintenance of the structures, fabric, plant and M & E.
Advantages	No requirement for prudential borrowing, the council can focus on other priorities
Disadvantages	Ever increasing failure of the aging pool buildings, plant and M & E, leading to unplanned expenditure, more unplanned short term pool closures and likely terminal failure of St James Pool. (already planned to close in 2013/14) This will provoke increasing wide spread public dissatisfaction over the poor facility offer, resulting in decreasing income for the leisure contractor , leading to claims of loss of income.
Expected Build timescale	N/a
Indicative Costs/ Future Maintenance	Planned Spend for 2012/13 .These figures do not include any reactive work: St James Street £34,000 Station Road Pool £95,000

Costs	Spend Identified in the Condition Survey 2013 – 2015: St James Street £300,000 –(NB: This figure is prepared in the context of the limited life span of the facility. If pool provision was to be kept at this site this figure would be much higher and would likely require a complete re-build) Station Road Pool £660,250 Total £1,089,250 (Further specialist condition surveys would be required at a cost of £30,000-£50,000 to ascertain the life expectancy of the pool plant/ to inform a more accurate short term planned maintenance programme) Transfer of the maintenance liability for a fully refurbished Station Road pool to Tone Leisure could only be achieved if new plant and M.E were installed with a guaranteed life of 15 to 20 years and the fabric of the building overhauled. Overall indicative cost £900,000 to £1.2m
Ownership of assets	Council
Impact on leisure contract	Substantial contractual claims for loss of income and a threat to the financial viability of the leisure operator, Tone Leisure

Tone Leisure wishes to be formally considered to lead on this project, subject to negotiations with the Council on providing surety for the Tone Leisure Board and lender through the provision of an extended length of contract and building lease. These issues are explored further in this report.

6 Financial Implications

6.1 As part of the development of the Business Case to support the proposed investment in swimming provision in the Borough, one of the key financial objectives will be the affordability.

6.2 The analysis undertaken by FMG has identified the potential for reducing operating costs plus generating additional income within the scope of proposed development at the Blackbrook site. A key element of this is the provision of new spa and café facilities that would generate a projected net return for Tone Leisure.

6.3 Based on the indicative costs as set out in the options section:

Options		Range £
A (i)	Council procured basic 6 lane pool or 8 lane pool plus learner	4,690,600 – 5,457,200
A(ii)	Council turnkey basic 6 lane pool or 8 lane pool plus learner and new spa facility	3,023,750 – 3,177,500
Aii) variant	Council turnkey basic 6 lane pool or 8 lane pool plus learner, spa and café	3,895,000 to 4,048,750
B	Tone Leisure procured 6 lane pool or 8 lane pool plus learner with spa and café	3,800,000 – 4,050,000

6.4 Using the preliminary work by a pool specialist, Jim Gordon Associates, a new six lane basic pool project adjoining Blackbrook Pavilion, would have an associated wet change, spectator seating, small café, new entrance, including £235,000 for external works to provide revised road access and additional car parking[2]

6.5 An alternative of an eight lane pool would help meet future demand forecasts and provide the required pool programme mix of public pool time and schools access, coaching etc so increasing income, and for an additional 5% cost provides an extra 33% swimming capacity as well as additional flexibility in programming for casual use and to cater for planned housing and population growth.

6.6 The potential to incorporate green infrastructure using the "Passiv" principles, has not been included at this stage, acknowledging that ongoing savings could be generated by its inclusion to meet the installation costs.

6.7 The spa would be a high quality facility offering beauty treatments and retailed products alongside an integrated hydro pool, steam, sauna, salt grotto, power showers and foot spas, treatment rooms and reception /relaxation area. This also links well to the health and wellbeing agenda.

6.8 For cost comparison purposes a similar scheme in Ramsgate pool and spa project is currently being built for £3,970,000.

6.9 The financial modelling received by the Council indicates that the proposed project should be affordable and can be delivered, subject to a detailed design brief – which can be drawn up by pool Architects and fully costed by a Quantity Surveyor – for the pool, spa and café being agreed by the Council and Tone Leisure.

6.10 FMG have reported a projected net reduction in operating costs for Tone Leisure, based on efficiency savings plus additional net income from the spa, rising to a range of £357k to £474k by Year 3 of operation. Assuming these are delivered, the savings provide an annual source of funds that could be used to service the cost of

[2] The car parking element could be higher and is dependent on the amount of additional parking spaces which the new facility demands.

capital i.e. to repay the capital borrowing costs needed for this investment.

6.11 There are two most likely options for raising the loan finance for this investment:

a) A specialist leisure broker raises the capital for Tone Leisure and procures the asset on behalf of the Trust who is then liable to meet the loan repayments.

b) The Council raises the capital and procures the asset, which Tone Leisure then manage with other existing leisure facilities

Funding and Cost of Capital

a) Tone Leisure borrowing

6.12 For Tone Leisure to raise finance from a specialist leisure funding broker, the total amount of loan capital that could be raised is likely to be closely linked to the net savings driven by this investment. Initial estimates suggest that a borrowing facility in the region of £3.5m (taking the lower net savings figure in FMG's report) on an 'invest to save' basis. If you take the more optimistic net savings figure the borrowing facility could be higher.

6.13 Using the indicative median total cost of the project of £3,925,000, the estimated cost of borrowing for Tone Leisure with an indicative borrowing rate of 6% over 20 years, is summarised as follows:

Amount Borrowed	£3.95m
Interest Rate	6%
Annual Repayment (principal + interest)	£341,773
Total Repayment (principal + interest)	£6,835,456

6.14 As noted above, it is likely that Tone would borrow the full cost over a 20-Year period, with a shorter loan being required for equipment. This would mean loan repayment commitments would be higher in the earlier years, but may need to be replaced with new borrowing when the shorter life equipment is replaced. The above cost is therefore a reasonable estimate of annual debt repayment costs during the 20-Year period.

6.15 When compared to the estimated net cost reduction range of £357k to £474k, this indicates that Tone Leisure should be able to cover the cost of servicing the loan from the annual net cost reductions. As stated above, the Council would need to act as a guarantor for a loan taken about by Tone Leisure, thereby retaining financial risk if Tone Leisure defaults. Such a guarantee would need to be approved by Full Council, and would be reported as a Contingent Liability in the Councils Statement of Accounts for the duration of the loan.

6.16 The new asset which will built adjoining the existing Blackbrook Pavilion will be an

asset of the Council not Tone Leisure and will be effectively leased to the Trust. There will some efficiency savings be delivered in the Council's own maintenance budget, it is envisaged this will be used to offset the Council's costs for improvements to the Station Road pool.

b) TDBC borrowing

6.17 Should the Council wish fund and own the built asset, there is an option for the Council to borrow the funds. The Council is likely to be able to borrow more cheaply than Tone Leisure.

6.18 Using the indicative total cost of the project of £3,925,000, the estimated cost of borrowing with an indicative borrowing rate of 3% over 20 years, is summarised as follows:

Amount Borrowed	£3.925m
Interest rate	3%
Annual Repayment (principal + interest)	£264,074
Total Repayment (principal + interest)	£5,281,482

6.19 The table above gives an indicative cost of borrowing. Members should note that the figures shown in the table relate to the treasury cash flows resulting from possible loan transactions. The impact on the annual budget may be different to this, as the accounting for loan repayment would be in line with the approved policy for Minimum Revenue Provision (MRP). MRP would be calculated to account for repayment of borrowing over the life of the asset, which could be different to the term of any loan(s) taken. The financial implications will be fully modelled and reported through the full business case should this project proceed to submission for approval by Members.

6.20 To fund the cost of servicing the capital borrowing, the Council would need to review its annual subsidy to Tone Leisure. Tone would retain the savings from reduced operating costs of the new pool etc; therefore the Council could reduce its subsidy and use this funding instead to repay the Council's cost of borrowing for this investment.

6.21 The full business case will need to include an estimate of the impact of this investment on the annual amount currently included in the Council's annual maintenance budget for leisure assets. By have modern, efficient buildings and services it is feasible that maintenance costs will reduce, which could be used towards capital financing.

c) Community Infrastructure Levy (CIL)

6.22 Although this hasn't been considered through the external advice received currently by the Council, the provision of a new pool is on the current proposed list

of priorities – subject to consultation – for CIL during the first 5 years infrastructure development needs (2013/14 to 2017/18). Further work is therefore needed to explore the potential use of CIL as a part-funding stream for this project. This will need to be incorporated in the full business case to be brought forward (if this report proposal is supported) for Members consideration later this year. This will need to be ranked against other CIL priorities as part of the final decision process.

Refurbish Taunton Pool

6.23 The delivery of sufficient public swimming pool capacity that is future proofed requires the combination of delivering of a new pool, the refurbishment of Taunton Pool and the closure of St James Street Pool. Further work on the programming of pool time is required to address the cost/user benefits of the respective new 6 or 8 lane pools.

6.24 Proposed refurbishment works at Taunton Pool are estimated at £1,200,000.

Funding and Cost of Capital

6.25 Funding of these costs would potentially come from one or a combination of several sources, including:

- The council's leisure maintenance reserve
- External funding
- Borrowing
- Capital Receipt from disposal of St James Street Pool
- Community Infrastructure Levy

6.26 The funding proposal will be finalised as part of the development of the Full Business Case, with the intention of minimising the need to undertake capital borrowing.

a) Leisure Maintenance Reserve

6.27 It is proposed to ring-fence £500,000 from the Council's Leisure Assets Maintenance Reserve to provide revenue resources to part-fund these works and associated risk fees and specialist fees, thus providing funding for around one third of the costs. There is a risk of losing £125,000 from the reserve if the project does not go ahead as costs referenced in 14.3 below are only recovered if the project proceeds.

b) External Funding

6.30 Sport England have just released a new £45million Improvement Fund' The first round of funding is for artificial grass pitches and swimming pool changing rooms and grants of up to £500,000 can be applied for. Applications are due by the end of September 2012. An application needs to be submitted for Station Road Pool.

c) Capital Receipt

6.31 On the basis that the development of a new pool at the Blackbrook site goes ahead, it is proposed to dispose of the St James Pool site. This is planned to go ahead once the new pool at Blackbrook is operational, to ensure that current provision continues in the interim period. The Council could utilise other available capital receipts in the interim, to be 'replaced' by the new receipt when St James Pool is disposed, or the Council could borrow initially (akin to a 'bridging loan') and then 'set aside' the new capital receipt when received to repay that interim borrowing.

6.32 The site of the pool is included in the wider Coal Orchard regeneration area. Indicative plans have been prepared for this and preliminary appraisals undertaken. At present and in line with the council's adopted car parking strategy , those more comprehensive plans are not being actively pursued but they may be brought forward, either in whole or in part, within the life of the 'pool project'. Most of the land within the Coal Orchard regeneration area is owned by the council and if the proceeds from the development of the wider area were to be earmarked largely or wholly to the 'pool project' then this could affect the potential level of contribution quite significantly. On this basis, a range of contributions from £250,000 to £1m or more might be appropriate; although this has no regard to the potential impact of the loss of car parking revenue from the resultant closure or reduction in size of the existing public car park.

6.33 More work will be required to establish what is the best overall option for this area in terms of value generation; revenue retention and wider regeneration objectives. One option already looked at is to retain car parking on the site of the pool and to generate value from other parts of the Coal Orchard site better related to existing commercial/riverside development.

6.34 Valuation of the site would be taken at the time of disposal, and could vary significantly depending on the new use of the site. For initial <u>indicative purposes only</u>, we are using an estimate of £250,000 for financial modelling.

6.35 In order to finance works required at Taunton Pool, the capital receipt from St James Street, plus the balance of £350,000 put aside from the leisure maintenance reserve (£500,000 less up to £150,000), plus the potential for finance from the new Sport England fund would be enough to cover the essential works at Taunton Pool once Blackbrook has been built. By that time, the reserve will also have increased by two times £277,000 and therefore a realistic programme of maintenance, repair and enhancement can be achieved. By that stage, the liability of St James Street will also have been removed.

Leisure Asset Maintenance and Other Project Costs

6.36 The leisure asset maintenance reserve currently has an accrued balance of £763,500 (as at 31 March 2012) which, as per the funding agreement between Tone Leisure and TDBC, provides funding for maintenance of all six Leisure sites. However a significant proportion will be required for Taunton Pool, Blackbrook Sports Centre and Wellington Sports Centre pool. There is also an annual maintenance budget of £277,790 which was set up initially from the ongoing savings from the original leisure contract arrangements. Any unspent balance on the budget is transferred to the reserve each financial year.

6.37 As referred in paragraph 6.29 above, it is proposed to ring-fence a sum of £500,000 from this reserve to contribute towards the costs of the proposed works at Taunton Pool.

6.38 Whilst there will be additional costs to acquire and enhance the pools assets, it is feasible that ongoing costs of maintaining the assets, once the works in the various options are completed, will be less than current – particularly in the earlier years of new/enhanced asset lives. Such savings, in addition to reduced operating costs could be applied to partially offset the budgetary impact of capital borrowing costs. This will need to be modelled and considered as part of the full business case for budgeting purposes. It should be noted that although these costs could be reduced, maintenance costs on the new build/improved assets will still exist.

6.39 In the interim period of up to two years of the new pool being built, there are increasing risks of the current M & E plant/structures in the Taunton and St James Street pools suffering breakdowns, resulting in temporary closures and a call on the maintenance reserves to fund repairs and potential loss of income for Tone Leisure.

6.40 Dependent on the procurement route, other costs to be funded will include officer resource and specialist external advice on borrowing, VAT implications, and leisure contract negotiations. From the £500,000 described above there will need to be taken £125,000 (the breakdown of this is outlined in detail at paragraph 14.3) and an additional £25,000 for project management (representing half of the £50,000 total costs required and shared with Tone).

VAT Implications

6.41 VAT is a factor that will need to be explored to provide certainty of the financial implications for the full business case.

6.42 It is recommended that specialist VAT advice is procured to provide this detailed advice on a scheme of this size. However initial thoughts on this are that if procurement option C is the chosen route, given that the capital expenditure will be going through the books of Tone Leisure, and with TDBC not receiving any VAT-exempt income as a result of the project, then there will be no direct impact on the council's partial exemption position. Similarly, with the proposed works to Taunton

Pool, it is anticipated that as TDBC does not receive income from the Pool there will again be no direct impact.

6.43 However, in order to provide certainty this needs to be confirmed via the external VAT advisor mentioned above.

7 Risk management

Risk register

7.1 A full list of risks and issues will be drawn up as part of the overall business plan. There is currently a risk register for the known and expected risks for this stage of the project and for potential future risks and issues. A Risk Register is outlined at Appendix D.

Summary of key Issues

7.2 Preferred Procurement Route

Three of the four procurement options require the Council to be the lead on the project. It has already been identified that local authorities are no longer appropriately resourced to manage such projects, and without careful management there are major risks of cost and time over runs. This Council already has a number of key priorities to be delivered requiring officer resource and corporate support. Southwest One have shown their willingness to support this project however they have admitted that they would need to subcontract specialist consultants and contractors to progress this work and this has the potential to increase costs significantly and introduce additional delays. The benefit of using Southwest One is that although it would be expensive, they would provide cost assurance and therefore assume the risk of the project going over-budget.

7.3 The third option of the Council's Leisure Management partner, Tone Leisure leading of both the procurement and funding of the project would see the primary risks being transferred to the Trust, but with the Council having an ongoing financial risk over up to 20 years in the form of a Contingent Liability should members approve the Council acting as a Guarantor for borrowing undertaken by Tone Leisure in relation to this project.

7.4 There are also a number of other benefits for the Council. Tone Leisure requires opportunities for re-investment .The pool project will strengthen the Trust's future viability with increased cash flow from the new facilities and a strong incentive to see the project delivered within budget and on time. It also removes the ongoing operational risks to Tone and the Council of deteriorating pools closing for extended periods requiring compensation to Tone for loss of pool income.

7.5 Tone Leisure would borrow the money through a loan for a 20 year period, facilitated by a leisure funding broker. The loan is incorporated into a single monthly payment for Tone Leisure, made affordable by the increased revenue generated by the new facilities. The Council would be required to act as Guarantor for the loan.

7.6 The existing leases between the Council and Tone Leisure on the leisure sites have only 7 years remaining. The lender will require surety from Tone Leisure that the lease term for the site is revised to 20 years to provide a concurrent term with the loan period to ensure both the loan and lease terms are in alignment .It is proposed that the Blackbrook lease is amended to reflect the additional building footprint and the remaining leisure leases are also aligned and revised to a 20 year term.

7.7 The leisure management agreement term has 7 years remaining. Tone Leisure require additional security in the form of a contract extension, in recognition of the risk transfer of the pool project to Tone Leisure and the need for the Trust to manage the restructuring of the service to embrace the proposed new leisure offer and ensure the projections for the new income streams are fully realised.

7.8 This requirement is fully recognised and accepted in principle by officers. Negotiations would need to take place between the Council and Tone Leisure to agree an extension period of a minimum of three to five years maximum.

7.9 This can be achieved without re-tendering the contract as Leisure Services are defined as Part B services under the EU public procurement rules and their UK equivalent, the Public Contracts Regulations 2006 (the “Regulations”).This provides for a greater degree of flexibility in how Local Authorities can procure and manage such services.

7.10 It should be noted that the legislation for Part B services are likely to change in April 2013, removing the flexibility and requiring Authorities to undertake full OJEU contract tendering process for all elements of leisure services contracts. Therefore any contract extension arrangements will need formal Council approval before the new legislative changes come into force. However, the current activities will protect and invest in the property portfolio and ensure that the Council is acting in a prudent manner with regard to acting as a guarantor so the extension of the lease to cover the loan period would be a prudent investment.

7.11 In future years it is suggested that any net trading surpluses generated by the new pool scheme, following deduction of Tone Leisure support costs, could either be:
(i) used to strengthen the Trust’s reserves and then be reinvested into leisure facilities managed within the Council and Tone Leisure’s agreement as agreed by both parties

(ii) used to reduce the council's borrowing or use of reserves to refurbish Station Road Pool. The downside of this option is that the incentive for Tone Leisure to ensure continued income growth is weakened.

7.12 Professional VAT advice needs to be sought to establish whether or not the Council is likely to incur irrecoverable VAT costs, and to seek a tax efficient way of this project moving forward to ensure that the 5% partial exemption limit is not exceeded. This expertise is not available in house, based on preliminary discussions with the Financial Services Manager.

7.13 If the project remains internal to Taunton Deane, there is a specific lack of resource and expertise to carry out this project.

7.14 Tone Leisure will need to comply with any EU procurement regulations if and when they tender for this work to be done so it is important to ensure this is the case as it could affect the Council in its role as guarantor.

8 Legal

8.1 The council is not statutorily obliged to provide cultural services and facilities except in relation to the Children's Act, which identifies that district councils have a responsibility to provide leisure activities for children and young people.

8.2 To facilitate the loan arrangement, the leisure funding broker acting on behalf of the lender, requires the council to act as guarantor. This is a standard requirement which other local authority clients which leisure funding brokers have supported elsewhere. Legally there is no express statutory power enabling local authorities to act as guarantors of loans.

8.3 However the Local Government Act 2000 section 2 gives local authorities the power to do anything which they consider is likely to achieve the promotion or improvement of the economic, social or environmental well-being of the whole or any part their areas or of all or any persons resident or present in their areas. The proposed project will positively bring improved social and well being to residents.

8.4 The greatest risk of the Council acting as Guarantor is a worst case scenario whereby TL either defaults on the loan repayments or cease trading and the outstanding loan obligation transfers to the Council. The positive position is that the investment will take place in one of Council's own assets. The options would then be the Council taking over trading on the building or procure a new contractor/Trust to operate the facility and formally take on the obligations of the loan.

8.5 With the authority acting as guarantor to the loan, to be prudent the Council should ring-fence the capital cost of the build to its current borrowing headroom until such time as the contingent liability is no longer required. The Treasury Management Strategy will be adjusted to reflect the revised position.

8.6 The Council has 7 years remaining on the 15 year agreement with Tone Leisure for the management of leisure facilities, which commenced in August 2004. There are also co-terminus leases for the three pool sites. As referenced earlier in the report it is proposed that the term for all the leases is revised to 20 years and the management contract is extended for a further three to five years. Detailed discussions and negotiations will be required between the two parties to address these proposals, also addressing issues such as a potential loss of income during the building works, staff reductions and VAT implications.

9 Links to Corporate Aims

9.1 The project aligns to the Corporate aims of regeneration and sustainable community development.

9.2 The council has a Medium Term Financial Plan which requires substantial reductions year on year in revenue spend and an Asset Management Plan to proactively maximise the Council's land and property holdings. The proposals will free up the current St James Street site, and any options being considered for disposal or future use will need to take account of the council's wider strategic aims.

10 Environmental and Community Safety Implications

10.1 The Sport England guide on Building Affordable Swimming Pools included additional indicative costs for options including rainwater harvesting (£30-£40,000); Photovoltaics (£10-£40,000); Solar Panels (£14-£45,000); Air Source Heat Pumps (£10-£50,000) and Biomass (£40-£100,000). Once a suitable business case has been produced, Councillors will need to determine whether the cost/benefit of these should warrant inclusion

10.2 As part of the development of the business case, we have consulted with Gale and Snowden Architects who have worked with Exeter City Council on Passivhaus and are currently working on a Passivhaus swimming pool design for them. There is potential that funding could be brought in to help meet the costs of green infrastructure for the pool and incorporate Passiv principles. However this would increase costs to both the design and build phases of the project but should lead to ongoing operational savings. As an indicative view, Gale and Snowden stated that building to Passivhaus standards would increase build cost by around 10% but that the business case at Exeter showed that the pay-back period from reduced energy bills and plant maintenance provided a strong business case to build to this standard.

10.3 Public swimming provides another activity in a part of town that has never had provision. This could impact positively on antisocial behaviour. There are likely to

be some short-term issues during the build phase and consideration should be given to ensuring the overall safety of the site, its customers and visitors.

11 Equalities

11.1 The new building and refurbishment proposals will fully address access issues and the intended programming of activities will ensure balanced provision. However, a full Equalities Impact Assessment will need to be drawn up as part of the overall business case. An initial Equalities Impact Assessment is outlined at Appendix E.

12 Partnership Implications

12.1 The progression of this project will require close continued partnership working with Tone Leisure as well as support from Southwest One (Procurement, Finance and Asset Management) and Project Taunton (liaison on disposal of St James Street Pool). Further consultation with swimming clubs, schools and the local community would also be necessary.

13 Conclusion

13.1 The conclusion is that a, 'do nothing' policy, is not tenable. The expected life of the St James Street Pool only extends to 2013, and the Taunton Pool faces continuing serious deterioration of its fabric and plant. This presents the prospect of no swimming pool provision for the majority of Taunton Deane residents, substantial compensation claims from Tone Leisure for loss of income and possible impact on the Trust's future viability.

13.2 A minimalist approach adopted for the maintenance of the pool buildings and plant as has been adopted over recent years is not a viable option going forward. The risks associated with not moving the leisure contract services and business forward is greater than the lesser risks of investing in a new development, particularly as there will be no capital cost burden for the Council.

13.3 There is a compelling opportunity of the Council working in partnership with Tone Leisure to achieve a successful outcome while minimising the risks for both parties. The Tone Group Board and Tone Taunton Deane Board in the last two weeks have been consulted on the principles and given unanimous support for Tone Leisure to potentially become the lead on the project. They are very keen to see this project become a reality and recognise that Tone have the drive and determination to make it happen with the genuine belief that a new pool would add value to the leisure offering in Taunton.

14 Next steps

14.1 The high level business case proves the affordability of a swimming pool, café and spa. The next stage is a detailed (full) business case, involving architects, quantity surveyors and construction experts to gain cost confidence, prior to full cost certainty. This work can take place expediently with members updated in December 2012 on the full business case and modelling with final recommendations on future swimming pool provision for approval.

14.2 This will provide the initial cost confidence, usually within a 10% margin of the final cost and then cost certainty works. The table below sets out an indicative timescale and likely fees, including costs for the leisure funding broker.

14.3 The fees are risk costs that have to be met as irrecoverable costs if the project does not proceed. This will be shared between the Council (with a potential exposure of £68,000 – half of £136,000 outlined below) and Leisure Contractor (Tone Leisure). If the project proceeds the fees are built into the overall project costs. The council will also need to fund its own one off costs of external VAT ,leisure, legal, plant condition surveys and the Passivhaus work of an estimated £57,000, plus half of project management costs (estimated at £50,000 overall) so £25,000, giving a total of £150,000 of exposure for the Council

Organisation	Cost Confidence		Cost Certainty	
	Fees	**Timescale**	**Fees**	**Timescale**
Architects	£5,000	4 – 6 Weeks	£35,000	8 - 12 weeks*
Construction	£0	4 weeks	£71,000	16 weeks*
QS	£0	n/a	£20,000	n/a
Leisure Funding Broker	£0	n/a	£10,000	n/a
Total	**£5,000**	**-**	**£136,000**	**-**

* To run co terminus

15 Corporate scrutiny

15.1 Corporate scrutiny observations were as follows (August 2012):
In making our recommendations to the Executive, Corporate Scrutiny Committee wish to draw their attention that it has not had an opportunity to study the FMG report referred to at the bottom of Page 4 (4.10) and thus are unable to comment

with assurance on either the robustness of the business plan or on the "needs" arguments for the new pool at Blackbrook.[3]

The recommendations (1 to 6) are otherwise acceptable but with 2 further provisos.

The knowledge that Corporate Scrutiny will have the opportunity to scrutinise further the "Cost Certainty" exercise for the Plan (set out in section 14. Next Steps) and the expenditure of the £136,000 and

That the £125,000 referred to in Recommendations 3 and 4 and the whole of the £500,000 allocated from the Leisure Maintenance Reserve - if the £125,000 isn't spent - should be earmarked for the refurbishment programme of the Taunton Pool rather than the new build at Blackbrook. It is appreciated that it is left to the discretion of the officers but members wishes should be recorded on this matter."

16 Recommendations

16.1 To address the Council's future swimming pool provision it is recommended:

1. To support the development of Option B above, in particular;
   a) New 25m pool with learner pool, spa and café at Blackbrook Pavilion
   b) The refurbishment of Taunton Pool
   c) Closure and sale of St James Street Pool at the appropriate time

2. To support the principle of Tone Leisure being the lead partner on this proposal and the necessary extension to existing agreements be developed. Final approval on this will be needed on this in December 2012 alongside the detailed business plan when final decisions on funding, procurement, project management, loan guarantee, and governance will be needed.

3. To support further joint working with Tone Leisure on a detailed business case to support the delivery of this project including but not limited to financing options, VAT advice, design advice, mechanical and engineering advice, project management. Taunton Deane's share of the cost of this phase to be funded from the Leisure Maintenance Reserve (£150,000).

4. Agree to earmark a total of £500,000 of the existing leisure maintenance reserve towards the project (i.e a further £350,000 in addition to recommendation 3).

5. Agree to the future net capital receipt from St James Street Pool being set aside to part-finance this project.

[3] nb these papers were available and referenced as such, but were not appended directly to the report. These are now appended for clarity.

6. To support the principle that the Council acts as a loan guarantor, subject to affordability and prudential limits that will be clearly defined in the Full Business Case.

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Background papers:

Report to Executive, March 2012 and appended Swimming pool Project brief v5
Reports of swimming pool task and finish group
Sport England – Building Affordable Community Swimming Pools
FMG consulting – Blackbrook Leisure centre pool rationalisation and sports hall redevelopment (Attached on pink papers as Appendix F)
Spa feasibility report (Attached on pink papers as Appendix G)
MMA Ltd - Risk Table

Nb. All above papers available via Scott Weetch or Simon Lewis

Appendix A

Taunton Deane Borough Council's administrative area is served by three public swimming pools, one in Wellington and two in Taunton, managed and operated under contract by Tone Leisure since 2004.

The two Taunton pools are in the town centre at Station Road, built in the 1970's, and at St James Street, an Edwardian building. St James Street is not open for public sessions but provides pool space for schools, swimming clubs and swimming lessons. Station Road (also known as Taunton Pool) is available for public swimming and for clubs.

The two pools in Taunton are now showing their age. St James Street Pool has certain characteristics which make it operationally difficult, not least due to the dual entrances. It is an increasing financial liability and has very little active life left. It was recently subject to a closure on environmental health grounds. This has highlighted the real possibility of permanent closure if repair costs of any future issue proved to be excessive. St James' pool caters for 1600 children each year.

Taunton (Station Road Pool) is now approaching 40 years old, requiring capital investment including replacing the pool plant as maintenance only at this stage would not be economic and addressing the 33.3 metre length pool which inhibits competitive swimming.

In addition to these facilities, there is a publicly accessible, community run pool in Wiveliscombe (outdoor) and various education establishments provide some community time through swimming sessions or structured lessons. There are also limited private pools available via commercial leisure providers but are often expensive and are not fully accessible to the public.

In 2004 and 2006 the Council commissioned reports on swimming pool provision in Taunton Deane including the option of a new swimming pool.

In August 2009, Sport England undertook some modelling work for future use and provision of pools in Taunton. This identified that Taunton was just meeting current demand and will not meet future demand; that if the Council shut existing pools, it would need to provide a multi-pool facility in the future to replace them, supplemented ideally by a second pool in future years; and although a town centre site is preferable, the Council could consider sites such as Blackbrook and Wellsprings.

In the interim period there has been a continuing lack of investment in the Council's own Taunton pools.

In February 2010, a Task and Finish group was established to investigate options and identify the best way forward to municipal pool provision, deliver a new pool in Taunton and retain adequate swimming facilities.

The ‘Swimming Provision’ Scrutiny Task and Finish Group chaired by Councillor Andrew Govier reported back to Executive in July 2011 on its recommendations. These were to undertake a detailed business case to:

- undertake essential works at Station Road Pool to keep it operational and viable for a further 15-20 years
- build a new ‘no frills’ 25 metre pool with smaller teaching pool onto the side of Blackbrook Sports Pavilion
- De -commission St James Street Pool

Subsequently officers have been investigating models for swimming pools and associated build costs, options for procurement, site visits to similar pool projects sources of commercial income generation, reporting regularly to the Task and Finish group and in parallel to the internal Project Board.

It became evident that external consultancy support was required to underpin officers’ work to undertake modelling on future swimming/dry side demand, cost impact and affordability of undertaking the Task and Finish Group recommendations, the coordination and financial evaluation.

Appendix B: Sport England Benchmark costing for a new pool

Capital costs[6] overview

		4 lane	5 lane	6 lane	6 lane + secondary	8 lane	8 lane + secondary
	Gross internal floor area (GIFA)	(£) (1094m²)	(£) (1344m²)	(£) (1543m²)	(£) (1850m²)	(£) (1878m²)	(£) (2226m²)
Elements of swimming pool building							
Substructure	Elemental total	223,000	280,000	284,000	375,000	358,000	381,000
Superstructure	Frame	147,000	175,000	187,000	220,000	230,000	254,000
	Upper floors	4,000	9,000	10,000	12,000	39,000	40,000
	Roof	131,000	202,000	230,000	255,000	280,000	358,000
	Stairs	14,000	14,000	14,000	14,000	16,000	19,000
	External walls	132,000	158,000	162,000	186,000	151,000	182,000
	Windows & external doors	58,000	60,000	61,000	61,000	61,000	61,000
	Internal walls & partitions	58,000	88,000	95,000	122,000	92,000	92,000
	Internal doors	19,000	22,000	21,000	23,000	22,000	22,000
	Elemental total	563,000	728,000	790,000	893,000	891,000	1,028,000
Internal finishes	Wall finishes	54,000	59,000	67,000	79,000	95,000	104,000
	Floor finishes	70,000	86,000	91,000	129,000	109,000	136,000
	Ceiling finishes	17,000	21,000	23,000	33,000	36,000	39,000
	Elemental total	141,000	166,000	181,000	241,000	240,000	279,000
Fittings	Elemental total	125,000	143,000	145,000	179,000	183,000	200,000
Services	Sanitary appliances	17,000	20,000	20,000	21,000	27,000	27,000
	Rainwater	5,000	6,000	7,000	9,000	9,000	11,000
	Below slab drainage	17,000	20,000	22,000	26,000	28,000	33,000
	M&E installations	517,000	664,000	742,000	942,000	956,000	1,166,000
	Specialist installations	170,000	209,000	240,000	282,000	277,000	345,000
	Builder's work in connection	73,000	92,000	104,000	128,000	130,000	159,000
	Elemental total	799,000	1,011,000	1,135,000	1,408,000	1,427,000	1,741,000
	Building sub-total	1,851,000	2,308,000	2,525,000	3,096,000	3,099,000	3,629,000
Preliminaries		257,100	286,200	290,500	302,000	322,000	332,600
	BASE CONSTRUCTION COST	2,108,100	2,594,200	2,815,500	3,398,000	3,421,000	3,961,600
Additional costs	Contingencies (7½%)	158,200	194,600	211,200	254,900	256,600	297,200
	Professional fees (12½%)	263,300	348,600	378,400	456,700	459,700	532,400
	Allowance for external works (15%)	317,000	390,000	423,000	510,000	514,000	595,000
	Incoming services / stats	71,000	71,000	71,000	71,000	71,000	71,000
	Elemental total	829,500	1,004,200	1,083,600	1,292,600	1,301,300	1,495,600
	OVERALL ESTIMATED PROJECT COST	2,937,600	3,598,400	3,899,100	4,690,600	4,722,300	5,457,200

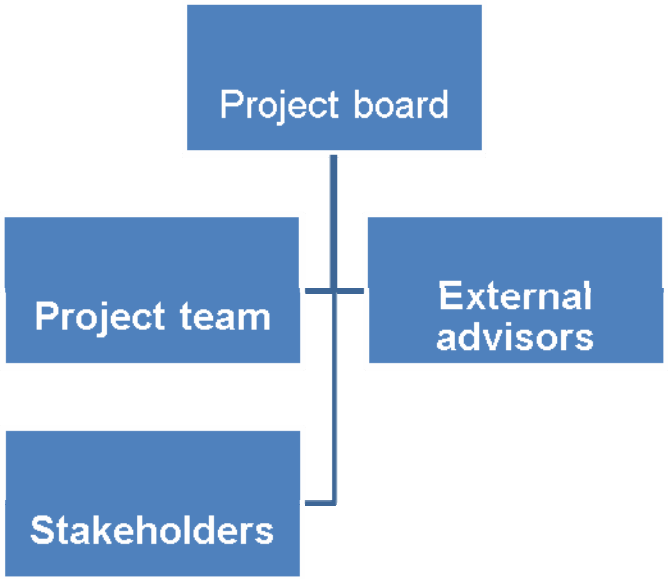
[6] Based on building costs at 3rd Qtr 2011

Appendix C – Project Management and Governance

1. Project Management Arrangements

1.1 The project will be managed in accordance with the principles of Prince 2.

1.2 A possible governance structure is as follows: (this will need revising if Tone oversee the project)



Project Board – chaired by ***Director Project Sponsor: Shirlene Adam***

Members – Shirlene Adam, Simon Lewis, Tone Leisure board rep x 2, Executive Councillor Herbert and Shadow Executive Councillor Ben Swaine, representatives from swimming task and finish group x 2

- To approve the strategic direction, outline scope of activity, agree outcomes and benefits and authorises procurement process
- To approve recommended partner(s) at the end of the procurement process
- Review project progress and approves any exceptions to the approved scope
- Ensures process is properly aligned at all stages to the strategic outcomes required.
- Supports key communication processes across stakeholders
- Commissions and chairs reviews during the project to ensure alignment with objectives, capability of delivery and measurable achievement of benefits

Project team:

Project Lead*:* ***Simon Lewis (tbc)***

- Is directly accountable for the delivery of the project delivering agreed outputs to required specification and quality within budget
- Maintains close liaison and communication with Key Stakeholders
- Ensures business case is maintained and remains relevant to the overall strategic aims
- Ensures that communications with internal and external stakeholders are effective
- Manages the key strategic risks facing the project
- Meets with the project manager regularly to review progress

Project Manager: ***Scott Weetch (tbc)***

- Provides project information and advice to partner organisations and stakeholders
- Project manages and plans all stages of the project
- Agrees delegation and project assurance roles
- Prepares project reports as defined by the Project Initiation Document
- Manages on a day to day basis the business and project risks (includes contingency planning)
- Liaises with members of associated activities e.g. Communications
- Monitors progress, expenditure, resources and initiates corrective action
- Keeps project lead informed of deviations in plans and associated action (ie Change Control)
- Identifies and obtains support and advice necessary for the management, planning and control of the project
- Manages the development of the communication strategy and delivery of the communications pla**n**

External advisors

- Advice will be sought on an ongoing basis from external advisors. Their role will be to advise the project team/board

Who	Role
Tone leisure	End user. Will need input into business case, specification, ongoing maintenance, pool programming; insurance
Other leisure providers	Best practice is sought from across the country in relation to procurement, design, build specification
Sport England	Provision of national standards and practices; benchmarking of costs
Amateur Swimming Association	Critical friend; check and challenge;

	guidance on other projects, project mgt routes; procurement routes
SW1 procurement	Advise on procurement issues and deliver procurement package if appropriate
Legal	Ensure compliance with all appropriate legal matters; check contracts; insurance
Technical	Advise on matters such as pool plant; environmental factors e.g. heat recovery systems
Finance	Check/challenge assumptions in cost projections/proposed cost recovery e.g. prudential borrowing requirements; ensure financial package is tight;
Highways	Ensure traffic management plan and proposed layout is robust, workable and legally compliant
Health and safety	Management of risk; compliance with health and safety standards
SW1 asset management	Check ongoing maintenance plan and depreciation projections are fit for purpose
Elected members	Check/challenge; ensure project alignment to corporate aims; sign off at gateways
Utilities	Ensure that building work does not adversely impact existing utilities eg sewage pipes

Monthly/quarterly highlight reports to CMT; members; stakeholders

New pool at Blackbrook

03-Feb-12

Appendix D

Risk No.	Risk & descriptions	Risk Owner	Consequences	Existing Control Measures	Assessment		Score	Proximity	Risk response (initial thoughts)
					Impact	Probability			
A	**FINANCIAL RISKS**								
A1	TDBC may be unable to recover upfront costs	Finance	Detrimental impact on TDBC finances would mean heavy burden on the public purse	Finance models are being investigated to find the best fit	**Major**	**Feasible**			Financial model to be approved through SW1 finance
A2	Pool could run at a loss if business modelling/forecasting is not sound	Tone	Pool would not be financially stable which would result in losses to Tone and, by extension, Taunton Deane Borough Council	Business models being put in place with financial forecast modelling	**Major**	**Feasible**			Robust business modeliing and forecasts will need to be in place and these must be subject to rigorous challenge
A3	Unknown costs of highways/sewarage/ environmental works	Project manager	This will have an effect on the overall cost of the package	Assessment to be made of works prior to full commitment to project	**Significant**	**Feasible**			Define scope of works to be undertaken prior to full agreement to proceed
A4	Potential for costs to spiral if not clearly defined and scoped	Project board	Increased burden on the public purse or a project which is unable to complete adequately.	Scope is being defined to include national guidance and best practice plus advice from Sport England and Amateur Swimming Association	**Significant**	**Slight**			Project scope needs clear definition in the project brief and the project board need to beware of scope creep.
B	**TIMESCALE**								
B1	Project implentation may be unacceptable (pubicly/politically)	Project team	Project lacks critical support and could fail as a result	Portfolio and elected members are briefed regularly	**Significant**	**Feasible**			Communications strategy should address this
B2	Project needs to align to refurbishment at Taunton pool and closure at St James St	Project team/Tone	Loss of water space could mean that lessons or public swimming is no longer available for a period of time or permanently	Liaison with Tone over timetable	**Major**	**Feasible**			Tone are key to this

C	**RISKS TO RESIDENTS**								
C1	Pool is less accessible for those in the town centre	Project team	Public from town centre areas are unable to access new facility	A pool remains in the town centre	**Insignificant**	**Feasible**			Risk is mitigated by presence of other town centre facility
C2	Pool is defined for use solely by schools to the detriment of public swimming	Tone	Pool is not publicly accessible, disenfranchising those who are intended to benefit	Tone are defining usage models currently	**Significant**	**Slight**			Tone are looking at the blend for pool use to prevent this
C3	Increased traffic caused by new facility causes hazard to pedestrians/cyclists	SCC Highways	If traffic modelling is not accurate and mitigation not put in place, the consequences are increased danger to road users	Existing traffic islands on approach to Blackbrook	**Significant**	**Feasible**			
D	**TDBC OPERATIONAL RISKS**								
D1	Council does not support the new scheme	Council	Further deteriorating position of existing pools	Ongoing liaison with interested parties	**Major**	**Feasible**			
D2	Lack of Council staff resources	Council	Project is delayed	Assignation of project officers; key officers in other roles encouraged to allocate time	**Significant**	**Likely**			Allocate project resource in personnel and finance
D3	Main contractor goes into liquidation or defaults/major pool defects	Council/Tone	Loss of income claim by Tone; reputational damage; increased repayment on loan; public dissatisfaction	Ensure tendering and contractual searches and procedures are robust	**Critical**	**Slight**			

Station Road improvements

03-Feb-12

Risk No.	Risk & descriptions	Risk Owner	Consequences	Existing Control Measures	Assessment		Score	Proximity	Risk response (initial thoughts)
					Impact	Probability			
A	**FINANCIAL RISKS**								
A1	TDBC may be unable to recover upfront costs	SW1 Finance	Detrimental impact on TDBC finances would mean heavy burden on the public purse	Finance models are being investigated to find the best fit	**Major**	**Feasible**			Financial model to be approved through SW1 finance
A2	Additional maintenance costs may be incurred	SW1	Project costs will go up; long term costs after project closure will increase	SW1 condition surveys and ASA reports on condition in place	**Significant**	**Feasible**			Reports are becoming out of date and therefore action needs to occur in a timely fashion
A3	Repeated breakdown of existing plant		Short or longer term pool closures	Condition surveys to ensure that likely outcomes are addressed prior to occurrence	**Major**	**Likely**			Further specialist surveys to ensure that likely outcomes are addressed prior to occurrence
A4	Participation may not increase	Tone	Pool would not be financially stable which would result in losses to Tone and, by extension, Taunton Deane Borough Council	Business models being put in place with financial forecast modelling	**Major**	**Feasible**			Robust business modeliing and forecasts will need to be in place and these must be subject to rigorous challenge
B	**TIMESCALE**								
B1	Project implentation may be unacceptable (pubicly/politically)	Project team	Project lacks critical support and could fail as a result	Portfolio and elected members are briefed regularly	**Significant**	**Feasible**			Communications strategy should address this

B2	Project needs to align to new build at Blackbrook and closure at St James St	Project team/Tone	Loss of water space could mean that lessons or public swimming is no longer available for a period of time or permanently	Liaison with Tone over timetable	**Major**	**Feasible**			Tone are key to this
C	**RISKS TO RESIDENTS**								
C1	Public health outbreak linked to failing equipment or reduced maintenance	Tone/Council	Serious illness outbreak; extended pool closure; potential litigation; HSE investigation of Council/Tone; loss of income/compensation to Tone; loss of public confidence	Independent assessment of pool maintenance process; review of staff training	**Critical**	**Feasible**			
C2									
D	**TDBC OPERATIONAL RISKS**								
D1	Failure of windows	Council	Windows are close to failure	Condition surveys have identified this as an essential maintenance	**Significant**	**Very Likely**			Essential works to be carried out in timely fashion

Closure of St James St

03-Feb-12

Risk No.	Risk & descriptions	Risk Owner	Consequences	Existing Control Measures	Assessment		Score	Proximity	Risk response (initial thoughts)
					Impact	Probability			
A	**FINANCIAL RISKS**								
A1	TDBC may be unable to recover upfront costs	SW1 Finance	Detrimental impact on TDBC finances would mean heavy burden on the public purse	Finance models are being investigated to find the best fit	**Major**	**Feasible**			Financial model to be approved through SW1 finance
A2	Additional maintenance costs may be incurred	SW1	Project costs will go up; long term costs after project closure will increase	Project brief is addressing timescales to ensure timely completion of project	**Significant**	**Feasible**			
A3	Capital gain may not be high in current market		There may be a shortfall in the expected capital income which would need to be met elsewhere	None	**Significant**	**Very Likely**			Project Taunton will be crucial in delivering this aspect
A4	Repeated breakdown of existing plant		Short or longer term pool closure; loss of schools programme; compensation to Tone leisure	Condition surveys to ensure that future risks are identified prior to occurrence	**Major**	**Very Likely**			
B	**TIMESCALE**								
B1	Project implentation may be unacceptable (pubicly/politically)	Project team	Project lacks critical support and could fail as a result	Portfolio and elected members are briefed regularly	**Significant**	**Feasible**			Communications strategy should address this

B2	Project needs to align to new build at Blackbrook and refurbishment of Taunton pool	Project team/Tone	Loss of water space could mean that lessons or public swimming is no longer available for a period of time or permanently	Liaison with Tone over timetable	**Major**	**Feasible**			Tone are key to this
C	**RISKS TO RESIDENTS**								
C1	Lack of town centre learning facility for swimming	Project team	Children may not be able to access swimming lessons	New pool and existing provision at Taunton pool will address this need	**Minor**	**Slight**			
D	**TDBC OPERATIONAL RISKS**								
D1	Environmental health have to become involved in operational problems as a result of lack of maintenance	Project team	Existing resource is pulled into a matter of public health which could have been avoided	Project timings will be maximised to avoid this outcome	**Significant**	**Likely**			

PROBABILITY (A) (Likelihood)						
	5 Very Likely	5	10	15	20	25
	4 Likely	4	8	12	16	20
	3 Feasible	3	6	9	12	15
	2 Slight	2	4	6	8	10
	1 Very Unlikely	1	2	3	4	5
		1 Insignificant	**2** Minor	**3** Significant	**4** Major	**5** Critical
		IMPACT (B) (Consequence)				

Appendix E

Equality Impact Assessment – New swimming pool provision at Blackbrook

Responsible person	Simon Lewis	**Job Title:** Strategy Manager	
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy or service		Yes
	Change to Policy or Service		
	Budget/Financial decision – MTFP		
	Part of timetable		
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	**The Council is considering construction of a new swimming pool and learner pool on the side of Blackbrook Pavilion as well as upgrading Station Road pool and decommissioning St James Street pool.**		
Section One – Scope of the assessment			
What are the main purposes/aims of the policy?	The aim is to protect swimming provision in Taunton into the future. The current facilities are dated or failing and research has identified that a new pool plus a learner pool is the least that is required to maintain provision.		
Which protected groups are targeted by the policy?	The provision of swimming will affect people in the following protected groups: Age, Disability, Race, Sex, Sexual Orientation, Transgender. It is known that older people in particular benefit from swimming and that regular exercise and social gathering is beneficial to the older age groups. Additionally, water aids supporting the body in doing exercise and therefore swimming is very good for those with limited mobility or for some types of disability.		

What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	Data has been gathered from Sport England, in particular 'Building Affordable Community Swimming Pools, from the Amateur Swimming Association, from local data collected to inform Sport England's Facilities Planning Model Strategic Assessment of Needs for Sports Halls and Swimming Pools report in 2009. Additional information has been gathered from public consultation, most recently in 2005. Further work will be required to engage and consult with protected groups and the wider public to better understand the impact of proposed provision.

Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality

Groups with protected characteristics could benefit from a new provision since any new building will need to be fully compliant with the Disability Discrimination Act and other current legislation to protect the needs of those groups. This is also in an area of the town without current swimming provision and this could make swimming available to more people in protected groups, in particular older people without access to transport and those with mobility problems that live close to this provision but cannot access the town centre.

There are no perceived negative outcomes at this stage as swimming provision will remain in the town centre as well, although it is acknowledged that the accessibility of Taunton Pool could be improved.

I have concluded that there is/should be:

No major change - no adverse equality impact identified	No adverse impact identified at this stage. To be kept under review through life of project.
Adjust the policy	
Continue with the policy	
Stop and remove the policy	

Reasons and documentation to support conclusions

The engagement activity with the affected group will identify any impacts which are unforeseen by the project team at this time.

Section four – **Implementation –** timescale for implementation	
The project is intended to be completed within 2 years of the formal approval of recommendations to build.	
Section Five – Sign off	
Responsible officer: Simon Lewis Date: 6th August 2012	Management Team Date
Section six – Publication and monitoring	
Published on	
Next review date	Date logged on Covalent

Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Service area	**Swimming pool provision**		**Date**	**6th August 2012**	
Identified issue drawn from your conclusions	**Actions needed**	**Who is responsible?**	**By when?**	**How will this be monitored?**	**Expected outcomes from carrying out actions**
Ensure that protected characteristic groups remain at the forefront of planning throughout project management phase	Ongoing monitoring and appraisal of Equalities Impact Assessment and distinct area of work within risk register.	Project group	Ongoing	Councillor/CMT overview	Protected groups' needs will be properly considered within the outcomes of the new facility beyond the obvious legal requirements.
Identify further needs of protected groups in drawing up full	Consideration of all protected groups when drawing up full business	Project group	December 2012	Corporate scrutiny and project group	As above

business case	case.				

AGENDA ITEM NO. 6

Taunton Deane Borough Council

Executive – 12 September 2012

Financial and Performance Monitoring – Quarter 1 2012/2013

Joint report of the Performance Lead Officer and Financial Services Manager

(This matter is the responsibility of Executive Councillor Mrs Vivienne Stock-Williams)

IMPORTANT – PLEASE NOTE:

In order for this performance information to be debated in the most efficient manner at the Executive committee, we would encourage Members who have queries with any aspect of the report to contact the appropriate officer(s) named (at the end of the report) before the meeting so that information can be collated in advance or relevant officers can be invited to the meeting.

1. Executive Summary

This report provides an update on the financial position and the performance of the Council to the end of Quarter 1 of 2012/13 (as at 30 June 2012).

The detailed 2012/13 financial position for Quarter 1 is provided in Appendix B although a high level summary is also included in the Scorecard (section 3).

The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets is an important part of the overall performance management framework.

Analysis of the overall performance of the Council reveals that 66% of all performance measures are on target (ie Green alert). This is a similar position compared to the previous quarter (Quarter 4 in 2011/12 was 65%).

CMT will conduct a review of the scorecard (content & structure) in Quarter 2 and will make recommendations for changes to Scrutiny and Executive for Quarter 3.

2. The Performance Scorecard (please see Appendix A)

2.1 The TDBC Scorecard at **Appendix A** contains full details of Quarter 1 performance, however section 4 (below) of the report provides further information and guidance for members on the key issues that have been identified through analysis of the data. Additional commentary has also been provided by responsible officers and CMT where appropriate

2.2 Scorecard explanation / key

Each section of the scorecard uses the same template and is structured as follows:

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
	Strategic & corporate objectives categorised in the 7 sections of the scorecard	Key performance indicators (& targets where possible) used to measure the objective.	Red, Amber or Green (see below)	A brief summary highlighting reasons for and issues surrounding the alert reported (see Green, Amber, Red below). Also any known problems that may jeopardise attainment. Where relevant, CMT will provide further information in addressing under performance.

2.3 Key to performance alerts:

	Reasons for alert	Notes
☺ Green	Planned actions are on course	Justification for the Green alert will be provided. Key successes or exceptional performance will be outlined.
	Performance indicators are on target	
😐 Amber	Some uncertainty in meeting planned actions	The reason for the Amber alert will be made clear. Mitigating actions will be outlined
	Some concern that performance indicators may not achieve target	
☹ Red	Planned actions are off course	A brief high level summary is included within scorecard. Where the Corporate Management Team consider a Red alert to be a priority issue requiring further detail and explanation, a separate one page information sheet for more detail will be appended to the report
	Performance indicators will not achieve target	

2.4 A summary / overview of the Quarter 1 scorecard (appendix A) is in the table below

Section	No. of measures	☺ Green	😐 Amber	☹ Red	N/A	Trend (from last quarter)
1) Corporate Strategy Aims	19	16 (84%)	1 (5%)	1 (5%)	1 (5%)	⇧
2) Service Delivery	15	13 (87%)	1 (7%)		1 (7%)	⇧
3) Managing Finances	12	7 (58%)	3 (25%)	2 (17%)		⇩
4) Key Projects	6	5 (83%)	1 (17%)			⇧
5) Key Partnerships	9	6 (67%)	1 (11%)	2 (22%)		⇧
6) People	6	1 (17%)	4 (67%)		1 (17%)	⇩
7) Corporate Management	10	3 (30%)	3 (30%)	2 (20%)	2 (20%)	⇩
TOTALS	**77**	**51 (66%)**	**14 (18%)**	**7 (9%)**	**5 (6%)**	⇔

KEY:

⇧ = Improving (ie more Green, less Amber &/or Red alerts)

⇩ = Worsening (ie less Green, more Amber &/or Red)

⇔ = No change

2.5 Proposed scorecard review 2012/13

The current corporate performance scorecard was introduced in 2009/10 (Quarter 3) and has remained largely unchanged since then. CMT have recognised the need for a review of the structure and content of the scorecard to better reflect the Council's priorities and to improve the range of services represented. This is particularly relevant in 2012/13 considering the change from the current Corporate Strategy to the new Corporate Business Plan this year.

CMT will conduct a full review of the scorecard at the end of Quarter 2 and recommended changes will then be discussed with Members. It is envisaged that a refreshed corporate scorecard would be implemented for the Quarter 3 report (February / March 2013).

3. Comments from Scrutiny

This report was considered by the Corporate Scrutiny Committee on 16th August. The recommendation for the Budget virement was supported.

During the discussion of this item, Members made the following comments and asked questions. Responses are shown in italics:-

Members raised concerns and asked questions relating to Scorecard Item 5.3 Tone Leisure Key Performance Indicators;

1. Why is the usage of the pool dropping?
2. If the drop in usage at Taunton Pool could be attributed to the end of 'Free Swimming' scheme?
3. To confirm whether or not the red alert in item 5.3 relates to Managers/Directors hands on working approach?
4. Just raised general concerns about Tone Leisure KPI's outcomes.

A report was presented to Community Scrutiny Committee relating to Tone Leisure Performance. There has been a general down turn in economy and the bad weather has affected many areas of the Tone Leisure. The increase in managers/directors using a more hands approach is good news and this no reflection on working practices.

- Member asked during the review of the scorecard could it be broken down into more detail.
  There is a review of the scorecard after Quarter 2. It could come back to the Committee for discussion.
- Members raised concerns over why 25% of KPI's were still amber or red and that they remained un-changed. Members asked if these KPI targets were achievable if they remained un-changed.
- Members commented that after studying the report there was an overall positive feeling about the outcomes that were presented with those areas of the report that remained un-changed or changed to green.

4. Finance Comments (from the Strategic Finance Officer / Deputy S151 Officer):

i) The economic climate continues to have an adverse impact upon aspects of our revenue budget (mainly car parking income)
ii) CMT and managers will continue to monitor the budget position throughout the year.
iii) The HRA, and both capital programmes are currently predicting no significant issues

5. Legal Comments

There are no legal implications in this report.

6. Links to Corporate Aims

As this report covers all aspects of the Council's performance, all Corporate Priorities are affected.

7. Environmental and Community Safety Implications

Please see the following sections of the Scorecard for those areas contributing to the above: 2.4 (Service Delivery – 'Street Scene'); 5.4 (Somerset Waste Partnership).

8. Equalities Impact

See the scorecard section 7.3 for details of equalities progress within the council.

9. Risk Management

See the scorecard section 7.4 for details of risk management progress within the council.

10. Partnership Implications

See the scorecard section 5 for details of the council's key partnerships.

11. Recommendations

11.1 It is recommended that the Executive Committee review the Council's performance as at the end of Quarter 1, taking corrective action or requesting further information from Theme Managers where necessary.

11.2 It is recommended that the Executive approve a budget virement of £82,500 (ref section 7.3 of appendix B).

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As at: 04/09/2012 **TDBC SCORECARD Q1 2012/13** (Appendix A)

1. CORPORATE STRATEGY AIMS

Tackling Deprivation & Sustainable Community Development (Aim 1)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.1	**Objective 1** Focus on Taunton East, North Taunton & Rural Deprivation	Index of Multiple Deprivation (IMD) score	*For Info only*	IMD data is only published every 3 years - the latest IMD data for 2010 highlights that levels of deprivation within Taunton Deane are worsening (especially North Taunton & Taunton East). **Our focus is on the delivery of the 'Priority Areas Strategy' (PAS) programme – see below.**
		Actions – Progress against key activities	☺ Green	A Priority Areas Strategy (PAS) for urban & rural has been completed and work stream leads identified. Taunton Deane Partnership has approved the Strategy which includes 4 new priorities & a supporting action plan. (Presented to Community Scrutiny March 12). The 4 priorities are: 1) Encourage strong, informed & active communities; 2) Improve access to services, information & advice; 3) Improve the lives of our most vulnerable households; 4) Improve the look and feel of the local area. Work is underway to refine governance arrangements; clarify partner role/responsibilities and find out the level of input that they can make. This will be completed in Sept 2012. Success criteria has been identified for each priority & leads are responsible for monitoring each work component. **It is recommended that the measures for Objective 1 be replaced by the 'success criteria' for the PAS, in order to provide a meaningful measure of progress.**
	Objective 2 'One-Stop' advice on skills, employment & training	**Actions** – Progress against key activities	☺ Green	Vista commenced a new contract to manage the delivery of the 3 Job Clubs in November 2011 (Priorswood, Halcon, & Wellington). This is now a funded project until March 2013. Vista staff are working extremely hard to deliver a enhanced scheme and the project is developing well.
		Number of people supported / back to work	☺ Green	SLA targets – 40 attendances per month (combined); 4 jobs per month; 6 'soft' outcomes (placements, training etc). Reports in June 2012 were very positive. The project had exceeded its job outcomes target for the quarter by 4, helping 16 people find work. A further 39 people progressed towards employment by undertaking voluntary work and/or a training course
	Objective 3 Secure medium term future of N. Taunton & Link Partnerships	Funding & delivery against Service Level Agreement (SLA)	😐 Amber	Funding for 2012/13 has been agreed and this is the final year of a 3 year agreement. We need more clarity over output & outcomes which in some cases are currently unclear and not easily measured or monitored. This matter, in the short term, will be considered and monitored by the Multi-Agency Groups (MAGs) that operate in each locality. Future funding for both the N Taunton and Link Partnerships will be decided / agreed by the new Grants Panel, with a decision to be made towards the end of the year. If funding is forthcoming, then new SLA arrangements will be developed.

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Regeneration (Aim 2)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.2	**Objective 4** Facilitate the creation of a leading Green Knowledge economy	**Actions** – Progress against key activities	☺ Green	• The Olympic Torch event continued to affect the Ec Dev delivery plan during Quarter 1 • Proactive programme of events & PR for local businesses is on-going and award of 5 business grants during 2012/13 • The new Ec Dev & Regeneration team (including Project Taunton) is designing a new inward investment marketing programme (aiming for launch September12) • Engagement with the Hinkley supply forum to encourage Taunton Deane businesses to benefit from Hinkley supply opportunities • A busy programme of TDBC planned events for businesses include: Olympic Torch relay celebrations (May); Business breakfast (May); Leaders dinner (May); Ambassadors lunch (May); Business Start-Up events in Bridgwater, Taunton & Yeovil • Taunton Events Group held first meeting in July planning a diverse programme of public events in public open spaces • Business Improvement District (BID) proposal for Taunton town centre was rejected by businesses at end March 12 – the Town Centre Company is working towards a further BID proposal which will be the subject of a ballot around mid 2013
		Businesses benefiting from TDBC Ec Dev funded events & services	☺ Green	The target is to benefit approx 300 businesses during the year. During 2012/13 approx 120 businesses have been supported since April. This is a proposed new PI as part of the 2012/13 Ec Dev service plan.
	Objective 5 Facilitate Housing growth	**Actions** – Progress against key activities	☺ Green	The Core Strategy has now been found sound by an independent planning inspector. It is anticipated that the plan will be formally adopted in August/September 2012 having gone to Community Scrutiny on 23 July
		Net additional homes provided	**N/A**	**The target for 2012/13 = 700 dwellings** (Data is only available annually). We are unable to provide an estimate of either completions to date or anticipated completions until the SHLAA review has been published (Dec 2012).
		Supply of ready to develop housing sites	☺ Green	**Target = 5 year supply** of housing land within the Borough. The Core Strategy Inspector found **a marginal supply of 5.24 years**. This figure provides only limited headroom above requirements.
	Objective 6 Deliver Infrastructure	**Actions** – Progress against key activities	☺ Green	• Infrastructure Delivery Plan published July 11 (subject to future reviews) • TDBC has adopted an interim policy on Planning. The council has published its preliminary draft Community Infrastructure Levy (CIL) charging schedule. The document will be subject to formal representation & examination in autumn 2012 (adopted by end 2012/13).

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Affordable Housing (Aim 3)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.3	**Objective 7** Making homes more affordable	**Actions** – Progress against key activities	☺ Green	• Affordable Housing Development Partnership is continuing to facilitate the delivery of affordable housing in the borough. The partners are actively working on a range of housing schemes • Work is underway to develop the affordable housing supplementary planning document
		Target of 200 affordable homes delivered	☺ Green	**The final affordable housing completion figure for 2011/12 is 223 homes.** The 2012/13 affordable housing target is 200 units. The pipeline is showing that we are on target (subject to scheme slippage).
		% of non-decent council homes	☺ Green	**0.02% were non decent (1 out of 5966 properties) as at end June 2012** Target = max 0.5% (25 properties)
		Somerset West Private Sector Housing Partnership Objective: Better standards and interventions in the private sector stock, by improving housing conditions	☺ Green	Measure: Quarter 1 - cumulative performance 2012/13 Energy efficiency: 24 loft insulations; 17 cavity wall insulations; 4 boiler replacements; 0 night storage heater replacements; 4 gas heating system replacements (no targets as demand led/budget constrained) No of private sector homes improved to Decent Homes: 37 made decent Annual Target = 100 No of empty properties brought back into use: 10 empty properties brought back into use (Annual Target 60). No of statutory Disabled Facilities Grants* approved & implemented: 12 in private sector stock, 12 in Council stock Annual Target = 36 private sector, 48 in Council stock * statutory responsibility if eligibility proven No of statutory housing standards interventions (enforcement activities): 28 Houses in Multiple Occupation (HMO) inspected Target = 30 HMO inspections to be completed 24 fitness conditions complaints dealt with Target = 15 fitness complaints to be dealt with

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Climate Change (Aim 4)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
1.4	**Objective 8** Meet TDBC's & partner organisation's internal climate change commitments	**Actions** – Produce and implement Carbon Management Plan (CMP)	☺ Green	• An updated CMP for 2012/13 (containing 41 actions) was reported to and adopted by the Executive 20 June • If fully implemented, the actions for which savings could be quantified would result in a further reduction of around 300 tonnes of CO2. • A formal progress monitoring report will be produced 6-monthly (due in Dec 2012) • The Carbon Management Steering Group informally tracks progress quarterly and is also reported informally to staff in the quarterly Footprint Newsletter • As at June 2012, approx 140 PV panels were erected on Station Road Pool (c 35Kw total)
		3% reduction in CO2 by Mar 12	☹ Red	**Carbon savings = -2.1%** (TDBC sites and Tone Leisure sites combined) TDBC sites: -6.2% Tone Leisure sites: +3% An Information report is now available to all Cllrs (July 2012) – investigations are being undertaken to establish reasons for the Tone leisure increases
		Adapting to climate change	☺ Green	Climate Change Adaptation Plans are currently included within the Core Council Service plans and are therefore updated annually
	Objective 9 Work with communities to reduce carbon emissions across the Deane	**Actions** – Progress against key activities	☺ Green	• Taunton Deane Partnership has agreed the setting up of working groups to coordinate the development of a Climate Change & Local Resilience Strategy. Scoping workshops with community stakeholders were held in January & July. 4 working groups are now operational. All Stakeholders to reconvene in June. Strategy to be completed Dec 2013. • TDBC has made a commitment to build 4 flats on a council owned site for elderly people to 'Passivhaus' standard • Planning has commenced on a workshop for Councillors on Sustainable Construction in partnership with Building Control (Sept 12)
		Per capita CO2 emissions in TD area	☺ Green	Latest data published in Sept 2011 showed an **11% reduction** from 2006 to 2009 in Taunton Deane. At 5.8 tonnes per head, Taunton Deane is 7% better than the South West average, and 10% better the UK average. (NB – 2010 data will be published in September 2012 - a 2 year time lag)

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2. SERVICE DELIVERY

Excellent services - Customer driven - A dynamic organisation - Local focus

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS			
				Type	**Quarter 1**	**Targets**	**Comments**
2.1	**Ensuring development proposals are dealt with positively, with an emphasis on quality outcomes** Delivering the Development Management Service aims	Planning Applications Speed of Processing	☺ Green	a) Large-scale major *NEW*	**100%**	**tbc**%	The target for will in future relate to success against PPA targets. However, whilst a couple of PPAs are being negotiated we have none yet agreed
				b) Small-scale major *NEW*	**50%**	**tbc** %	These decisions need to be analysed to identify whether there are any recurring issues
				c) Minor	**84.62% ⇧**	75%	
				d) Other	**91.53% ⇧**	85%	
		% of appeals allowed against the authority's decision	☺ Green	**Quarter 1 = 0%** **(Target max 25%)** One planning application went to appeal (43/11/0135) and was dismissed			
2.2	**Safeguarding the health, safety & welfare of everyone in the Borough** Delivering the aims of the Environmental Health Service	Satisfaction with EH regulatory services	☺ Green	Quarter 1 = **97%** **(Target = 75%)**			
		Food Safety compliance	☺ Green	Quarter 1 = **88%** **(Target = 80%)**			
		Environmental Protection Team reactive tasks	☺ Green	Quarter 1 = **82% Total Service Requests responded to in target time**			
		H&S intervention visits (Commercial premises only)	**N/A**	In light of the new HSE guidelines on H&S inspections we are going to redefine this performance indicator			
		Licensing applications	☺ Green	Quarter 1 = **95%** **(Target = 95%)** Of 339 applications, 95% were determined within 14 days in Quarter 1			

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Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
2.3	**Delivering customer driven services** To deliver customer focussed services, achieving high levels of customer satisfaction.	Calls resolved at 1st point of contact	☺ Green	**Quarter 1 actual = 94.37%** **(Target 92 %)** Increased target for 2012/13 (Qtr 1 last year was 98.1%)
		Calls answered within 20 seconds	☺ Green	**Quarter 1 actual = 81.45%** **(Target 80%)** (Qtr 1 last year was 85.3%)
		Calls abandoned	☺ Green	**Quarter 1 actual = 4.16%** **(Target <5%)** (Qtr 1 last year was 3.69%)
		Complaints measures -10 day response - % Complaints upheld	😐 Amber	

	Total no. complaints		% 10 day response		% upheld	
	Q1	Q1 last year	**Q1**	Q1 last year	**Q1**	Q1 last year
TDBC	28	28	67.8%		14.3%	
SWP	1	6	0%		100%	
Total	**29**	**34**	**65.5%**	**71%**	**17.2%**	**38%**

19/29 complaints responded to within 10 days
5/29 complaints upheld

		Benefits Service: Time to process new claims	☺ Green	**Quarter 1 actual = 23.12 days** **(Target = 22 days)** **2012/2013 forecast = 22 days** (Q1 last year 2011/12 was 20.04 days)
		Landlord Services – satisfaction with repairs	☺ Green	**97.6% satisfied overall with the repairs service** **(Target = 98%)** (Results from Q1 survey)
2.4	**Ensuring the Borough is a clean and attractive place to live, work & visit** Delivering Parks, Street Cleansing, Highways & Transport Services that are high quality & cost-effective	Fly tipping – grade will not be known until final quarter	☺ Green	

Type	Q1 results	Targets
Fly-tipping - 144 incidents	Grade 2 (estimate) = 'effective'	Grade 2

Fly tipping incidents have reduced in Q1 but remain at a higher level than in 2010/11 prior to the reduced opening hours being put in place at the civil amenity site. The grade is made up the number of incidents and the number of actions taken

		Quality assurance accreditation / Awards	☺ Green	We are very pleased to announce that we have retained all Green Flag and Green Pennant awards for the following locations: Vivary Park; Wellington Park; French Weir; Victoria Park; Swains Lane (nature reserve)

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3. MANAGING FINANCES (ref **Appendix B** for detailed budget monitoring)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
3.1	**Budget monitoring** To control spending within approved budget total for the year	**General Fund Revenue** within 0.5% = ☺ 0.5 – 2% = 😐 over 2% = ☹	☹ Red	**2012/13 Forecast Outturn as at Quarter 1 = under spend of £434k (=3.7%) against budgeted net expenditure of £11.596m.** There are various under and over spend variances leading to the net forecast position. This comprises a net over spend of £50k on services (the most significant factors include Off Street Car Parking, and Rent Allowances and Rebates) and a net under spend of £485k on other operating costs (mainly net interest costs). Further info is provided in appendix B of this report.
		General Fund Capital within 2% = ☺ 2 – 3.5% = 😐 over 3.5% = ☹	☺ Green	**2012/13 Forecast Outturn as at Quarter 1 = no variance to be reported (excluding slippage). Slippage of £967k into 2013/14 reported. Forecast spend of £5.667m in 2012/13 against a budget of £6.634m.** Slippage reported on Grants to RSL's, Paul Street Car Park repairs, DLO System and Project Taunton Castle Green. Further information is provided in appendix B of this report.
		Housing Revenue (HRA) within 0.5% = ☺ 0.5 – 2% = 😐 over 2% = ☹	☺ Green	**2012/13 Forecast Outturn as at Quarter 1 = no variance to be reported against budgeted net expenditure of £0.488m.** Although there are significant variances reported on net interest costs, these are being managed as part of the HRA Business Plan review, and hence why no variance is being reported here. Further information is provided in appendix B of this report.
		HRA Capital within 2% = ☺ 2 – 3.5% = 😐 over 3.5% = ☹	☺ Green	**2012/13 Forecast Outturn as at Quarter 1 = no variance to be reported. Forecast spend of £5.5m against budgeted net expenditure of £5.5m** Further information is provided in appendix B of this report.
3.2	**Reserves** To maintain an adequate reserve (based on financial risk analysis)	**General Fund reserve** >£1.25m = ☺ £1 - £1.25m = 😐 <£1m = ☹	☺ Green	The estimated reserves position as at the 31st March 2013 is **£3.168m**. This is well above the minimum balance of £1.25m required in the Council's financial strategy. However, the Council aims to keep balances high in order to help manage financial pressures over the medium term. Further information is provided in appendix B of this report.
3.3	**Next year's budget gap**	A balanced budget 2013/14	😐 Amber	The MTFP (Scrutiny 21 June12) is forecasting a General Fund budget gap of £1m for 2013/14. This requires further refinement to properly reflect the changes to our funding streams next year (localisation of business rates) and the outturn and Qtr1 budget updates. A further update will be shared with Scrutiny in September 12. In addition, the Corporate Business Plan is currently under review and this will help the Council better match resources to ambition and priorities. This indicator remains at Amber pending clarity on both issues.

As at: 04/09/2012 **TDBC SCORECARD Q1 2012/13** **(Appendix A)**

3. MANAGING FINANCES (ref **Appendix B** for detailed budget monitoring)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
3.4	**Debt collection**	Council Tax Target = 97.8%	☺ Green	**Quarter 1 = 35.38%** **2012/2013 forecast = 97.8%** (Q1 last year 2011/12 was 35.36%)
		NNDR Target = 98.4%	☺ Green	**Quarter 1 = 33.45%** **2012/2013 forecast = 98.4%** (Q1 last year 2011/12 was 33.41%)
		Housing Rent Target = 98.3%	😐 Amber	**Quarter 1 = 94.84%** **2012/2013 forecast = 98.3%** (Q1 last year 2011/12 was 94.08%) This is a cumulative target and we are striving to improve during the Financial Year
		Sundry Debts position In SAP only*	😐 Amber	

	End of Quarter 1 (as at 1 July 2012)	Last year (as at 1 July 2011)
Outstanding debt	**£2.39m**	**£2.86m**
Aged debt over 90 days old	**£1.45m**	**£1.99m**

The proportion of debt over 90 days old is still relatively high although has continued on a downward trend. The highest value debts contributing to this sum are closely monitored and are receiving appropriate attention in order to minimise loss of income. A detailed report went to Corporate Governance committee 26 June.

3.5	**Benefits subsidy**	To achieve 100% subsidy	☺ Green	**Projection for 2012/13 = 100%** (by remaining in the lower threshold for LA error overpayments)
3.6	**Procurement Transformation Project** Ensure TDBC realises benefits of the various transformation projects	Value of Procurement Savings against target	☹ Red	Procurement savings continue to be well behind the original projection made in 2007. It is very unlikely the originally forecast £10m in procurement savings will materialise during the lifetime of the Sw One contract. The latest position is set out in some detail within Ian Conner's report to Corporate Scrutiny on 19th July (agenda item 7), which shared a more realistic target of £6.8m. In summary: **£1.42m savings have been delivered since the Sw One contract began**. **A further £779k of savings initiatives have been signed off** (which will deliver savings over the lifetime of the contracts to which the savings relate). **An additional £500k of savings initiatives is in the process of being validated and signed-off**, (relating to the recently let domestic heating contract for Council properties). **This will bring the total value of benefits signed-off (delivered and in-progress) to £2.7m.**

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4. KEY PROJECTS

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
4.1	**Local Development Framework (LDF) Core Strategy** To create a plan to deliver sustainable growth	- Publish Core Strategy for consultation in Mar/Apr 2011 - Adopt the LDF Core Strategy in March 2012	☺ Green	The Core Strategy has now been found sound by an independent planning inspector. It is anticipated that the plan will be formally adopted in August/September 2012 having gone to Community Scrutiny on 23 July
4.2	**DLO transformation project**	To deliver the specified benefits (financial and non-financial) of the DLO transformation	☺ Green	The transformation plan was approved by Full Council on 16 Aug 2011 and is on course to deliver above and beyond the specified benefits. Progress is overseen by the DLO Transformation Members' Steering Group
4.3	**SAP BOP (Back Office Processing)**	SAP Back Office Processing (BOP) system implementation	😐 Amber	As previously reported, all essential business critical modules of SAP are LIVE and in use across the organisation. The status is amber due to: Sickness, PRED (performance review), Corporate Feedback and E-Recruitment functionality not being able to be used until further improvements / changes have been made. For each of these functions adequate alternative arrangements are in place, and are working well, and will remain in use until such time as the SAP functionality is delivered by SWOne to meet the requirements of the Council. There are a number of supplementary issues of smaller scale which we have been, and will continue to, work with Sw One and our other partners to resolve.
4.4	**New Swimming Pool** ***NEW***	Approved proposal to build a new pool at Blackbrook Sports Centre; Close St James Street and refurbish Station Rd Pool. Followed by full Business Case and delivery.	☺ Green	- Councillors will be requested to approve the recommended option - The recommended option of a pool and spa and refurbishment required at the Station Road Pool will cost around £5m - The 'do nothing' option has serious consequences on both service and cost - Recommended option will require Tone Leisure to lead project and for extensions to the Tone Leisure management contract and leisure centres leases. - The project will require some expenditure up front 'at risk' which would not be recoverable if the project did not proceed - The Project is resource intensive on both the Council's side and Tone Leisure side and no additional capacity has yet been agreed to support this. - Next report – Corporate Scrutiny 16 August / Executive 12 September

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Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
4.5	**Welfare & Finance Reform** ***NEW***	• CTS scheme adopted by Council before 31st Jan 2013. • Decision on County wide NDR pooling made and submission made (if the decision is made to proceed) • Decision made on Council Tax empty property discounts for 2013/14 • Sw One contract changes made to reflect work /task changes arising from reforms .	☺ Green	• Public consultation on TDBC CTS scheme commencing as planned from 9th August (closes 5th October) • Consultation with major preceptors has taken place • Draft high level rules for new scheme written • Consultation web page created <u>Key activities to undertake:</u> • EIA for CTS scheme • Draft final detailed CTS scheme rules • Analyse CTS consultation response • Technical Changes to CTax - model and draft policy on empty property charges • Business Rates - consider and respond to technical consultation (286 pages!) • Business Rate Pooling - work up business case and finalise pooling proposal with other districts and SCC • Understand the effect of changes on Ctax Taxbase. • Organise Member Briefing on CTS late Aug/early Sept. • Collection Fund Monitoring.
4.6	**New Corporate Business Plan** (clear ambitions, plans & priorities - deliverable & affordable) ***NEW***	Full Council approval of a new 3 year plan (by Dec 2012)	☺ Green	The process and timetable for the development of a new corporate business plan was reported to Corporate Scrutiny 26 April. Councillors received a briefing 19 June and are now engaging with the process through a consultation survey and group workshops to explore views on strategic priorities. A Peer Review by the LGA in September will support and challenge the process.

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5. KEY PARTNERSHIPS

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
5.1	**Taunton Deane Partnership (TDP)**	Progress against the 3 TDP priorities	☺ Green	**Priority Areas Strategy (PAS):** The PAS was considered by Community Scrutiny and has now been signed off by the Taunton Deane Partnership. It contains four priorities relating to North Taunton, Taunton East and the Rural Areas. The four priorities are: i) Working together to: encourage strong, informed and active communities; ii) Improve access to services, information and advice; iii) Improve the lives of our most vulnerable households; and iv) Improve the look and feel of the local area. The PAS is supported by a Multi-Agency Action Plan - a monitoring regime will now be developed for each of the project areas. **Planning Cycles:** The Planning Cycles priority is now the Troubled Families Agenda. The TDP and TDBC are working closely with SCC on the development of this agenda which has a national profile. There are 182 troubled families within the Taunton Deane area. The Government expect these families to be turned around within the next three years. There is potentially £4,000 available for each family. SCC is currently leading the debate on how this project is to be delivered. Governance arrangements have been agreed. The Vulnerable Households Steering Group (a sub group of the TDP) will set the strategic direction of the project **Promoting Taunton Deane:** This priority is to be discontinued, given the duplication encountered with other agencies and businesses.
5.2	**Southwest One**	Efficient delivery of in-scope services (basket of KPIs)	☺ Green	**Key Performance Indicators – Quarter 1 (2012/13)**

	No. of indicators	No. of times measured in Q4	No. on Target	% on target
Monthly	13	13	12	92.3%
Quarterly	9	9	9	100%
Annually	21	0	0	
Total	43	22	21	**95.4%**

Quarter 1 KPI failures ☹	Quarter 1 Successes ☺
ICT – Network Availability. This failed in May due to a power outage.	All SWOne services have achieved contracted KPI targets.

		Progress against key business objectives	☺ Green	All SWOne Service Development Plans (SDPs) are agreed and in the process of being delivered, monitored & reviewed through this financial year.

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5. KEY PARTNERSHIPS

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
5.3	**Tone Leisure** 'More people, more active, more often'	Target 1% increase in total leisure visits	☹ Red	Usage is 8% adverse to budget at the end of quarter 1. This is primarily due to the terrible weather impacting the golf course (35% adverse) and the delayed high rope opening. Casual swimming has also taken a dip -18%. On a positive note Health and Fitness and Leisure Activity usage have grown above their target rates.
		Progress against Tone Leisure key business objectives	☹ Red	Tone Leisure continues to experience challenges on the Taunton contract. Income is currently 3% adverse to budget. Poor weather has impacted the golf and delayed the opening of the high ropes. However, the good work down on cost control is coming through to the bottom line. More flexible staffing contracts are now in place and Directors and Senior Managers are taking a more hands on approach to ensuring sites are operating efficiently and delivering good service standards.
5.4	**Somerset Waste Partnership** To increase participation in the recycling service through promotion and enforcement	% of household waste sent for reuse, recycling & composting	☺ Green	**Quarter 1 = 45.5% (Target = 45.4%)** (Quarter 1 last year 2011/12 was 46.6%)
		Residual household waste	☺ Green	**Quarter 1 = 98 kg per household (Target = 380 kg per household)** (Quarter 1 last year 2011/12 was 98 kg per household)
		Progress against key business objectives	☺ Green	Performance so far is broadly in line with expectations although it appears there has been a significant drop in tonnage of paper versus the same quarter in 2011 which has suppressed the recycling rate slightly. Performance throughout the year is not linear and does vary from month to month / quarter to quarter.
5.5	**South West Audit Partnership**	Target min 90% of 2012/13 Audit plan delivered	😐 Amber	**45% of planned audits as at end of Quarter 1 were completed or are at draft report** (please note would be 100% under previous year's definition) Quarter 1 is traditionally slow to progress due to residual quarter 4 work and the Annual plan not approved until mid March reducing the ability to start audits from the beginning of the quarter. All audits are in progress and additional quarter 2 work was started earlier due to delays with SAP data for the Creditors Fraud. In total there are 11 reviews for quarter 1, and whilst progress is disappointing, this is normal and recoverable during the year.

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6. PEOPLE (Human Resources)

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
6.1	**Staff Sickness** Reduce sickness absence through strong absence management, revised policies & procedures, & training	Target = 8.5 working days max lost per FT employee	😐 Amber	**Quarter 1 actual = 2.13 days** **2012/13 forecast = 8.52 days** (Q1 last year was 2.12 days, with the year-end outturn result being 9.96 days) The 'Amber' alert is based on the historical records that show sickness is much lower in the initial months of the financial year and the comparison with last year is a cause for concern. SW1 will be completing the draft Wellbeing and Sickness Absence Action Plan as a matter of priority
6.2	**PRED / Training Plans** Maintain effective performance management of people and establish & deliver development needs	100% completion of PREDs	**N/A**	PREDS (staff appraisals) are 100% up-to-date (where due) for Theme 1. Theme 2 are 100% up-to-date Theme 3 are 90% complete with remainder scheduled by the end of April Theme 4 are 98.4% complete. **The above result is for the 2011/12 Q4 report and has not been updated**
		100% completion of Learning & Development plans	😐 Amber	Only 1 service has not yet completed a Learning & Development plan – this is due to the recent restructuring process and is being addressed as part of developing a new Economic Development & Regeneration service plan
		100% delivery of 'essential' training activities (corporate training plan)	😐 Amber	100% delivery of all requested training interventions. Several aspects of the plan will be reconsidered following approval of the new Corporate Business Plan.
6.3	**Staff Turnover**	Target 12% (voluntary leavers as % of staff in post)	☺ Green	**Total turnover = 6.87 %** **Voluntary turnover = 2.8 %** Early retirement / redundancy = 0.35 % Ill-health retirement = 0 % Other (End of contract/ dismissal) = 0.18 % TUPE = 3.52% This quarterly result has been significantly altered by the planned TUPE transfer of Car Parking staff in mid June 2012.
6.4	**Improve Staff Satisfaction**	Results from staff survey / resulting action plan	😐 Amber	Staff Survey Action Plan currently being drafted following feedback from Leads at meeting on 28th June 2012. This plan will be in place by Quarter 2.

As at: 04/09/2012 **TDBC SCORECARD Q1 2012/13** (Appendix A)

7. CORPORATE MANAGEMENT

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
7.1	**Corporate Governance Action Plan** Deliver the action plan, focussing on high priority areas	Deliver 95% of High priority Actions, and 80% of Medium priority actions by target dates	😐 Amber	The 2011/12 Corporate Governance Action Plan currently includes 21 actions, with the status as at end June being: **High priority actions** / **Total actions** Green (on course) = 67% (6 actions) = 76% (16 actions) Amber (some concern) = 22% (2 actions) = 14% (3 actions) Red (off course) = 11% (1 action) = 10% (2 actions) A detailed report is taken quarterly to the Corporate Governance Committee (last report 25 June).
7.2	**Audit & Inspection** Ensure that statutory Audit & Inspection obligations are met	Internal audit findings	☹ Red	2012-13 Internal Audit Work: In relation to Quarter 1 there were 11 reviews of which 1 is complete, 4 at draft and 6 in progress. The following audit assessments were reported in respect of these audits where complete or draft (draft reports could be subject to change): ☺ Comprehensive assurance = 0 ☺ Reasonable assurance = 1 😐 Partial assurance = 1 ☹ No assurance = 0 Non-Opinion = 1 Follow-up Audit work = 2 The main reason for showing 'Red' is that the follow-up work undertaken in quarter 1 shows slow progress being made on high priority recommendations. Internal Audit (SWAP) reports quarterly on audit plan progress, assurance levels and priority recommendations to the Corporate Governance Committee (next report due September 2012).
		2011/12 Final Accounts unqualified	**N/A**	TDBC final accounts for 2011/12 will be audited through the summer. The outcome of this audit will be reported by 30th September 2012

As at: 04/09/2012 **TDBC SCORECARD Q1 2012/13** (Appendix A)

7. CORPORATE MANAGEMENT

Ref	OBJECTIVES	MEASURES	ALERT	ISSUES (current & future) and IMPACTS
7.3	**Equalities & Diversity** Develop practices & policies based on Equalities Framework for Local Govt	Council reports including Equality Impact Assessments (EIA)	☹ Red	Reports to the Executive that should have had an EIA attached or contained a full summary that did **= 67%** (target 100%) In particular 3 reports were lacking Equality Impact Assessments which had the potential to impact upon vulnerable groups. Including Swimming pool proposals, Carbon Management Plan 2012/13 and the proposed Crime & Disorder Reduction Partnership merger.
7.4	**Risk Management** To ensure major risks are managed by embedding Risk Mgt Strategy	Delivery of RM Strategy & Policy & Procedures	☺ Green	6-monthly CMT review of corporate risk register scheduled for September, although will now also be considered in new quarterly CMT performance review meetings. Risk Management progress is reported quarterly to the Corporate Governance committee - next report due 27 Sept.
7.5	**Value for Money / Benchmarking** To ensure that Services provide excellent value for money	Council Tax charges – in lowest quartile	☺ Green	TDBC remains in the lowest quartile in 2012/13 (compared with all English Districts). *Council Tax average band D tax bill - amount paid to local services (excluding parishes)*
		Target efficiency savings at areas with poor VfM	**N/A**	The Audit Commission will publish its annual 'Value for Money' conclusion report for TDBC during quarter 2. The Auditor has been provided with evidence of how TDBC currently uses benchmarking to assist in decision-making.
7.6	**Asset Management** Develop the Council's Asset Management arrangements	Implementation of Asset Mgt Plan (AMP)	😐 Amber	A new Asset Management Plan is being developed for 2012 – the draft AMP was considered by CMT 3rd September. This measure is expected to be on-track by Quarter 2.
		Target 70% of maintenance spend planned	☺ Green	All maintenance spend is now separated into planned and unplanned. Condition surveys now complete to enable more works to be planned.
7.7	**Health & Safety** To raise the standard of Health & Safety knowledge & performance	Delivery of H & S Action Plan	😐 Amber	CMT have agreed to a 12 month consolidation and compliance audit approach led by each Theme Manager and supported by the Corporate H&S Advisor, Safety Rep and SWAP – these audits will be conducted during Quarter 2. The object is to ensure: • Visible ownership and leadership of H&S within each Theme; • High levels of compliance with relevant Corporate documentation; • Delivery of a 'can do' and a 'H&S matters' culture; • Reliable data for the quarterly reports. • Establish Management monitoring and review of H&S.

As at: 04/09/2012 **TDBC SCORECARD Q1 2012/13** **(Appendix A)**

APPENDIX B

2012/13 Financial Position – Quarter 1 Update

PART A: REVENUE BUDGETS

1 Forecast Outturn Summary – General Fund Revenue Account

1.1 The purpose of this appendix is to provide an update of potential budget issues.

1.2 The current forecast outturn for the Council's General Fund services is an under spend of £434k for the financial year 2012/13. A summary of the General Fund Revenue Account budget and forecast for the year is included in **Annex A**.

1.3 The significant variances to the forecast in this quarter are in the following areas:

a) **Car Parking Income:** The forecast under recovery of income is estimated at £470k. This is due to further reductions in car park usage during Q1 of 2012/13 compared to last financial year. It is believed that this is a continuing reflection of the current economic climate, the rising costs of motoring, driver choice, and the availability of the Park & Ride Schemes.

b) **Rent Allowances & Rent Rebates:** The year end outturn position is estimated to be an over recovery by £307k. It is worth noting that this is only a 1.06% variance on a gross budget of £29m, and that the original budget has been estimated as best as possible on an area that fluctuates significantly based on demand for this scheme.

c) **Interest Payable:** Since the budget was approved, the entire external debt has been allocated to the HRA (in line with CIPFA guidance), thus the General Fund is now forecasting to be debt free. This means that an under spend of £226k is forecast. However this may change if the Authority decided to take on any short term loans during this financial year.

d) **Interest Receivable:** We are currently forecasting to receive more interest on General Fund investments than originally budgeted for by £244k. This has been split into two elements.

   a. Firstly, £70k is due to the uncertainty around interest rates during budget setting. The Authority has actually received better rates than expected.

   b. Secondly, £174k is due to the HRA now paying to borrow from the General Fund.

1.4 Further information regarding the reported variances to budget and the management action that has been taken, or is planned, is included in **Annex B**.

2 General Fund Reserves

2.1 The General Fund general reserves balance at the start of the year was £3.337m.

2.2 Projected movements in the current year include the approved carry forward of £86k (21 June 2012), the Supplementary Budget transfer to the Capital Programme for the Cremator Replacement Mercury Abatement Project (11 July 2012), the Supplementary Budget transfer to support the Flood Alleviation Works on the North Curry Moor (18 July 2012), and the budgeted transfer to reserves in the original Budget 2012/13.

2.3 The projected balance at the end of the current financial year is £3.168m, before considering any potential over or under spend in the current year. If the current trend continues on all the budgets above, and the Council takes no further corrective action in the year, the potential under spend of £434k would be transferred to this reserve – increasing the potential balance to £3.602m by the end of the financial year.

2.4 This is well above the current minimum balance of £1.25m required in the Council's financial strategy.

2.5 The reserves have been kept deliberately high in view of the ongoing financial pressures faced by the Council and the likely increases in financial risk arising through Localism, Local Government Finance Review, Welfare Reform, and the continuing effects of the wider economy. This "headroom" will provide the Council with some protection from financial risks in the short and medium term. This balance also provides some flexibility to considering funding one off revenue or capital schemes.

2.6 A summary of the movement in the General Fund Reserves Balance is included in **Annex C**.

3 General Fund - Risk and Uncertainty

3.1 Budgets and forecasts are based on known information and the best estimates of future spending and income of the Council. The income and expenditure of the Council over the financial year 2012/13 is estimated by the budget holders in the Council and then reported through the budget monitoring process. During this process risks are identified which could affect the financial projections but the likelihood and/or amount are uncertain. The following risks have been identified though the Q1 process:

a) **Insurance:** The insurance brokers have broken the long-term agreement on motor and liabilities. A carry forward of £53k was approved from 2011/12 to help cover the possible increase in insurance premiums. Our Brokers are still in discussions with the insurers and their underwriters, and consequently we have not yet received details of our premiums for 2012/13. Therefore it is not known whether the carry forward will be in excess or if a budget pressure will emerge.

b) **Vacancy Factor**: Across the organisation a budget target of £60,500 has been set as staff vacancy savings for 2012/13. It is currently unknown whether this target will be under or over achieved.

c) **Earmarked Reserves:** Scrutiny has requested a full and detailed review of the Authority's earmarked reserves by autumn of 2012. Dependent on the outcome of this analysis, it may transpire that some funds may need to be released. A decision will need to be made as to whether any surpluses are used to (a) fund emerging pressures during the financial year or (b) transfer directly to general reserves.

d) **SWOne Balances and Debts:** There is a risk that invoices raised may not be paid and thus write offs may need to be discussed. A thorough review of the area is planned to be undertaken starting in August 2012.

e) **Building Control:** The budget holder is currently forecasting to come in on target. However this is a high risk area that reacts to the external environment. The budget holder will attempt to control costs where possible, but variances may be reported in the future.

f) **Cemeteries & Crematorium:** There is a risk that budgeted income will not be achieved if (a) we experience a mild winter again for a second year, and (b) the new crematorium being built in Bridgwater is open for business before the end of this financial year. There is also a risk that the new maintenance contract, which is currently under renewal, will be more expensive.

g) **Dog Wardens:** This contract is currently out to tender, therefore there is a risk that the contract price may increase creating a budget pressure. This may result in a consultation to discuss the possibility that this service is brought back in house.

h) **Pay Award:** A prudent 1% pay award was built into the staffing budgets for 2012/13. If this is not needed then approximately £90k could be released.

4 Forecast Outturn Summary – Housing Revenue Account

4.1 The current forecast outturn for the Council's Housing Revenue Account (HRA) is an under spend of £817,850 for the financial year 2012/13, before any increase in the budgeted allowance for repayment of capital debt.

4.2 A summary of the HRA revenue budget and forecast for the year is included in **Annex D**.

4.3 The variances to the forecast in this quarter are in the following areas:

a) Interest Payable: The forecast under spend is estimated to be £928,100 for 2012/13. This is because the actual rate of interest payable rate on the new self-financing loan was not confirmed until after the budget was set, and was eventually obtained at a much lower rate than previously anticipated.

b) **Interest Receivable:** The forecast over spend is estimated to be £110,250 for 2012/13, due to receiving less interest on HRA investments than originally budgeted for.

4.4 However, it is anticipated that this net under spend of £817,850 (subject to any further variances that may arise during the year) is retained and approval sought to use this for early repayment of debt. This recommendation will be put forward and discussed as part of the HRA Business Plan Review.

4.5 Further information regarding the reported variances to budgeted and the management action that has been taken or is planned specifically in relation to those is included in **Annex E**. Management are taking action to address the overall position on the HRA with a view to containing spending within the total budget by the end of the financial year, and achieving the Business Plan priority of repaying capital debt at the earliest opportunity.

5 HRA - Risk and Uncertainty

5.1 As with the General Fund, budgets and forecasts are based on known information and the best estimates of future spending and income of the Council. The income and expenditure of the Council over the financial year 2012/13 is estimated by the budget holders in the Council and then reported through the budget monitoring process. During this process risks are identified which could affect the financial projections but the likelihood and/or amount are uncertain.

5.2 There are no specific risks to the HRA identified through the Q1 process. However, the Housing Service has experienced a number of operational changes during quarter 1 of this financial year in order to accommodate the HRA Business Plan. Therefore variances may be reported in the future.

5.3 The Council carries protection against risk and uncertainty in a number of ways, such as insurances and maintaining reserves.

6 Housing Revenue Account Reserves

6.1 The HRA general reserves “working balance” at the start of the year was £1.355m. The projected balance at the end of the current financial year is currently £1.843m taking into account planned transfers to/from reserves within the original budget.

6.2 This brings the forecast balance into line with the recommended minimum working balance of £1.8m as set out in the HRA Business Plan.

6.3 A summary of the movement in the HRA Reserves Balance is included in **Annex F**.

7 Budget Changes

7.1 The Original Budget for the year was approved by Full Council on 21 February 2012. The budget requirement for the Council may not remain static for the whole financial year, and officers may request changes to approved budgets

during the course of the financial year, either in the form of: transfers to/from general reserves, known as “Supplementary Estimates and Returns” (either General Fund or HRA); or transfers between budgets, known as “virements”.

7.2 Virements that are above £50,000 in value require Executive approval.

7.3 It has been recommended that the Executive approve a budget virement of £82,500 with regards to the return of the ‘Stores’ team from SW1 back into TDBC. The budget currently sits as part of the payments due to SW1. It is recommended that this budget is moved to Theme 3 where the Stores Team is managed. This request is summarised in **Annex G**. This recommendation was supported by Corporate Scrutiny at its meeting in July.

7.4 There are no new requested “Supplementary Estimates and Returns” in either the General Fund or HRA included in this report.

8 Earmarked Reserves

8.1 Earmarked reserves are finite revenue and capital funds that are held in the Council’s Balance Sheet for specific purposes. The funds can be withdrawn over one or more years but do not form part of the Council’s Base Budget.

8.2 The Earmarked Reserves balance at the start of the year was £7.071m. This included £6.597m for General Fund and £0.475m for the HRA.

8.3 A Summary Statement of Earmarked Reserves is included in **Annex H**. This shows the opening balances and the amounts transferred to and from reserves during the year.

9 Deane DLO Trading Account

9.1 There are no overall variances to budget declared at this time by DLO management.

9.2 The DLO is experiencing a number of changes this financial year, including a number of services transferring out of the trading account, the ongoing replacement IT project, and the ongoing relocation project.

9.3 There are some contract changes that could have an impact on the budget, for example the DLO SCC Grass Cutting contract has been reduced by c.£37k. However this is being managed by a subsequent reduction in spend to compensate for this loss of income. Therefore reporting an overall zero budget variance.

9.4 Areas of risk and uncertainty include investigations currently been made into a possible under-recovery on the grounds maintenance day works account. However until the investigations conclude it is unknown if this will cause a budget variance.

9.5 Therefore whilst no variance is being reported in Q1, there may be variances to be reported in the future.

9.6 A Trading Account Summary and Reserves Position Statement for the DLO will be included in Annex I in the future. The trading account reserves are reported as part of the General Fund Earmarked Reserves balance.

10 Deane Helpline Trading Account

10.1 There are no variances to budget declared at this time by Deane Helpline management.

10.2 A Trading Account Summary and Reserves Position Statement for the Deane Helpline are included in **Annex J**. The trading account reserves are reported as part of the General Fund Earmarked Reserves balance.

PART B: CAPITAL BUDGETS

11 Forecast Outturn Summary – General Fund Capital Programme

11.1 The current forecast outturn for the Council's General Fund Capital Programme is Net Expenditure of £5.667m, compared to the budget of £6.634m. The forecast under spend is therefore £0.967m (14.58%) for the financial year 2012/13, which relates entirely to slippage on projects into 2013/14.

11.2 A summary of the General Fund Capital Programme budget and forecast for the year is included in **Annex K**.

11.3 The forecast variances for the year are in the following areas:

a) **Project Taunton – Castle Green**
It is forecast £300k of the proposed budget for 2012/13 will need to be slipped into the financial year 2013/14 to fund the second phase of the redevelopment of Castle Green. The second phase is not due to start until the new financial year.

b) **Grants to RSL's**
There is slippage reported on the grants to RSL's capital budget of £272k. This is allocated to an affordable housing scheme which is not due to start until 2013/14.

c) **Paul Street Car Park Repairs**
There is forecast spend of £50k in the 2012/13 financial year for minor works that need to be done quickly to enable the car park to stay in operation. The remainder of the budget will be spent on major work identified, which the Council will need to go out to tender for. It is anticipated that these works will not begin until the new financial year therefore the remainder of the budget (£195k) will need to be carried forward to fund the work in 2013/14.

d) **DLO System**
The project was due to be finished in 2012/13 with a 'go live' date of 1 April 2013. It is currently estimated that this may slip into June/July 2013. The expectation is that 50% of the budget will be spent in 2012/13 and 50% will

be spent in 2013/14. This is only a rough estimate and will be updated as plans are finalised.

11.4 Further information regarding the reported variances to budget and the management action that has been taken or is planned is included in **Annex L**.

12 GF Capital Programme Risk and Uncertainty

12.1 The main areas of risk and uncertainty in the General Fund capital programme are detailed below:

a) **Waste Containers**
There is no variance being predicted against this project for Q1 however this budget has had expenditure ranging from £14k - £75k over the past three years so there could potentially be a variance against the £101k budget to report here. Work is being done with the theme manager and the accountant to get information on a regular basis from the waste partnership as it is currently only provided at the year end.

b) **Crematorium Mercury Abatement**
No slippage is being reported on this project at the moment. A profile of spend has been requested but not yet received. There is a risk that an element of the project could slip into 2013/14.

13 Forecast Outturn Summary – Housing Revenue Account Capital Programme

13.1 The current forecast outturn for the Council's Housing Revenue Account Capital Programme is net expenditure of £5.5m against a budget of £5.5m. The forecasts from the Housing department show that this is achievable and the budgets will be fully spent in 2012/13. Although quarter 1 spend is low to date, improved staffing in the service following restructure will assist in acceleration of the work programme and spend throughout the rest of the year.

13.2 A summary of the HRA Capital Programme budget and forecast for the year is included in **Annex M**.

14 HRA Capital Programme Risk and Uncertainty

14.1 The main areas of risk and uncertainty in the Housing Revenue Account capital programme are detailed below:

a) Cladding
This work is subject to structural surveys and possible options appraisal regarding regeneration. This may delay final decisions regarding spend.

b) Facias and Soffits
This work is still subject to the procurement process. Therefore costs may be diffeent to the current budget allocation.

c) DDA Work

It is anticipated that the expenditure on this project will be increased from the budget amount because there was no spend in 2011/12. The increased spend will be funded from existing budgets in the HRA Capital Programme.

d) Heating

Consultation with tenants in priority need i.e. with current solid fuel or larger properties with electric heating, has produced mixed results with not as much interest as expected. This will result in a variety of solutions (gas installations, electric replacement and potentially piloting air source heat pumps in larger properties and new energy efficient solid fuel systems). Overall not enough interest to achieve target number of installations which will impact on spend this year. Consideration being given to extension of successful air source heart pumps programme in smaller properties to support this project.

14.2 Other comments on HRA capital programme projects:

a) Air Source Heat Pumps

Highly successful project to date, competitive successful pricing from tendering will allow higher number of units to be delivered.

b) Bathrooms

Highly competitive tender price from current contractors may allow greater number of units than the 200 planned to be delivered.

15 Corporate Scrutiny Comments

15.1 There were no specific comments to the Executive in relation to the reported financial position. The recommended budgeted transfer was supported.

16 Conclusions and Recommendations

16.1 Recommendations related to this appendix are included in the main body of the covering report. It is important that Members note the budget issues outlined in this report, but recognise that some of the forecasts may change at Q2 depending on the performance over the next couple of months.

17 Contact Officers:

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ANNEX A

GENERAL FUND REVENUE ACCOUNT SUMMARY 2012/13

	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	
Service Portfolios					
Community Leadership	1,103	1,145	1,133	(12)	
Corporate Resources	1,238	1,315	1,024	(290)	
Economic Development, Asset Management, Arts & Tourism	1,162	1,201	1,202	1	
Environmental Services	4,509	4,515	4,407	(108)	
General Services	1,227	1,232	1,239	8	
Housing Services	2,572	2,572	2,536	(36)	
Planning, Transportation & Communications	(1,095)	(1,078)	(592)	486	
Sports, Parks & Leisure	2,584	2,584	2,585	1	
Net Cost of Services	**13,301**	**13,486**	**13,536**	**50**	**0.37%**
Other Operating Costs and Income					
Deane Helpline Trading Account	77	77	77	(0)	
DLO Trading Account	(101)	(101)	(101)	(0)	
Interest Payable and Debt Management Costs	264	264	38	(226)	
Interest and Investment Income	(67)	(71)	(315)	(244)	
Council Tax Freeze Grant	(277)	(278)	(278)	0	
New Homes Bonus Grant	(1,040)	(1,040)	(1,040)	0	
Parish Precepts & Special Expenses	530	530	530	0	
Transfer to/(From) Earmarked Reserves	309	130	130	0	
Capital Expenditure Funded from Revenue (RCCO)	330	330	330	0	
Repayment of Capital Borrowing (MRP)	664	664	650	(14)	
Transfers to Capital Adjustment Account	(2,434)	(2,434)	(2,434)	0	
Total Other Costs and Income	**(1,744)**	**(1,929)**	**(2,414)**	**(485)**	**25.13%**
NET EXPENDITURE BUDGET BEFORE FUNDING	**11,557**	**11,557**	**11,122**	**(434)**	**-3.76%**
Formula Grant and Council Tax Income	(11,596)	(11,596)	(11,596)	0	
Net (Surplus)/Deficit for the Year	(40)	(40)	(474)	(434)	
Met by Transfer to (from) General Fund Balance	40	40	474	434	

ANNEX B

GENERAL FUND REVEUE ACCOUNT FORECAST VARIANCES TO BUDGET 2012/13

Item No.	Portfolio	Theme	Cost Centre Description	Q1 Variance	Variance explanation	Management Action
1	COR	T1a	NNDR Collection	£19,770	Overspend relates to under budgeted discretionary rate relief paid in arrears.	None available due to nature.
2	PTC	T1a	Off Street Parking	£470,000	Under recovery of income. See 1.4(a) of this appendix for a detailed explanation.	Budget will review figures on a monthly basis.
3	ENV	T1a	Somerset Waste Partnership	(£89,000)	Under recovery of income and a reduction of expenditure. This is the element of the budget provided to cater for fluctuations in demand & consequent cost increases that is anticipated to not be needed during 12/13.	Budget holder will review on a monthly basis. This under spend provides protection should the capital programme requirement exceed current budget allocations.
4	COR	T1a	Retained HR	(£18,000)	Approximately £18k savings due to SW1 contract renegotiations.	Budget holder will review on a monthly basis.
5	HSG	T1a	Housing Standards	(£21,060)	No longer affiliated with organisations such as 'Home Aid', therefore no income is now expected from other sources.	Budget holder will review on a monthly basis.
6	COR	T1a	Rent Allowances & Rent Rebates	(£307,000)	Over recovery of income. See 1.4(b) of this appendix for a detailed explanation.	Budget holder will review on a monthly basis.
7			Various minor variances	(£4,300)	Net of other minor variances.	

Item No.	Portfolio	Theme	Cost Centre Description	Q1 Variance	Variance explanation	Management Action
8	GFOTH	T0	Interest Payable (GF)	(£226,430)	Under spend due to General Fund (GF) now being debt free and therefore not due to pay any of the originally budgeted interest payments. This may change if the Authority decided to take on any short term loans during the year.	Budget holder will review on a monthly basis.
9	GFOTH	T0	Interest Receivable (GF)	(£70,050)	Over recovery of interest receivable due to better interest rate received on GF investments than originally budgeted for, due to uncertainty around interest rates during budget setting.	Budget holder will review on a monthly basis.
10	GFOTH	T0	Interest Receivable (GF)	(£173,900)	Over recovery of interest receivable due to the HRA now paying to borrow from the GF.	
11	GFOTH	T0	MRP (repayment of debt)	(£14,420)	Our repayment of debt is slightly less than budgeted for.	No further action.
			GRAND TOTAL	**(£434,390)**		

Key: Portfolios

COM	Community Leadership
COR	Corporate Resources
ECD	Economic Development, Asset Management, Arts & Tourism
ENV	Environmental Services
GEN	General Services
HSG	Housing Services (Non-HRA)
PTC	Planning and Transportation/Communications
SPL	Sports, Parks & Leisure

ANNEX C

GENERAL FUND RESERVES SUMMARY 2012/13

	Original Budget £'000	Current Budget & Forecast £'000
Balance Brought Forward 1 April 2012	**3,337**	**3,337**
Approved Budget Carry Forward into 2012/13 *(21st June 2012)	0	(86)
Balance in 2012/13 after Carry Forward	**3,337**	**3,251**
Supplementary Budget to Capital Programme for Cremator Replacement Mercury Abatement Project *(Executive 11th July 2012)	0	(113)
Supplementary Budget to support Flood Alleviation Works on North Curry Moor *(18th July 2012)	0	(10)
Projected Balance before 2012/13 Outturn	**3,337**	**3,128**
Original Budget 2012/13	40	40
Projected Balance Carried Forward 31 March 2013	**3,377**	**3,168**

ANNEX D

HOUSING REVENUE ACCOUNT SUMMARY 2012/13

	Original Budget £'000	Current Budget £'000	Forecast Outturn £'000	Forecast Variance £'000	Forecast Variance %
Income					
Dwelling Rents	(22,735)	(22,735)	(22,735)	(0)	0%
Non Dwelling Rents	(553)	(553)	(554)	(1)	0%
Supported, Sheltered & Extra Care	(364)	(364)	(365)	(1)	0%
Other Income (Service Charges, Rechargeable Repairs, Leaseholder Charges and GF Contribution)	(547)	(547)	(550)	(3)	1%
Total Income	**(24,200)**	**(24,200)**	**(24,205)**	**(5)**	**0%**
Expenditure					
Supervision & Management	3,252	3,252	3,261	9	0%
Maintenance	7,515	7,515	7,515	(0)	0%
Capital Charges - Depreciation	6,270	6,270	6,270	0	0%
Provision for Bad Debt	30	30	30	0	0%
Debt Management Expenses	50	50	50	0	0%
Other Expenditure (Communal and Rechargeable Costs, Insurance Excess, and Tenants Forum)	95	95	95	(0)	0%
Total Expenditure	**17,211**	**17,211**	**17,221**	**9**	**0%**
Other Costs & Income					
CDC Costs	231	231	231	0	0%
Interest Payable	3,873	3,873	2,945	(928)	-24%
Interest and Investment Income	(127)	(127)	(17)	110	-87%
Transfers To/(From) Earmarked & General Reserves	2,524	2,524	2,524	0	0%
Total Other Costs & Income	**6,501**	**6,501**	**5,683**	**(818)**	**-13%**
NET (SUPLUS)/DEFICIT FOR THE YEAR	**(488)**	**(488)**	**(1,301)**	**(813)**	**167%**

ANNEX E

HOUSING REVENUE ACCOUNT FORECAST VARIANCES TO BUDGET 2012/13

Item No.	Cost Centre Description	Q1 Variance	Variance explanation	Management Action
1	Interest Payable	(£928,100)	The forecast under spend is estimated to be £928,100 for 2012/13. This is because the actual rate of interest payable rate on the new self-financing loan was not confirmed until after the budget was set, and was eventually obtained at a much lower rate than previously anticipated.	Budget holder will review on a monthly basis as per the HRA Business Plan.
2	Interest Receivable	110,250	The forecast over spend is estimated to be £110,250 for 2012/13, due to receiving less interest on HRA investments than originally budgeted for.	Budget holder will review on a monthly basis as per the HRA Business Plan.
3	**Other minor variances**	**4,380**	**Minor variances**	None
	SUB TOTAL	**(813,470)**		
	Repayment of debt	**813,470**	**Assumed repayment of capital debt from in-year surpluses**	None
	TOTAL	**0**		

ANNEX F

HOUSING REVENUE ACCOUNT RESERVES SUMMARY 2012/13

	Original Budget	Current Budget & Forecast
	£'000	£'000
Balance Brought Forward 1 April 2012	**1,355**	**1,355**
Transfer to reserves within original budget	488	488
Forecast under / (over) for the year	0	0
Projected Balance carried forward 31 March 2013	**1,843**	**1,843**

ANNEX G

BUDGET VIREMENTS FOR APPROVAL

#	Amount £	Fund	From Service / Heading	To Service / Heading	Explanation
1	82,500	GF	SW1 Procurement	DLO Stores	Stores Team have returned from SW1 management
2					
3					
	82,500	**TOTAL VALUE OF BUDGET VIREMENTS**			

ANNEX H

SUMMARY STATEMENT OF EARMARKED RESERVES 2012/13

	Balance B/F	Transfers In	Transfers Out	Current Balance
	£'000	£'000	£'000	£'000
For General Fund revenue purposes				
Growth & Regeneration Service Costs	886	0	(340)	546
Asset Management - Tone Leisure	784	0	(20)	764
Self Insurance Fund	750	0	0	750
New Homes Bonus Reserve	392	648	0	1,040
Local Plan Enquiry General Provisions	238	22	0	260
Planning Delivery Grant - Revenue	237	0	(25)	212
DLO Trading Account Reserve	222	0	0	222
Asset Management - General Services	218	0	0	218
Housing Enabling	218	0	0	218
Home Improvement Agency	192	0	0	192
Eco Towns Projects Grant Funding	149	0	0	149
CCR Property Services Restructuring Pension Costs	147	0	(15)	132
Performance & Client Consultancy	144	0	0	144
Youth Homelessness Fund	133	0	(47)	86
Land Charges	101	0	0	101
CEO Initiatives	60	0	(1)	59
Olympic Torch Event Support	60	0	(39)	21
Corporate Training	58	0	(15)	43
LABGI	38	0	0	38
Other Reserves	514	35	(123)	426
Sub-total	**5,541**	**705**	**(625)**	**5,621**
For General Fund capital financing purposes				
DLO Vehicle Replacement Reserve	117	0	0	117
Capital Financing Reserve - General Fund Projects	939	50	0	989
Sub-total	**1,055**	**50**	**0**	**1,105**

	Balance B/F £'000	Transfers In £'000	Transfers Out £'000	Current Balance £'000
For HRA revenue purposes				
HRA Heating Reserve	240	0	0	240
CCR DLO Transformation (HRA resources)	78	0	0	78
Other Reserves	14	0	0	14
Sub-total	**331**	**0**	**0**	**331**
For HRA capital financing purposes				
Capital Financing Reserve - HRA Projects	79	0	0	79
Halcon Regeneration Scheme Project Costs	65	0	0	65
Sub-total	**144**	**0**	**0**	**144**
GRAND TOTAL	**7,071**	**755**	**(625)**	**7,201**

ANNEX I

DEANE DLO TRADING ACCOUNT AND RESERVES SUMMARY

The budget structure is currently being reviewed and an up-to-date financial position will be provided in the future.

DEANE HELPLINE TRADING ACCOUNT AND RESERVES SUMMARY

	Expenditure Budget £'000	Income Budget £'000	Net Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Telecare	139,720	0	139,720	139,720	0
Emergency Response	154,410	0	154,410	154,410	0
Control Centre	374,300	0	374,300	374,300	0
Other	340,950	(932,500)	(591,550)	(591,550)	0
Deane Helpline Net (Surplus) / Deficit	**1,009,380**	**(932,500)**	**76,880**	**76,880**	**(0)**

TRADING ACCOUNT RESERVES POSITION

Balance b/f	0	0
Transfer from 2012/13 Trading Account	0	0
Estimated Balance c/f	**0**	**0**

There are no trading account reserves held. The General Fund has budgeted to meet the deficit in 2012/13.

ANNEX K

GENERAL FUND CAPITAL PROGRAMME SUMMARY

ANNEX L

GENERAL FUND CAPITAL PROGRAMME FORECAST VARIANCES TO BUDGET 2012/13

Item No.	Portfolio	Theme	Cost Centre Description	Q1 Variance	Variance explanation	Management Action
1	ECD	T2	DLO IT System	£200,000	This variance is due to the go-live date slipping from 1 April 2013 to June/July 2013. It is currently anticipated that 50% of the costs will be payable in 2012/13 and the other 50% in 2013/14.	The under spend on this budget will need to be carried forward into 2013/14.
2	ECD	T2	Castle Green	£300,000	This is to fund the second phase of the redevelopment of castle green. It is expected that the new phase will not begin until the new financial year.	The under spend on this budget will need to be carried forward into 2013/14.
3	HOU	T2	Grants to Registered Providers	£272,100	The slippage here is due to a scheme that is not due to start until 2013/14.	The under spend on this budget will need to be carried forward into 2013/14.
4	PTC	T1	Paul Street (Orchard) Car Park	£195,120	The slippage here is due to the results of the structural survey. There is £50k of work that needs to be in this financial year. There is a separate report going to Corporate Scrutiny and Executive on the results of the survey.	The under spend on this budget will need to be carried forward into 2013/14.

ANNEX M

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME SUMMARY

GENERAL FUND CAPITAL PROGRAMME SUMMARY 2012/13

	Budget Allocations				Forecast Performance Against Budget				Analysis of Variance	
Project	Budget 2012/13 £	Slippage 2011/12 £	Supplements / Returns / Virements £	Current Budget 2012/13 £	Actuals To Date 2012/13 £	Over-/ (Under-spend) To Date £	Forecast Total Spend in 2012/13 £	Over-/ (Under-spend) At Year End £	Predicted Slippage into 2013/14 (£)	Over-/(Under-Spend) on Project £
Climate Change Initiatives	0	100,000	0	100,000	0	(100,000)	100,000	0	0	0
Total Community Leadership	**0**	**100,000**	**0**	**100,000**	**0**	**(100,000)**	**100,000**	**0**	**0**	**0**
PC Refresh Project	60,000	19,940	0	79,940	(391)	(80,331)	79,940	0	0	0
ICT Infrastructure Maintenance	0	35,000	0	35,000	5,079	(29,921)	35,000	0	0	0
Members IT Equipment	6,690	650	0	7,340	0	(7,340)	7,340	0	0	0
Total Corporate Services	**66,690**	**55,590**	**0**	**122,280**	**4,689**	**(117,591)**	**122,280**	**0**	**0**	**0**
DLO Vehicles	280,000	18,840	0	298,840	10,263	(288,577)	298,840	0	0	0
DLO IT System	0	400,000	0	400,000	0	(400,000)	200,000	(200,000)	(200,000)	0
DLO Plant	20,000	0	0	20,000	0	(20,000)	20,000	0	0	0
PT Longrun Meadow C	40,000	68,000	0	108,000	0	(108,000)	108,000	0	0	0
PT COACH Project	40,000	0	0	40,000	0	(40,000)	40,000	0	0	0
PT Public H and S	10,000	0	0	10,000	0	(10,000)	10,000	0	0	0
PT High Street	100,000	33,000	0	133,000	0	(133,000)	133,000	0	0	0
PT Longrun Farm	0	0	0	0	500	500	0	0	0	0
PT Firepool	0	468,000	0	468,000	(204,577)	(672,577)	468,000	0	0	0
PT Castle Green	0	1,529,000	0	1,529,000	334,370	(1,194,630)	1,229,000	(300,000)	(300,000)	0
PT High St Retail	0	60,000	0	60,000	62,549	2,549	60,000	0	0	0
PT NIDR	0	35,000	0	35,000	0	(35,000)	35,000	0	0	0
PT Urban Growth	0	58,000	0	58,000	0	(58,000)	58,000	0	0	0
PT Goodlands Gardens	0	0	0	0	(6,271)	(6,271)	0	0	0	0
PT Coal Orchard	0	10,000	0	10,000	0	(10,000)	10,000	0	0	0
PT Bus Station	0	11,000	0	11,000	3,125	(7,875)	11,000	0	0	0
PT Signage	0	22,000	0	22,000	0	(22,000)	22,000	0	0	0
PT Consultancy	0	20,000	0	20,000	0	(20,000)	20,000	0	0	0
HPDG Firepool Weir	0	4,080	0	4,080	0	(4,080)	4,080	0	0	0
Total Growth & Regeneration	**490,000**	**2,736,920**	**0**	**3,226,920**	**199,960**	**(3,026,960)**	**2,726,920**	**(500,000)**	**(500,000)**	**0**
Taunton/Canal Grant	10,000	0	0	10,000	0	(10,000)	10,000	0	0	0
Mercury Abatement	0	966,290	113,000	1,079,290	14,069	(1,065,221)	1,079,290	0	0	0
Waste Containers	50,000	51,180	0	101,180	0	(101,180)	101,180	0	0	0
Total Environmental Services	**60,000**	**1,017,470**	**113,000**	**1,190,470**	**14,069**	**(1,176,401)**	**1,190,470**	**0**	**0**	**0**
Grants to RSL's	0	694,600	0	694,600	0	(694,600)	422,500	(272,100)	(272,100)	0
Private Sector H and S	25,000	0	0	25,000	6,000	(19,000)	25,000	0	0	0
Energy Efficiency	62,000	0	0	62,000	(6,000)	(68,000)	62,000	0	0	0
Landlord Acc Scheme	90,000	0	0	90,000	0	(90,000)	90,000	0	0	0
Wessex HI Loans	62,000	0	0	62,000	0	(62,000)	62,000	0	0	0
DFGs Private Sector	450,000	246,880	0	696,880	(384)	(697,264)	696,880	0	0	0
Total Housing	**689,000**	**941,480**	**0**	**1,630,480**	**(384)**	**(1,630,864)**	**1,358,380**	**(272,100)**	**(272,100)**	**0**
Accolaid Upgrade	20,000	0	0	20,000	0	(20,000)	20,000	0	0	0
Paul St Car Park	218,000	27,120	0	245,120	0	(245,120)	50,000	(195,120)	(195,120)	0
Total Planning and Transportation	**238,000**	**27,120**	**0**	**265,120**	**0**	**(265,120)**	**70,000**	**(195,120)**	**(195,120)**	**0**

GENERAL FUND CAPITAL PROGRAMME SUMMARY 2012/13

	Budget Allocations				Forecast Performance Against Budget				Analysis of Variance	
Project	Budget 2012/13 £	Slippage 2011/12 £	Supplements / Returns / Virements £	Current Budget 2012/13 £	Actuals To Date 2012/13 £	Over-/ (Under-spend) To Date £	Forecast Total Spend in 2012/13 £	Over-/ (Under-spend) At Year End £	Predicted Slippage into 2013/14 (£)	Over-/(Under-Spend) on Project £
Replacement Lift Station Road	0	0	0	0	(9,297)	(9,297)	0	0	0	0
Grants to Clubs Play	46,000	0	0	46,000	14,199	(31,801)	46,000	0	0	0
Grants to Parishes	20,000	12,420	0	32,420	0	(32,420)	32,420	0	0	0
Replace Play Equip	20,000	0	0	20,000	9,349	(10,651)	20,000	0	0	0
Play Equip Long Run	0	0	0	0	0	0	0	0	0	0
Play Equip Greenway	0	0	0	0	0	0	0	0	0	0
Langford Budville VH	0	0	0	0	(2,662)	(2,662)	0	0	0	0
Vivary Park Play	0	0	0	0	0	0	0	0	0	0
Fitzhead Tythe Barn	0	0	0	0	(182)	(182)	0	0	0	0
Play Area Taunton Green	0	0	0	0	7	7	0	0	0	0
Popham Hall	0	0	0	0	(8,902)	(8,902)	0	0	0	0
Wellington Recreation	0	0	0	0	1,030	1,030	0	0	0	0
Total Sports Parks and Leisure	**86,000**	**12,420**	**0**	**98,420**	**3,541**	**(94,879)**	**98,420**	**0**	**0**	**0**
TOTAL GENERAL FUND CAPITAL PROGRAMME	**1,629,690**	**4,891,000**	**113,000**	**6,633,690**	**221,875**	**(6,411,815)**	**5,666,470**	**(967,220)**	**(967,220)**	**0**

ANNEX M

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME SUMMARY 2012/13

	Budget Allocations				Forecast Performance Against Budget				Analysis of Variance	
Project	Budget 2012/13 £	Slippage 2011/12 £	Supplements / Returns / Virements £	Current Budget 2012/13 £	Actuals To Date 2012/13 £	Over-/ (Under-spend) To Date £	Forecast Total Spend in 2012/13 £	Over-/ (Under-spend) At Year End £	Predicted Slippage into 2013/14 £	Over-/(Under-Spend) on Project £
HRA Kitchens	0	0	0	0	(49,695)	(49,695)	0	0	0	0
HRA Bathrooms	740,000	0	0	740,000	13,468	(726,532)	740,000	0	0	0
HRA Roofing	960,000	0	0	960,000	110,953	(849,047)	960,000	0	0	0
HRA Windows	415,000	0	0	415,000	90,710	(324,290)	415,000	0	0	0
HRA Heating Improvements	1,200,000	0	0	1,200,000	653	(1,199,347)	1,200,000	0	0	0
HRA Doors	120,000	0	0	120,000	0	(120,000)	120,000	0	0	0
HRA Fire Safety Work	150,000	0	0	150,000	11,539	(138,461)	150,000	0	0	0
HRA Cladding	500,000	0	0	500,000	0	(500,000)	500,000	0	0	0
HRA Facias and Soffits	505,000	0	0	505,000	0	(505,000)	505,000	0	0	0
HRA Heat Pumps	225,000	0	0	225,000	99,691	(125,309)	225,000	0	0	0
HRA IT Development	15,000	0	0	15,000	0	(15,000)	15,000	0	0	0
HRA Door Entry Systems	75,000	0	0	75,000	1,120	(73,880)	75,000	0	0	0
HRA Aids and Adaptations	200,000	0	0	200,000	(20,149)	(220,149)	200,000	0	0	0
HRA Soundproofing	20,000	0	0	20,000	0	(20,000)	20,000	0	0	0
HRA DDA Work	20,000	0	0	20,000	0	(20,000)	20,000	0	0	0
HRA Asbestos Work	50,000	0	0	50,000	2,940	(47,060)	50,000	0	0	0
HRA Tenants Improvements	5,000	0	0	5,000	250	(4,750)	5,000	0	0	0
HRA DFG's	300,000	0	0	300,000	0	(300,000)	300,000	0	0	0
Community Alarms	0	0	0	0	11,434	11,434	0	0	0	0
TOTAL HRA	**5,500,000**	**0**	**0**	**5,500,000**	**272,914**	**(5,227,086)**	**5,500,000**	**0**	**0**	**0**

Taunton Deane Borough Council

Executive - 12 September 2012

Orchard Multi-storey Car Park, Taunton - Structural Survey and Lifts

Report of the Parking and Civil Contingencies Manager
(This matter is the responsibility of Executive Councillor Edwards)

1. Executive Summary

The report outlines the findings and recommendations of specialist investigations into the condition of the multi-storey car park structure and its integral lifts. It draws Members' attention to the potential costs of fully implementing the recommended works in the context of the Project Taunton town centre retail redevelopment proposals. It recommends proceeding with the works and including them within the Council's Capital Programme, making the necessary financial provisions to do so as part of the budget setting process for 2013/2014.

2. Background

2.1 The Orchard multi-storey car park was erected in the early 1970s. It is primarily constructed of pre-cast concrete panels and in-situ waffle slab decks. Being a concrete structure with steel reinforcement there have been concerns about its structural integrity after a 40 year life. Some condition surveys have been undertaken, but nothing recently.

2.2 The car park is inextricably linked with the plans for retail redevelopment of the town centre. For some years it has been understood that the car park would be demolished as part of such redevelopment. Maintenance activities have therefore been minimal and certainly nothing of substance structure-wise. A recent version of the redevelopment plans indicated that whist the spiral entrance and exit ramp might be demolished the main body of the car park would be incorporated within a retail centre.

2.3 If the car park is to remain in public use for a further substantial period, in whatever form, it was considered essential to have a full structural survey carried out to establish the condition of the building and what work might be needed to remedy any defects. An item was included in this year's Capital Programme for a survey and for subsequent works.

2.4 Members will also be aware that the three passenger lifts within the car park are of a similar age and are not working as they should. Breakdowns are not an irregular

occurrence, leading to public frustration and complaint. The lift maintenance contractor was asked to provide a costed schedule of works needed to fully refurbish all three, including replacement of major parts where necessary. As the lifts are an essential feature of the multi-storey car park, their refurbishment is being looked at concurrently to the structure itself.

3. Structural Survey

3.1 Property Services commissioned the survey from Waterman Transport & Development Limited. Their report has recently been received. The Conclusions, Recommendations and Costings sections are attached at Appendix A.

3.2 From these it can be seen the structure has performed well and is not in danger of failing. However, repairs and protective measures are necessary to prevent further deterioration and to provide a parking environment that is both safe and attractive to motorists. The latter factor is of particular importance given the car park's location and potential redevelopment.

3.3 The works fall into three categories

Capital	
Structural repair work required within 12 months	£27,500
Preventative maintenance work required within 5 years (to give a life beyond 10 years)	£705,000
Revenue	
Minor repairs and redecorations	£25,000

3.4 The approved 2012/13 Capital Budget provision is for £245,000. This also has to cover all professional fees associated with the survey and any works subsequently undertaken.

3.5 The approved 2012/13 Revenue Budget for car parks maintenance is £63,000 and covers all maintenance activities in all Council car parks. It is at least fully expended every year and could not fund an item of £25,000 in one car park. Although the minor repairs and redecorations are not essential in terms of the integrity of the building itself there has been little work of this nature done for several years. The customer experience would certainly be enhanced by this – at a time when attracting motorists is very important. Additional revenue funding has been identified from the Interest Budget and vired with the agreement of the Executive Cllr and the Section 151 Officer.

4. Lifts

4.1 The suggested improvement programme for the three lifts is included at Appendix B

4.2 The works fall into three time frames

Capital	
12-18 months – Replacement of control mechanisms,	£57,000

rewiring and upgrading	
Mid-term 5 years – Replacement of gear and winding unit complete with ropes and pulleys, and car safety gears	£58,500
Mid-term 5-7 years - Re-lining of lift cars and replacement of landing / car door sets	£64,500

5. Conclusions

5.1 The works proposed to the car park and the lifts are intended to ensure both are fit for purpose for periods in excess of the next ten years. In total these require much more of a financial investment by the Council than is currently within the Capital Works Programme.

5.2 The items identified as being needed within 12 – 18 months can be carried out within this year's funding allocation so should proceed.

5.3 Members will need to be advised of the latest Project Taunton proposals for the retails redevelopment before making decisions on whether the other identified works should be funded. However, if it is likely that any part of these works will be required to be funded from 2013/14 onwards Full Council will need to make provision for this to happen.

5.4 The current proposals for the town centre retail development do not require demolition of this car park.

6. Finance Comments

6.1 The total approved budget for the project is currently £245,000. The total budget requirement for this project over the next 7 years is up to £912,500 making a funding gap of £667,500.

Capital investment of this size should only go ahead if the car park is to be retained under the Project Taunton proposals.

The table below summarises the expected capital costs:

	Actual / Commitment £000
2012/13 Capital Commitments	28
Work required in the next 12-18 months	57
Work required over next 5 years	763
Work required in 5-7 years	65
Total Capital Budget Required	**913**
Current budget available	245
Budget Gap	**668**

The additional revenue costs have been dealt with as described above.

The work required in 2012/13 and the next 12-18months can be funded from the current budget allocation of £245k.

Further funding of £668k will need to be identified for the work required over the next 5-7 years.

The main options are to use the £164k revenue budget set aside at budget setting for capital projects, set aside a proportion of the Councils expected future capital receipts to fund the work or to approve additional borrowing.

To give an estimate of borrowing costs for the council to borrow £668k over 10 years would result in indicative annual repayment costs of principal and interest of £73k.

Other funding options could include the use of revenue resources to fund or part fund e.g New Homes Bonus or General Fund reserves. The most economic funding proposal wouls be put to Members for consideration as part of the overall Capital Programme for the next 5-7 years. It is recommended at this stage that the funding basis for the scheme is determined when the 2013/14 Capital Programme is presented for approval in February 2013

7. Legal Comments

7.1 There are no legal issues raised in this topic.

8. Links to Corporate Aims

8.1 There is no direct link to Corporate Aims, other than the overall aim of maintaining assets to ensure the greatest return is achieved.

9. Environmental Implications

9.1 There are no specific environmental implications associated with the recommendation.

10. Community Safety Implications

10.1 There are no Community Safety Implications related to this.

11. Equalities Impact

11.1 There are no specific Equalities issues related to this.

12. Risk Management

12.1 The risks are addressed above and in the Summary Business Case

13. Partnership Implications

13.1 There are no implications for any existing Partnerships.

14. Comments from Corporate Scrutiny

14.1 The report was considered by the Corporate Scrutiny Committee on 16 August 2012 who commented as follows:-

"We welcome the report of John Lewis and the detailed structural reports provided as appendices. We note that the total costs to refurbish the car park and its lifts are of the order of £912,500 to be spent over the next 7 years. We also note that the Council has set aside in the current Revenue Budget the sum of £245,000 towards this capital programme.

We suggest that the Executive consider the creation of a programme for the next 7 years of making a Revenue Contribution to Capital of some £95.500 per annum towards the upkeep and build this into the Medium Term Financial Strategy."

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15. Recommendations

15.1 Members are recommended

(1) to accept the contents of the report and the need for the works on the car park structure and lifts to be carried out in order to maintain the Council's physical assets and protect the parking income stream; and

(2) to recommend to Full Council the inclusion of the works in the future Capital Programme, including the proposed funding basis as part of Budget Setting in February 2013.

Contact: John Lewis
Parking and Civil Contingencies Manager
Tel 01823 356501
Email: j.lewis@tauntondeane.gov.uk

APPENDIX A

EXTRACT FROM WATERMAN TRANSPORT & DEVELOPMENT LIMITED REPORT

6. Conclusions

6.1 Visual Inspection

6.1.1 Internal Structure

The structure has generally performed well in comparison to other reinforced concrete multi-storey car parks constructed at the time. However the concrete elements have now reached the stage where the development of age related defects such as reinforcement corrosion can be expected to accelerate unless effective concrete repairs and protective measures are undertaken.

The concrete cracks in the corbels supporting the east end straight vehicle ramps on Levels 3 & 4 and the areas of spalled concrete on the slab soffits above Levels 3, 3A & 4 are thought to be due to expansion of the reinforcement caused by water penetration induced corrosion.

The hairline cracks in the slab soffit are probably the result of thermal movements as it is noticeable that they are more common on the half-levels on the south side of the structure where temperature variations are highest.

The honeycombing on the slab soffit above Level 3 is believed to be a construction fault caused by inadequate concrete vibration.

The deterioration and lack of adhesion of the sealant in the expansion joints is most likely age related as it is well past its original design life.

The cracking in the brickwork near the entrance could be caused by vehicle impact damage, however the absence of chipping suggests that concrete frame shortening is more likely. If brickwork is built tightly between concrete floor slabs with no provision for vertical movement then long term shrinkage and compression due to imposed loads in the columns can result in each storey being shortened by 2 to 3 mm. At the same time the brickwork is susceptible to reversible moisture expansion of 4 to 5 mm per storey depending on the type of brick and the level of exposure to rainwater. The combined effect of these phenomena can lead to excessive compressive stresses in the brickwork causing cracking.

6.1.2 External Structure

The diagonal hairline cracks in the external pre-cast concrete parapet slabs all occur in the bottom corner, suggesting a generic cause. This could possibly be relative movement between adjacent panels and friction between them.

6.1.3 Entrance & Exit Ramps

Most of the steelwork supporting the vehicle entrance ramp and the lower part of the vehicle exit ramp exhibits some degree of corrosion with some of it significant. The three main causes are likely to be a) inadequate maintenance of the paintwork resulting in exposure to moisture, b) blocked gullies on the ramps leading to increased flow of water down the ramps and c) the use of road salt on the ramps in the winter to reduce the risk of ice formation. None of the corroded steelwork was judged to have lost sufficient section through lamination to require replacement, however some of the connections at the inner end of the beams exhibit reduced factors of safety.

Map cracking, such as that observed on several exit ramp parapet panels, is an indication of alkali silica reaction. However, concrete testing in both this and previous surveys suggests that the level of ASR is likely to be at a low. The extent of the cracking does not appear to have increased since the previous surveys and it is likely that any gel formation or microcracking associated with ASR has now ceased.

6.1.4 Rainwater Drainage

The numerous and extensive areas of water ponding observed following heavy rain, even in areas on the lower decks and some distance from the perimeter, suggest that water is penetrating through cracks and joints in the slabs. This problem is being exacerbated by poor maintenance of gullies, some of which are blocked by silt. In winter we would anticipate the formation of icy patches which would be a hazard to car park users and could potentially damage the concrete surfaces.

6.2 Concrete Testing

6.2.1 On Site Testing

Reinforcement in a structure of this type would normally be expected to have a minimum of between 40 and 50 mm of concrete cover. Most of the readings obtained on site exceed this and are therefore considered satisfactory. This is borne out by the fact that there are very few areas in the structure where reinforcement is visible due to spalling of the concrete cover.

Reinforcement surrounded by alkaline concrete is covered by a thin layer of regenerating oxide and this affects the electrical potential of the steel. Positive half-cell potentials and negative values numerically lower than -200 mV are generally taken to indicate that there is less than 10% probability of corrosion occurring in the reinforcement steel. Most of the readings obtained on site fall into this category so the risk of corrosion occurring is low. This is borne out by the fact that there are very few areas where the expansion of corroded steel has caused spalling of the concrete cover. There were no high risk areas found on the structure with negative half-cell potentials numerically greater than -350 mV.

At no point on the concrete structure was carbonation found to penetrate even close to those depths at which the steel reinforcement is situated. This is significant because carbonated concrete is not sufficiently alkaline to protect the reinforcement from corrosion, particularly in damp environments where road salt may be present.

6.2.2 Laboratory Testing

Where the level of chloride ions by weight of cement is less than 0.4% (all but one reading, and this near the surface) and the concrete is not carbonated the corrosion risk to the reinforcement is considered to be low. In higher quantities there is the potential for the chloride to disrupt the protective oxide layer around the reinforcement so that it no longer passive.

In concrete where the alkali content is less than 3% (as in 62% of the tests) alkali-silica reaction rarely occurs and even at levels of 4% it is unlikely to cause problems. The highest measurement of 4.9% represents a low risk of ASR if siliceous aggregates are present as these can expand in a chemical reaction with the alkaline cement and water to form calcium silicate hydrate gel, causing cracks and ultimately spalling.

Cement contents of structural concrete are typically between 10% and 25% so an average measured value of 16.9% is the middle of the normal range.

Sulphates can occur in concrete either due to the presence of gypsum in the aggregate of from external sources such as the use of materials containing gypsum to mop up oil spills. In the presence of water this can lead to the formation of a hydrous calcium aluminium sulphate known as etttrigite which expands and causes spalling. When sulphate levels are below 4% the risk of this occurring is considered to be low, so the measured average of 3.9% does not give reason to be concerned.

Compressive strengths for cylindrical cores taken from 40 year old structural concrete would be expected to be in the range from 25 N/mm^2 to 65 N/mm^2 so the readings obtained from the structure of between 25.8 N/mm^2 and 50.0 N/mm^2 are low, but within the normal range. The fourth reading of 21.4 N/mm^2 was taken from the lower part of the ramp rather than the main structure.

6.2.3 Petrographic Examination

The absence of alkali-silica reaction in Core 4, despite the presence of potentially vulnerable siliceous aggregates, suggests that not all of the other necessary conditions are present. ASR cannot occur unless the concrete is sufficiently alkaline and sufficient moisture is present. The relatively low levels of alkali have been confirmed by testing (see above).

It should be noted, however, that Core 4 is part of the in-situ concrete structure and that the precast components could have used different materials. This could explain the map cracking, which is often an indication of incipient ASR, in the parapet panels on the helical vehicle exit ramp

7. Recommendations

7.1 Structural Repairs

Several areas were noted as being in need of prompt repair in order to prevent further deterioration and possible risk to the public. We would recommend that this work is carried out within twelve months, regardless of any future plans for the building.

7.1.1 Internal Structure

The spalled concrete on the east end vehicle ramp corbels and on various deck soffits should be broken out to expose a clean undamaged surface without feathered edges. Where reinforcement is exposed this should be mechanically cleaned and painted with a zinc-rich primer. The missing concrete should then be replaced with a polymer-modified cement based repair mortar which is rated Class R3 under BS EN 1504-3.

The movement joints running north-south across each deck should be cleaned out with all existing filler and sealant removed. Following the application of a primer, and the provision of a supporting filler where necessary, the joints should sealed with at least 10 mm of an elastomeric pavement joint sealant which meets the requirements of BS 5212.

7.1.2 External Structure

The diagonal cracks across the bottom corners of several pre-cast panels on the East Elevation should be injected with low viscosity epoxy resin. As these corner sections are directly above a pedestrian precinct they represent a potential danger to the public if reinforcement corrosion or frost causes them to break off (as one already has).

7.1.3 Entrance & Exit Ramps

The steelwork supporting the lower parts of the helical entrance and exit ramps should be blast cleaned, primed with a coat of zinc-rich primer and repainted with two coats of high-build epoxy micaceous iron oxide (MIO). Further corrosion and lamination will result in the strength of this steel supporting structure being compromised.

7.2 Preventative Maintenance

Large quantities of rainwater were noted as ponding on all decks of the car park during heavy rain. Although resealing the movement joints will reduce this, further measures are required to prevent the reoccurrence of structural deterioration. We would recommend that this work is carried out within five years if it is intended that the building is still to be in use in ten years time.

7.2.1 Rainwater Drainage

All gullies on the helical ramps and the car parking decks should be cleaned out to expedite the removal of rain water, especially that contaminated with road salt, from the structure. Consideration should also be given to the replacement of those cast iron downpipes which are corroded and their repainting where they are not. It would also be beneficial to install additional gullies as any amount of standing water is potentially a risk in icy weather.

7.2.2 Car Park Decks

Although the concrete deck on Level 3 is protected from water penetration by asphalt, all the other decks would also benefit from being waterproofed and protected from chemical attack. In addition to protecting the concrete this would also provide a skid-resistant surface. Following cleaning of the existing concrete surface a multi-layered flexible polyurethane system should be applied which includes a primer and dried quartz (for skid resistance). The exposed decks on the roof (Levels 5 & 5A) should receive a similar treatment but with the addition of an extra coat of membrane. These products are available in several colours to distinguish driveway areas from parking bays or to delineate disabled parking areas for instance.

7.2.3 Precast Concrete Panels

It is recommended that the external precast concrete parapet panels on the parking decks be protected from water ingress and atmospheric pollutants by giving them a protective coating of silane-siloxane primer and an acrylic co-polymer topcoat.

It is further recommended that the precast concrete parapet panels on the helical ramps (some of which exhibit signs of possible ASR) be similarly protected, but with an elastomeric coating comprising a pure aliphatic acrylic topcoat over the silane-siloxane primer.

7.3 Cosmetic Maintenance

We would recommend that this work is carried out if it is intended to continue using the building beyond the next ten years.

7.3.1 Minor Repairs

During the survey minor damage was noted to some of the doors, windows and paintwork around the west and east stair towers. Consequently these looked shabby in comparison to the more recently decorated north stair tower and were judged to be less inviting to the public to use.
The cracked pointing to the brickwork near the vehicle entrance ramp on Level 1 should be raked out and repointed.

7.3.2 Decoration

It is common practice on contemporary multi-storey car parks for the staircases, concrete columns and parking deck soffits to be painted a different colour on each floor, not only to make the building appear less dingy but also to aid motorists to find their cars.

8. Costings

Budget cost rates for the recommended repairs and protective maintenance have been obtained from Matrix Solutions UK Limited. Matrix Solutions are a specialist concrete repair contractor with a local base in Taunton. They have been utilised by Waterman for the repair and maintenance of a number of multi-storey concrete car parks throughout the UK and are also used by the managing agents of the Orchard Centre for routine and preventative maintenance.

The costs obtained should be treated as budget figures and are based on current day prices and do not include VAT. An allowance has been made for preliminaries but not for contingencies.

- The estimated cost of the recommended work in the first year is £27,500. This includes repairing concrete cracks, replacing sealant in movement joints and cleaning and repainting the ramp support steelwork.
- The estimated cost of the recommended work to be completed over the following four years is £705,000. This includes applying an anti-carbonation coating to all exposed concrete, waterproofing all parking decks, restoring line markings and improving the drainage system.
- Carrying out minor repairs and decorations in the staircase towers and repairing the cracked brickwork could add another £25,000.

APPENDIX B

REPORT OF ORONA LIFT COMPANY

Part 6 Planned Improvement / Time Frame

In our opinion the lifts should undergo a full modernisation program to bring them up to the latest standards as far as the existing fabric of the building will allow. The modernisation would improve lift service and safety and extend the overall life of the installation, giving another 15 / 20 years service.

Phase 1 - **12 / 18 months**

Replace the complete control systems to include for VVVF operation to all three lifts.
Benefits
Greater control of floor levelling.
Added features such as required by DDA
Giving added longevity to the existing gear units.
Better Lift control logic meeting new standards

Replace the car door operator and sundry car door items Lifts 1 and 3

Fit new car operating buttons, car alarm and indicator.

Fit new landing call buttons.

Re-wire to complete installation

To complete these works a budget cost of £17000.00 plus VAT PER LIFT should be allowed (excludes door operators to lifts 1 & 3 which a budget of £3000.00 plus VAT per lift should be allowed.)

Note as lifts 1 and 2 are a duplex pair then the works to these lifts would have to be carried out together – one lift being out of service at any one time until full completion.

Phase 2 **Mid Term 5 Yrs**

Replace the gear and winding unit complete with ropes and pulleys

Replace car safety gears to bi directional
Carry out health and safety works

To complete these works a budget cost of £19500.00 plus VAT PER LIFT should be allowed

Phase 3 **Mid Term 5 – 7 yrs**

Re-line the lift car

Replace the landing / car door sets complete

Complete the outstanding health and safety issues

To complete these works a budget cost of £21500.00 plus VAT PER LIFT should be allowed

This gives a total budget cost of £58000 for lift 2 and £61000 for lifts 1 & 3.

Under the present economic climate we are of the opinion that competitive tenders could be obtained certainly for the next 12 / 18 months. Should Taunton Deane Borough Council wish to proceed on an ongoing phased refurbishment plan then the tendering companies should be made aware of the future requirements so that all parts / components supplied and fitted will be compatible with the further phases.

On completion of all 3 phases the lifts would be able to run for a further 10 / 15 years.

We strongly recommend that all equipment is Non-Proprietary and that no service tooling is required to reset parameters or interrogate the control systems.

In our opinion the lifts as installed were to a good standard and the ideal solution is to commence a planned modernisation program which upon completion will offer a further 10 / 15 years life to the installation. Lifts 1 & 2 could have new lifts fitted into the shafts with ease whereas Lift 3 has limited pit depth and may pose a problem with compliance to the lift regulations. In any event the new package lifts available are valued engineered for an expected life span of 12 / 15 years and construction is not as robust as that of the original leading to greater costs throughout the life of the unit due to damage.

The three phase plan has been recommended to allow a progressive improvement to the installations whilst keeping costs controlled and spread over a 5 / 8 year period. There would be a cost saving should the work be completed at one time, however this may well be offset by the CDM costs incurred as the project would no doubt extend over the period.

Taunton Deane Borough Council

Executive - 12 September 2012

The Deane House Accommodation Project

Report of the Corporate and Client Manager and Parking and Civil Contingencies Manager
(This matter is the responsibility of Executive Councillor Stock-Williams)

1. Executive Summary

The report sets out the background to The Deane House Project and summarises the results of the Feasibility Study and business planning processes.

To move the Police into The Deane House will require significant refurbishment (£2.6m plus) and the partial implementation of modern ways of working through Smart Office. The payback period is in excess of 10-years, based upon the high-level cost estimates available, which will vary in practice.

The report recommends, in view of the cost and longevity of the payback period, and the conclusions derived from the Feasibility Study that no further work is undertaken on this specific option.

2. Background

2.1 Members were asked to consider the future of The Deane House as part of last year's Budget Review Project. Additionally, the Police contacted us last year to request our considering their co-locating with us in The Deane House following the future closure of the Police Station. This culminated in an options report being taken to the Executive in August 2011 detailing 4 options:

- Rationalise space to free-up 500sm and let to the Police
- Rationalise 2,550sm and let to the Police and other public sector partners
- Relocate Council HQ to County Hall and sell The Deane House
- New build funded from sale or let of The Deane House

2.2 The Executive approved a Feasibility Study in relation to option 1 (500sm), but to be carried out in such away that did not preclude our moving to option 2 (2,550sm).

3. Feasibility Study objectives

3.1 Property Services have undertaken a Feasibility Study within the following remit:

- "To identify areas of Deane House that can be considered for letting to Avon & Somerset Police for the management of local operations and to consider areas of 'shared service' to provide the public office for Taunton both during and outside normal TDBC office hours.
- To provide options of space planning for both ASP and TDBC including a concept design of the main reception foyer for a shared reception.
- Budget costs to include the capital cost of alterations, refurbishment, M&E implications and the necessary IT upgrade.
- To confirm the anticipated rental and service costs.

3.2 It is important to note that, whilst the Feasibility Study was to look at the "general layout of the building and the benefits of a more open plan arrangement", it was not intended to model the impact of implementing full modern ways of working in a Smart Office environment. It is recognised that implementing full modern ways of working would maximise the use of space and therefore free up more space to let, which may make this more cost effective. However, there would be additional costs associated with the full implementation of modern ways of working and this would be a fundamental change to the way in which we work (i.e. desk sharing/hot-desking, more home/flexible working, VOIP – voice over internet protocol, document management etc).

4. Results of the Feasibility Study

4.1 The study has established 4 main options (each of which have variant sub-options). In summary these options are:

- Option 1 – minimal relocation & refurbishment within Deane House releasing sufficient space for Police, but not releasing space for further partnering

- Option 2 – more extensive relocation & refurbishment within Deane House releasing sufficient space for Police, but not releasing space for further partnering

- Option 3 – significant relocation (with the ability to enable the implementation of full modern ways of working in a smart office environment in parts of the building) & M&E & ICT refurbishment & which provides the opportunity for further partnering. This only results in parts of the building being fully refurbished and enabled for modern ways of working.

- Option 4 – option 3, but also including the conversion of the committee suites to offices

4.2 The Police have indicated that options 1 & 2 are not acceptable, because these do not include sufficient refurbishment of the premises to reach a standard that is available elsewhere. Option 4 does not work for us,

because it removes the committee suites, so option 3 is the only workable solution, which achieves the objective.

5. The Business Case

5.1 We have used the Feasibility Study to inform a more detailed business case, attached as an Appendix. The business case has largely focussed on option 3, as this is the only realistic option for meeting the original objectives i.e. moving the Police into the building. It has NOT examined the feasibility of maximising the use of accommodation through the full implementation of modern ways of working.

5.2 The business case also includes a more detailed analysis of the associated technology costs for enabling modern ways of working, existing known maintenance issues and costs and a high level assessment of the key risks and issues.

5.3 The business case indicates that the project would only be financially viable over a 10-year plus timescale and would involve significant changes to the way in which we currently work i.e. a move to smart office type working. The headline financial figures are set out below:

	10-year scenario	**15-year scenario**
Costs (construction, plant, ICT, telephony, furniture etc)	£2,629k	£2,801k
Income/cost savings (rental, business rate reduction etc)	(£1,668k)	(£2,611k)
Maintenance offset (money we would have to spend anyway, although not all budgeted for)	(£656k)	(£656)
NET COST	**£305k**	**(£466k)**

5.4 These are high-level estimates and will vary either way in practice. Additionally, we have not been able to cost all items e.g. no cost is included for decant space or any change management programme associated with moving to a smart office type solution. The income/cost savings figures assume that we can maximise the use of the building i.e. not just the Police, but other organisations as well.

6. Conclusions

6.1 The only acceptable solution which enables us to bring the Police in entails significant change to the building and the way in which we use it. Implementing even elements of modern ways of working through Smart Office is still potentially a big cultural change, the transition to which will require careful and dedicated project management. Are we happy that this is the way in which the Council wants to or should be working in the future?

6.2 Financially, based on the options modelled in the Feasibility Study, this project only stacks up over a 10-year plus period (and this is based on incomplete high level costs estimates). Consequently we need to be clear about our key strategic driver(s) – is it bringing the Police in, saving money, remaining in the Deane House?

6.3 The gross costs of doing this are getting near to what we now know are the realistic costs of a new build.

6.4 Greater space savings and potential income could be generated via the full implementation of modern ways of working in a smart office environment throughout the entire building. There would be additional costs associated with this as it would entail refurbishing the entire building rather than just parts of it as in the Feasibility Study options. Such an exercise was not within the scope of the current remit of the project and has not therefore been undertaken.

7 Avon & Somerset Police

7.1 The ASP position throughout initial discussions and the meetings related to the Feasibility Study has been consistent that they are committed to maintaining a core presence in Taunton town centre. Their preferred option was to relocate with the Council, hence the Feasibility Study. There is no reason to believe their commitment to maintaining a presence in the town centre would change if that option did not materialise.

8. Finance Comments

8.1 There are no separate finance comments at this stage. The financial issues are covered in the Appendix

9. Legal Comments

9.1 There are no legal issues raised in this topic.

10. Links to Corporate Aims

10.1 There is no direct link to Corporate Aims, other than the overall aim of achieving economies wherever possible.

11. Environmental Implications

11.1 There are no specific environmental implications associated with the recommendation.

12. Community Safety Implications

12.1 There are no Community Safety Implications related to this.

13. Equalities Impact

13.1 There are no specific Equalities issues related to this.

14. Risk Management

14.1 The risks are addressed above and in the Summary Business Case

15. Partnership Implications

15.1 There are no implications for any existing Partnerships.
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16. Comments from Scrutiny Committee

16.1 Corporate Scrutiny Committee considered this report on 12 August and resolved

"We accept the report of Richard Sealy and John Lewis and the conclusions drawn up. We are disappointed that our negotiations with the Avon and Somerset Police were unable to be concluded satisfactorily.

We express our continued support for the concept of shared accommodation with all our municipal partners and do not wish this setback to deter the Council from maintaining its policy in principle. We ask the Executive to endorse the policy of shared accommodation and to work towards early opportunities to come up with other proposals for the future of the Deane House."

17. Recommendations

17.1 We recommend that

(1) in view of the cost and longevity of the payback period, and the conclusions derived from the Feasibility Study, that no further work is undertaken on the specific issues covered by the Feasibility Study and that this specific project be closed down;
(2) Members endorse the principle of shared accommodation with a view to reducing the Council's ongoing revenue expenditure; and
(3) the Officers are asked to look comprehensively at the Council's future accommodation needs in light of the priorities identified in the Corporate Business Plan due to be approved later this year.

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Deane House Accommodation Project – Relocation of Taunton Police Station – Summary Business Case **APPENDIX**

Part 1 – Options for ASP relocations

(A) Based on ASP's expressed preference for Areas 4 and 8 of the Deane House

		Total Construction costs	*Total Fees (15%)*	TDBC proportion	TDBC IT costs	TDBC Furniture etc costs	Total TDBC costs	SW1 suggested income or savings re ASP	TDBC Workstations
Option 1	Minimal relocation within Deane House releasing sufficient space to accommodate. This does not allow for any future partnering.	*£345,222*	*£51,783*	£0	£149,417	£0	£149,417	£94,454	249
Option 2	More extensive relocation releasing sufficient space for ASP and remodelling Reception, but with little opportunity for further partnering	*£722,578*	*£108,387*	£401,249	£150,018	£7,518	£558,785	£99,134	253
Option 3	Adoption of SMART Office principles in much of Deane House including major M&E works giving opportunity for future partnering, and remodelling	*£1,422,114*	*£213,317*	£1,205,715	£494,962	£138,546	£1,839,223	£99,134	323

Option 4	Extension of 3 to include conversion of Committee Suite to offices	*£2,155,057*	*£323,259*	£2,048,600	£593,035	£207,819	£2,849,454	£99,134	387

B) Based on alternative location for ASP in Areas 3 and 7 of the Deane House

		Total Construction costs	*Total Fees (15%)*	TDBC proportion	TDBC IT costs	TDBC Furniture etc costs	Total TDBC costs	SW1 suggested income or savings re ASP	TDBC Workstations
Option 1A	Minimal relocation within Deane House releasing sufficient space to accommodate. This does not allow for any future partnering.	*£330,689*	*£49,603*	£0	£149,417	£11,814	£161,231	£88,474	249
Option 2A	More extensive relocation releasing sufficient space for ASP and remodelling Reception, but with little opportunity for further partnering	*£699,410*	*£104,911*	£391,318	£149,417	£13,962	£612,071	£88,474	244
Option 3A	Adoption of SMART Office principles in much of Deane House including major M&E works giving opportunity for future partnering, and remodelling	*£1,388,793*	*£208,319*	£1,184,109	£452,055	£158,415	£1,794,579	£88,474	295

Option 4A	Extension of 3 to include conversion of Committee Suite to offices	*£2,091,746*	*£313,762*	£1,992,504	£570,049	£199,764	£2,762,317	£88,474	372

1 - Assessment

The Current workstation provision in Deane House is 311, with an 'approved' headcount (excl ICT and SWAP) of 253 (as at February 2012)

Options 1 and 2 do not allow for any future partnering or bringing into Deane House any other 'external' TDBC units

The Feasibility Study identifies a number of shortcomings with the existing M&E (heating, lighting etc) installation due to ageing plant and, seemingly, minimal maintenance. Options 1 and 2 do not include for any major overhaul of the plant and utilise existing furniture and equipment, but with some ICT investment. The current M&E situation is unlikely to meet the standards required by ASP or any other potential similar size partner. Neither do these options allow for any real expansion of partner occupation.

Option 3 provides much open plan accommodation on the First Floor and some on the Ground Floor. This involves extensive building works and investment in uprating/replacement heating and electrical installations. It will release office space immediately for offer to other small potential tenants. It also leaves room for further potential on the Ground Floor. It provides for the standard of services likely to be required by any potential tenant. The costs include for new furniture and major ICT refurbishment for TDBC.

Option 4 converts the Committee Suite to office accommodation to show the maximum occupation possible. This is not considered a practical way forward given the extensive use of the Suite and the disruption and costs involved in organising meetings away from Deane House

ASP have indicated that only Options 3, 3A, 4 and 4A will deliver a 'good' working environment and the infrastructure to sustain long term police operations. ASP's expressed preference is to occupy the East Wing (described as areas 4 and 8 in the report, currently occupied by Revenues & Benefits – GF – and Strategy/Client/Building Control - FF)

As the Feasibility Study was directed at delivering ASP occupation of Deane House, this summary business case is presented on the costs to the Council of Option 3. However, the same comments would apply to any potential partner with similar demands.

2- Building Works

To achieve the open plan offices proposed in Option 3 extensive works are required in removing partition walls, replacing suspended ceilings and floor coverings. This involves also major changes to lighting and power installation and distribution.

Moving from the present building layout of small and medium size rooms to open plan will require a change to working practices to achieve the Smart Office type solution. This will require managing in its own right. There will also be costs around decanting staff during the process and dealing with the extensive range of paper documents and re cords that will have to be either digitised, scanned, rehoused off-site or destroyed. It is not possible to cost these items unless further detailed investigations are undertaken.

3 - Mechanical & Electrical Costs

The Feasibility Study does "*not include for replacing the existing mechanical systems to the whole building or any replacement of near to end of life mechanical plant, hence this is not covered in the costs. The costs only cover adapting existing, new where required, mechanical (incl. controls) elements to facilitate the ASP tenancy the internal remodelling and associated works on a m2 basis"*

For Option 3 the area is 2119m2 and the rate is £200/m2, giving a figure of c£424k. The Council's portion of that figure is contained in the total construction costs.

(The same rate has been applied for Options 2,2A,3,3A,4 & 4A.)

It is therefore difficult to compare this cost directly with major maintenance items identified in section 5 below.

'Normal' annual maintenance items would continue to be necessary whether or not this work was carried out so there is little potential saving for the Council on these. See Appendix A for Southwest One's latest projection on these.

4 - ICT Costs

These are shown at £495k for option 3 and comprise

- £145k for cabling infrastructure – this infrastructure is the Council's responsibility and an item that would have to be funded within 1-5 years irrespective of the accommodation proposals
- £100k for a new core network switch – this is being funded by SWO as part of the Asset Infrastructure Investment Plan (AIIP) so does not constitute a true project cost
- £250k for network switches with capability to support the VOIP technology required to deliver the maximum Smart Office benefits

There are other ICT requirements not covered by the Feasibility Study but considered necessary to facilitate Smart Office ways of working and provide an element of future-proofing

- High performance scanners to minimise levels of retained paperwork (important in high volume large document areas such as Development Management)
- Additional data storage to cope with switch to digital documentation
- Additional back up facilities to provide Business Resilience
- Additional capacity in Mobile Working solutions to reduce dependence on 'desk bound' operations
- Switching from desktop to laptop technology to enable changes to working practices – including 'shared' accommodation (hotdesking)
- High performance printers or MFDs to be shared by workgroups as replacements for present multitude of 'personal' devices

These are estimated to cost £400k

5 - Telephony Switch Equipment

The Council's present Seimens telephone switch does not have VOIP capability and so could not support the ICT technology required to deliver Smart Office benefits.

Southwest One have purchased a new Seimens switch as part of their Smart Office programme for Somerset County Council (SCC pay SWO for the use of this switch). This switch is located at County Hall, but we can access it if required Rather than spend capital money on a replacement switch for Taunton Deane, the Council should consider renting 'space' on the SWO switch if there is sufficient capacity. The costs of doing so cannot be identified at this point, but there *could* be a saving against the costs associated with the replacement of the Council's present switch.

The estimated costs to replace the present voice switch and provide appropriate replacement of telephone handsets with a directly owned new switch is £300k. It is highly likely that at some point within the next 5 years we will need to replace our existing telephone switch.

6 - Current and future maintenance obligations

Southwest One Property Services have identified several issues that will require significant capital investment in the building over the next 5-20 years:

Lift renewal/upgrade (5-10 years)	£50k
Boiler renewal (5 years)	£80k
Replumb heating system to zone	£65k
Committee Suite Air condition replacement (5 years)	£16k
Total	£211

These items are not yet built into any future capital spend assessments or included in the MTFP.

7 - Rental income – ASP

SW1 have indicated an income level of c£100k for options 2, 3 and 4, based on £11/£10 psf for Ground and First Floor offices respectively . ASP have challenged this as high, taking into account locality, market rents, building condition, level of ASP capital contribution on 'infrastructure' and furnished/unfurnished condition.

Mark Green has provided evidence from the private sector that market rents are more currently in line with £9 psf than the figures contained in the Feasibility Study. The actual figure would be based on the level of 'fit out' costs the prospective tenant would be required to bear.

This would result in annual rental income of £63k plus service charges of £26k (see Feasibility Study).

8 - Potential additional 'vacant space' and income

Option 3 indicates there is potential for 50 or so workstations above those needed by the Council's current occupation of the building It is also possible that the number of TDBC staff requiring permanent workstations in the building might be reduced with changes to working practices, eg working from home, hotdesking etc, or from an overall reduction in the workforce. Some TDBC staff might be better placed in the community rather than Deane House, eg Estate Officers being based geographically within their areas.

The County Council has made an approach with regard to moving some frontline service delivery staff from County Hall where it could be shown this would be beneficial to common customers. Mark Green has also identified other smaller groups who could be interested in relocating to Deane House.

Using Smart Office type standards 50 desks require 320 sm. At £9 psf this would realise a further £31k rental and £12k service charge.

Alternatively this space could be available, where practical, to TDBC teams currently working outside Deane House, with resultant savings in other areas, eg the Priory Depot relocation project.

9 - Business Rates position

Deane House business rates are currently £206k. Based on Option 3 this would reduce to £173k with ASP occupying 16% of the building. This represents an annual saving of £33k annually to the Council.

The figure is variable depending on the final occupation configuration.

If space was freed up for a further 50 desks to external partners (7.5% floor space) there would be a further saving of £15,000 pa.

10 - The cost of financing

The Option 3 project costs are

Construction, Plant and Fees	£1205k
ICT infrastructure	£495k
Furniture	£139k
Subtotal	**£1839k**
Telephony equipment	£300k
Total	**£2139k**

Assuming the Council funded the whole project cost by borrowing at PWLB rates (as at 15 June) the interest would be £190k over 10 years or £362k over 15 years.

(Note: This does not include any MRP that would need to added to the Council's budget)

Part 2 – The Do Nothing scenario

This scenario envisages the Council continuing to occupy Deane House as it does now with no external partners (for this purpose existing SW1 business units are considered as part of the Council.)

With ongoing pressures on public sector finance it is inevitable that employee numbers will reduce over the next decade, whilst costs will inevitably rise. The Council would then continue to finance under-occupation of the building, thus adding to the costs of providing each remaining service. The business rate liability would continue to fall wholly to the Council.

Maintenance requirements would continue to grow as the building aged and major items such as those identified above would require investment.

The Council currently pays SW1 a fixed fee for utility services rather than the actual costs. This arrangement will end in five years and the costs to the Council will increase significantly.

The Council would also forgo the opportunity to create an annual income stream.

Part 3 – The longterm property strategy

The reports to Scrutiny and Executive in July and August 2011 included two other options –moving in with another public sector partner or moving to a new site. At that time Members decided these should not be investigated, with efforts being directed at continued occupation of Deane House.

The costs of refurbishing the current building to attract partners are not insignificant and the return must be seen over a projected timescale.

The Council's accommodation needs will to some extent be determined by the type of organisation it wishes to be: either continuing to provide services directly to the public as now or to go down the commissioning route.

Moving to share with another public sector partner would involve rental level expenditure equivalent to those the Council would expect in income by bringing external partners into Deane House.

A new building for the Council's operations would cost in the region of £4-4.5m. This could be reduced if the Council built as a joint exercise with another public sector partner. Financing would presumably come from the sale of the existing Deane house site

Further discussion of the wider options is outside the scope of the Feasibility Study and should be pursued separately.

Part 4 Financial Summary Table

	10-year scenario	15-year scenario	
	£000	**£000**	**Notes**
Costs			
Construction, plant and fees	1,205	1,205	NB. These figures are estimates and may vary either way following any actual procurement exercise.
ICT infrastructure	395	395	£145 for cabling infrastructure replacement and £250k for network switches with VOIP capability
Telephony	300	300	Replacement telephone switch
Furniture	139	139	
Cost of decant, document management, change management etc	??	??	This is the 'change cost' involved in moving to open plan smart office type solution and the resultant change to working practices
Estimate of ICT costs to support SMART Office	400	400	
Borrowing costs	190	362	
Sub total	**2,629**	**2,801**	
Income/cost reductions			
Rental income – major	-801	-1,246	

partner*			
Business rate savings – major partner	-330	-495	
Potential rental income from other partner(s)*	-387	-645	Assumes full occupation from day 1
Potential business rate savings from other partner(s)	-150	-225	
Sub total	**-1,668**	**-2,611**	
Maintenance cost offset			i.e. amounts we would have had to spend anyway on maintenance
Building maintenance	-211	-211	
ICT maintenance	-145	-145	For cabling infrastructure, which we anticipate having to replace within 1-5 years
Telephone switch	-300	-300	Replacement telephone switch, which we estimate we will have to replace within 5 years
Sub total	**-656**	**-656**	
NET COST	**305**	**-466**	

All at current costings and no increases in rental over the time periods
*Includes Year 1 rent free period

Part 5 – Risks

The key risks associated with the Feasibilty Study options are

- The financial cost to the Council of the refurbishment work at a time when there is serious competition for resources
- A change in the circumstances of a key external partner resulting in their no longer able to take up occupation
- Proceeding with the project ties the Council to occupation of Deane House and therefore the surrounding campus for a period not less than 10 years
- The state of the commercial office market being such that expected rental levels are either not achievable or a surfeit of office accommodation exists to mitigate against successful letting
- If the project is moved forward the costs rise significantly following a detailed design process.

APPENDIX A

Southwest One - Deane House ongoing maintenance programme

Revised 10.05.12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
DEANE HOUSE						
Roman blinds to PCR						
Paint outside metal work					6,000	
Roof leak(s)/repairs	5,000	3,000	3,000	3,000	3,000	Cont
Window repairs		2,000		2,000		
Duct cleaning	2,000	2,000	2,000	2,000	2,000	Cont
Periodic inspection of electrics					7,500	
Safety film to glazing (mainly internal)	6,000					
PA testing	5,000		5,000		5,000	Cont
Stitch brickwork cracks	7,000	7,000				
Upgrade ground floor fire system	800					
UPS for BMS	300					

Taunton Deane Borough Council

Executive - 12 September 2012

Somerset Strategic Housing Partnership Tenancy Strategy

Report of the Strategy Officer
(This matter is the responsibility of Executive Councillor Adkins)

1. Executive Summary

EXECUTIVE SUMMARY

This is a new sub regional tenancy strategy for Somerset and it has been developed in partnership with a range of agencies including the five Somerset Districts and Registered Landlord Partners. This Strategy will help to give a clear understanding of how we plan to continue to allocate housing in Taunton Deane and Somerset further to changes to social housing provision and allocation under the Localism Act 2011.

2. Background

2.1 The Localism Act introduced the requirement for all local housing authorities to publish a strategic tenancy policy consistent with their homeless strategy and allocation scheme and taking account of the tenancy and rent standards which social housing providers in the area have to have regard to when drawing up their own tenancy policies. The housing providers tenancy policies need to set out their approach to the new flexibilities that have been introduced with regard to affordable rents and fixed term social tenancies. The Strategy is attached as Appendix A.

2.2 As Somerset already has a countywide homeless strategy and allocation scheme (Homefinder Somerset) it was considered expedient to produce a countywide Strategic Tenancy Policy. In developing the Strategy all key stakeholders (landlords, external agencies - Shelter and CAB – LA housing and enabling officers) have been involved. The contents of the strategy are largely defined by the Localism Act

2.3 **Localism Act requirements:**
(*1) A local housing authority in England must prepare and publish a strategy (a "tenancy strategy") setting out the matters to which the registered providers*

of social housing in its district are to have regard in formulating policies relating to:

a) The kinds of tenancies they grant,
b) The circumstances in which they will grant a tenancy of a particular kind,
c) Where they grant tenancies for a certain term, the lengths of the terms, and
d) The circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

(2) The tenancy strategy must summarise those policies or explain where they may be found.
(3) A local housing authority must have regard to its tenancy strategy in exercising its housing management functions.
(4) A local housing authority must publish its tenancy strategy before the end of the period of 12 months beginning with the day on which this section comes into force.
(5) A local housing authority must keep its tenancy strategy under review, and may modify or replace it from time to time.
(6) If a local housing authority modifies its tenancy strategy, it must publish the modifications or the strategy as modified (as it considers appropriate).

2.4 Consultation was via an on-line survey circulated to staff and Members across the 5 local housing authorities and Registered Provider partners. Additional comments were received from stakeholders outside of the consultation. CLG allocations guidance was also taken into consideration. Overall the feedback was very positive with the majority (over 75% in most cases) of respondents agreeing with the key principles within the strategy. Just less than 85% of respondents agreed that all relevant evidence was included.

3. The Tenancy Strategy

3.1 The Tenancy Strategy is intended to provide guidance to social and other landlords operating in Somerset, informing their policies and practices to produce lettings for customers that meet local housing need and improve market function. It should also prove invaluable to policy makers and property professionals.

3.2 The management and monitoring of the Strategy will be through a Project Team reporting to the Somerset Strategic Housing Partnership through the Somerset Strategic Housing Group (SSHG). Representation on the Project Team includes the Council's Strategy Unit Manager.

4. Finance Comments

4.1 There are no direct financial implications for the Council's general fund. However, as a Local Authority with retained housing stock, the financial implications for the housing service at Taunton Deane will need to be considered when drafting its new Tenancy Policy. This will be presented to scrutiny early 2013.

5. Legal Comments

5.1 As explained in the report the Localism Act 2011 places a duty on the authority to prepare and publish a tenancy strategy setting out the matters to

which the providers of social housing for the district are to have regard in formulating policies relating to (a) the kinds of tenancies they grant, (b) the circumstances in which they will grant a tenancy of a particular kind, (c) where they grant tenancies for a term certain, the lengths of the terms, and (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy. The authority is therefore under a statutory duty to publish a tenancy strategy. In preparing the strategy we must have regard to our current allocation scheme and homelessness strategy. Before adopting the tenancy strategy, the authority must send a copy of the draft strategy to every private registered provider of social housing for its district and give the private registered provider a reasonable opportunity to comment on those proposals as well as consulting such other persons as the Secretary of State may prescribe.

5.2 The authority must have regard to its tenancy strategy in exercising its housing management functions and the Tenancy Strategy is therefore a vitally important document not only in relation to the exercise of the council's own housing management functions but in guiding and informing the policies and practices adopted by housing providers throughout the district to meet local housing need.

6. Links to Corporate Aims

6.1 Housing is a key Council priority. The Somerset Strategic Housing Partnership Tenancy Strategy is very relevant to providing affordable housing.

7. Environmental Implications

None Identified

8. Community Safety Implications

8.1 Appropriate allocation of housing alongside high quality housing advice will contribute to reducing crime and the fear of crime in our communities.

9. Equalities Impact (see attached)

10. Risk Management

Risk	Consequence To the customer	**Action to mitigate**	Will the report recommendations mitigate the risk YES/NO
The Council does not have a clear Tenancy Strategy	The authority would be in breach of a legislative requirement	**Produce a Tenancy Strategy that reflects current the requirements of the Localism Act 2011**	YES

11. Partnership Implications

11.1 Maintaining a positive relationship with our registered housing providers is crucial to enable the Council to meet its statutory responsibilities to those in housing need. The Strategy provides a flexible tenancy framework for social landlords operation within the borough. Taunton Deane and its partners will need to continue to collaborate effectively in order to fulfil local housing need requirements.

12. Recommendations

12.1 That the Executive recommend the Somerset Strategic Housing Partnership Tenancy Strategy to the Council for adoption

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Countywide Tenancy Strategy

June 2012

Document Approval

Group	Date
Core Group	1/12/11
Project Team	7/12/11
Core Group	14/12/11
Somerset Strategic Housing Officers Group for consultation	22/12/11
Somerset Strategic Housing Programme	24/4/12

Version Control

Version	Author	Review	Reason For Issue	Date
0.5	Anne Harland & Tracy Vernon		1st draft	29/11/11
1.0	AH/TV		As amended by Core Group meeting 1/12/11	2/12/11
1.1	AH/AD/Project Team		As amended by Project Team 7.12.11	8.12.11
1.2	AH/Core Group		As amended by Core team 14.12.11	14.12.11
1.2.1	AH/Core Group		Minor typo errors following Core group	5.1.12
1.3	AH/Core Group		Post Consultation Amendments	1.3.12
1.4	AH/Core Group		Final Amendments following Equality Analysis	5.4.12
1.0 Final Strategy	AH		Amended into Final Document	4.6.12
1.1 Final Strategy	AH		Following Review by Sally McCarthy	12.6.12

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1. Context

1.1 Background

1.1.1 The Localism Act[1] included a number of changes relating to social housing provision and allocation:

- Housing allocation reform
- Housing tenure reform
- Reform of homelessness legislation
- Reform of Council Housing Finance
- National Home Swap Scheme
- Reform of social housing regulation

1.1.2 Within the provisions for housing tenure reform is a requirement for local housing authorities to produce a Tenancy Strategy.

> *Section 150 Localism Act 2011*
> *(1) A local housing authority in England must prepare and publish a strategy (a "tenancy strategy") setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to-*
>
> *(a) the kinds of tenancies they grant*
> *(b) the circumstances in which they will grant a tenancy of a particular kind,*
> *(c) where they grant tenancies for a term certain, the lengths of the terms, and*
> *(d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.*

The five local housing authorities within Somerset are as follows:

- Mendip District Council
- Sedgemoor District Council
- South Somerset District Council
- Taunton Deane Borough Council
- West Somerset Council

The Councils have agreed through the Somerset Strategic Housing Programme to produce a single Tenancy Strategy that all social landlords [2] need to have regard to when framing and reviewing their own Tenancy Policies.

[1] Localism Act http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted Part 7
[2] Social Landlords are Housing Associations and for the purposes of this document also include Taunton Deane Borough Council as a stock holding landlord.

1.2 Tenancy Strategy Key Principles - Summary

1.2.1 We have worked with social landlords in Somerset to create the Key principles for the strategy. These were initially released within an Strategy to help social landlords draw up their own tenancy policies.

The agreed Key Principles are as follows:

- *Social landlords will generally be expected to offer tenancies of general needs properties of no less than 5 years following a 12 month probationary period.*

- *Social landlords can only offer tenancies of less than 5 years, but no less than 2 years, in exceptional circumstances, which must be clearly set out in the social landlords Tenancy Policy.*

- *There is an expectation that social landlords will protect existing tenants' security as far as the regulations allow. Social landlords are expected to have a clear statement within their tenancy policy regarding the security of tenure they would offer a tenant transferring from another social landlord.*

- *Those social landlords who have an Homes & Communities Agency (HCA) agreement should have regard to affordability issues within the geographic area of the vacancy when deciding which properties to re-let at Affordable Rents and should state how they will do this within their Tenancy Policy.*

- *Social landlords should take into account the needs of vulnerable applicants (including families with children to avoid disruptive changes, older people, people with long-term illness or disability or a member of their household affected by) when granting fixed term tenancy agreements,* and make clear within their Tenancy Policies how this will be done.

- *Social landlords will undertake a Comprehensive Appraisal of all Fixed Term Tenancies before issuing Notice at the end of a Fixed Term Tenancy.*

- *The key principles of the Comprehensive Appraisal will be developed with social landlords.*

- *The Comprehensive Appraisal will consider relevant options e.g .issuing a replacement tenancy, home ownership, property sale to the tenant, supported housing, housing in the private rented sector etc.*

- *There is a presumption that, following the Comprehensive Appraisal social landlords will renew the tenancy wherever appropriate.*

- *The expectation when re-issuing a tenancy, is that as a minimum, the existing tenure type will be maintained.*

- *Any new Tenancy issued after an initial Fixed Term Tenancy should have regard to an applicant's circumstances (vulnerability, financial etc.) at the time of appraisal.*

- *Social landlords are expected to give at least 6 months notice to the tenant before the expiry of the tenancy if the social landlord will not be granting a new tenancy at the end of the fixed term.*[3] *Where a tenancy will end Social landlords are expected to follow the existing Somerset Pre-Eviction Protocol (to be reviewed).*

- *Social landlords must give the Local Housing Authority Housing Options team advance warning of the expiry of the tenancy if they do not wish to grant a new tenancy at the end of the fixed term.*

- *Social landlords will publish clear and accessible policies and procedures to support their Tenancy Policies.*

- *The Local Authority partners will develop robust mechanisms to monitor allocations against the Key Principles.*

- *Social Landlords will provide relevant data to help with monitoring, which will include the number of complaints and requests for review.*

- *Partners to this Tenancy Strategy support the promotion of 'downsizing' through incentives and encourage social landlords and Local Authority Landlords to review under-occupation at the end of Fixed Term tenancy.*

- *This Strategy recognises the Partnership of Homefinder Somerset. It is acknowledged that the Strategic and Operational groups will deal with any anomalies and issues arising from the implementation of the Tenancy Strategy and Tenancy Policies.*

- *It is an expectation that all Affordable Rent and social rented properties will initially be advertised through Homefinder Somerset.*

- *It is expected that properties will be let in accordance with the way in which they are advertised.*

1.2.2 The Tenancy Strategy takes account of the Regulatory Framework for tenure as set out by the Homes and Communities Agency and the final directions on regulatory standards issue by the government[4].

1.2.3 The Somerset Strategic Housing Programme) is a framework of strategic housing projects aimed at achieving substantial improvements within housing in Somerset by collaborative working both within local authorities and with our partners.

[3] Localism Act 2011 Part 7, Chapter 2 Section 154, 107D (3)
[4] http://www.homesandcommunities.co.uk/sites/default/files/our-work/regulatory_framework_2012.pdf

1.2.4 The principle of joint working has long been established within the strategic housing function across Somerset. The Programme builds on this solid foundation to seek the most sustainable and cost-effective structures for delivering housing services across Somerset, maximising benefits of scale whilst also delivering good quality, locally based services.

1.2.5 It has long been recognised that Strategic Housing is important to maximising opportunities to improve the Health and Wellbeing of people living and working in Somerset. Strategic Housing provides opportunities for people to live in decent, warm & affordable homes, whether new-build, social housing or in the private sector, or in sustainable communities. Strategic housing also ensures that current & future housing is sustainable by developing housing that is affordable, reducing homelessness & improving access to services for vulnerable adults.

1.2.6 The Tenancy Strategy has taken account of the existing countywide Homelessness Strategy (2008-11)[5] which is currently being updated. A countywide Housing Strategy Framework is in development and will take account of this Tenancy Strategy.

1.2.7 All the Somerset authorities will in some way be impacted by the proposed development of the Hinkley Point C nuclear power station (if full planning permission is granted) The housing markets in the Sedgemoor, West Somerset and Taunton Deane Housing Authority areas will be most dramatically affected by this development.

1.2.8 EDF Energy's workforce assumptions regarding the scale of temporary workforce are that the lifetime of the project is likely to require some 26,600 full time equivalent (FTE) workers across the lifetime of the build project with a peak of 5600 FTE on site by 2016. Of this number it is agreed that an estimated 34% could be home-based leaving 66% (approximately 3700 workers) requiring accommodation in the local area. The analysis undertaken by EDF includes geographic areas represented by a sixty minute travel zone to Hinkley Point and includes Sedgemoor, West Somerset, Mendip and Taunton Deane.[6] We also believe that there is potential for South Somerset to be affected because parts of the South Somerset area are within the sixty minute drive time as identified in EDF documentation.

1.2.9 All the Somerset Housing Authorities aim to make best use of existing resources to try to ensure that there is a sufficient supply and range of decent accommodation to meet demand. Any development such as Hinkley Point needs to be considered in the context of local needs in order to avoid exacerbating pressures on provision of housing.

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[5] Making Homes, Helping People Changing Lives (Somerset Homelessness Review & Prevention Strategy 2008-2011) http://www.westsomersetonline.gov.uk/getattachment/Housing/Housing-Strategies-and-Policies/Somerset-Homeless-Review-Strategy.pdf.aspx

[6] EDF Energy Proposed Development at Hinkley Point – Additional Information

1.2.10 In 2008 the Strategic Housing Market Assessment highlighted data from 2006 to show a demand in the private rented sector from households aged under 30 years old. More recent data from Homefinder Somerset supports this finding although there are still high levels of demand from the 30s to 40s age bracket. This heightens concern that the demand from Hinkley workers for accommodation will have a particular impact on the under 40s who are reliant on low cost accommodation in the affected areas.[7]

1.2.11 Analysis of the Homefinder Somerset register has shown that the profile of applicants shows a majority are 1 and 2 person households[8]. The Tenancy Strategy focuses on ensuring that these groups are not disadvantaged by conversions to Affordable Rents. Particularly since this same group will be affected by the demand for private sector accommodation introduced by the proposed Hinkley Point power station and it is in the lower bedroom sizes that Local Housing Allowance (LHA) rates usually exceed 80% market rents.

1.2.12 The analysis of Homefinder Somerset property advert data has also shown that 1 and 2 bedroom properties make up the majority of property adverts[9]. The strategy may further need to determine if these properties make up the larger share of Affordable Rented lets and if so for what length of tenure. Single applicants will be further affected by the changes to LHA rates in January 2012 when the shared accommodation rate that currently applies to single people under the age of 25 living in private rented accommodation was extended to people aged under 35. This could leave many single applicants in private rented accommodation that they cannot afford and place further demands on the supply of social/affordable rented accommodation.

1.2.13 Where larger family homes (3 / 4 bed and above) are advertised at Affordable Rent levels then the flexible tenancy may need to be longer to reflect the family nature of the accommodation. To avoid shortfalls in benefits the Strategy focuses on reducing the Affordable Rent percentage in the larger properties across those districts. Under Government changes to Housing Benefit Regulations referred to in paragraph 1.2.12 above, for under 35s there will be an increase in people seeking shared accommodation and an overall reduction in single persons under 35 seeking, or being able to afford, self contained accommodation from January 2012.[10]

1.3 Methodology

1.3.1 Building on the strong relationships that already exist between the Somerset Local Housing Authorities and the social landlords, the Tenancy Strategy was developed

[7] EDF (2011) Draft Accommodation Strategy
[8] See Analysis of Homefinder Somerset Housing Register & CBL Data
[9] See Analysis of Homefinder Somerset Housing Register & CBL Data
[10] http://www.direct.gov.uk/en/Nl1/Newsroom/DG_192415

collaboratively by involving both social landlords and other key stakeholders, especially in the production of the Key Principles. This has been achieved through a Project Team made up of the following organisations:

- Mendip District Council (Project Sponsor, and representing the Somerset Enablers Group)
- South Somerset District Council
- Sedgemoor District Council
- West Somerset Council (representing Somerset Homeless Managers Group)
- Yarlington Housing Group
- Hastoe Housing Association
- Homes in Sedgemoor (ALMO for Sedgemoor District Council)
- Taunton Deane Borough Council - Landlord
- Knightstone Housing Association
- Raglan Housing Association
- Flourish Homes
- Magna West Somerset Housing Association
- Shelter
- South Somerset CAB

In developing this Tenancy Strategy together we have had regard to our Homefinder Somerset Choice Based Lettings (CBL) partnership allocation scheme[11] and the existing homelessness strategy.

1.3.2 Partners to this Tenancy Strategy recognise that a strategy alone is insufficient. Strong and effective partnerships will be important to the implementation and monitoring of both the Tenancy Strategy and individual social landlord tenancy policies. Joint working is also required to ensure that any risks and unintended consequences are addressed promptly and effectively within the review mechanism for this Tenancy Strategy.

1.3.3 The evidence to support the Tenancy Strategy is listed within Appendix 2.

1.4 Aim of this Strategy

1.4.1 The Tenancy Strategy is intended to provide guidance to social and other landlords operating in Somerset, informing their policies and practices to produce lettings for customers that meet local housing need and improve market functioning in the County. It should also prove invaluable to policy makers and property professionals.

1.5 Scope of the Strategy

1.5.1 This Tenancy Strategy covers the following key areas regarding social landlords:

a) the kinds of tenancies they grant;

[11] Homefinder Somerset Allocations Policy http://www.homefindersomerset.co.uk/Data/ASPPages/1/107.aspx

b) the circumstances in which they will grant a tenancy of a particular kind;
c) where they grant tenancies for a fixed term, the lengths of the terms; and
d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.

1.5.2 We have structured the Tenancy Strategy around agreed Key Principles that summarise the issues that social landlords should have regard to when framing their own tenancy policies.

1.6 Governance

1.6.1 Individual social landlords are responsible for their own Tenancy Policies. We have also set out in appendix 1[12] the details of where the tenancy policies of social landlords operating within the Somerset area can be found. We propose that the Homefinder Somerset Monitoring Board will be responsible for monitoring and reviewing the Tenancy Strategy on behalf of the Somerset local housing authorities.

1.6.2 The Tenancy Strategy is produced will be reviewed every three years [13] with the results being discussed by the Homefinder Somerset Monitoring Board and that Board recommending changes to the Somerset Strategic Housing Group.[14]

1.6.3 The review of evidence moving forward will include (but not be limited to) monitoring of trends in:

- Housing needs
- Homelessness (aligning with Homeless Strategy)
- Reviewing effectiveness of allocation policy (and aligning with any changes)
- Rent levels across all tenures
- Social landlords activity
- Number of new homes built including affordable, and which tenure(s)
- Changing trends in housing and benefit paid, including proposals for the Universal Credit
- Lettings of Affordable Rents including number of bids and acceptances
- Outcomes of Reviews e.g. number tenancies re-issued, no of under occupied properties recycled
- Site viability

[12] Localism Act 2011 Part 7, Chapter 2 Section 150 (2)
[13] Localism Act Part 7, Chapter 2 section 150 (5).
[14] The Somerset Strategic Housing Officers Group (SSHG) is made up the 5 local housing authorities (District) and the County Council, together with NHS Somerset (PCT)

1.7 Legal Context

1.7.1 Alongside the requirements of the Localism Act, the Homes and Community Agency (HCA) has agreed programmes for the delivery of new affordable housing over the next 4 years with social landlords. All new homes built with HCA subsidy are expected to be offered at Affordable Rents - up to 80% of the market rent. In addition social landlords may increase rents on a percentage of re-let properties. Social landlords are also encouraged to take a more proactive approach to managing their stock, including disposal of stock where this will release funds to invest in new homes.

1.7.2 The Tenancy Strategy has adopted the definition of Affordable Housing as set out in the draft National Planning Policy Framework (or subsequent updates of that definition in the National Planning Policy Framework) which replaces PPS3 and states that Affordable Housing is;

> '**Affordable housing:** Social rented, Affordable Rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.'

- *Social rented housing* is owned by local authorities and private registered providers, for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.
- *Affordable Rented housing* is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
- *Intermediate housing* is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not Affordable Rented housing. [15]

1.7.3 Social landlords who have entered into a contract with the HCA to deliver new homes will be able to offer fixed term tenancies at Affordable Rents with a minimum 5 year length[16] as well as life time tenancies at Affordable Rents on new properties and conversion of some of their existing stock. The Government has stated that only

[15] Draft National Planning Policy Framework Glossary http://www.communities.gov.uk/documents/planningandbuilding/pdf/1951811.pdf

[16] A 2 year minimum period may be used in exceptional circumstances. http://www.communities.gov.uk/documents/housing/pdf/2017529.pdf Annex A Final Directions (2)(4)(a)

in exceptional cases will the term be less than five years and these circumstances would need to be set out within the social landlords' Tenancy Policy.[17]

1.7.4 Social landlords who are not developing, or developing without HCA resources can either continue to offer assured lifetime tenancies or flexible tenancies from April 2012.

1.7.5 Social landlords will continue to be able to offer introductory tenancies.

1.7.6 These changes will mean that properties will be available on the Homefinder Somerset CBL scheme at different rent levels and with different tenures depending on the social landlord arrangements with the HCA and social landlords own tenancy policies. Additional advert symbols (highlighting Affordable Rent and fixed term tenure) together with applicant guidance notes on Affordable Rent and fixed term tenure have been made available through the Homefinder Somerset CBL scheme.

1.7.7 Existing tenants who remain in their existing homes will not be affected by Affordable Rents/tenure change, and will retain their security of tenure if they move to another social rented home. However they will reduce their security of tenure if they move to a home let at an Affordable Rent which also has a Fixed Term Tenancy [18].

1.7.8 Mutual exchange tenants are protected within the Localism Act[19] such that they will retain their security of tenure when they move, subject to the relevant Guidance.

1.7.9 Note that under the Allocation of Accommodation Guidance issued in December 2011 (consultation draft) stockholding local authorities are encouraged to use flexible tenancies to support households in low paid employment and incentivise others to take up employment opportunities. It will be for Sedgemoor District Council and Taunton Deane Borough Council to decide on how they implement this. [20]

1.8 Consultation

1.8.1 The Localism Act 2011 requires that Local Housing Authorities consult with social landlords and other agencies on the content and give them a reasonable opportunity to comment.[21]

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[17] http://www.communities.gov.uk/documents/housing/pdf/2017529.pdf Annex A Final Directions (2)(3)(d)
[18] Final Direction on Tenure http://www.communities.gov.uk/documents/housing/pdf/2017529.pdf Annex A (2)(4)(d)
[19] Localism Act 2011 Part 7, Chapter 2, Section 158 (9)
[20] http://www.communities.gov.uk/documents/housing/pdf/2060702.pdf
[21] Localism Act 2011 Part 7, Chapter 2 Section 151

1.8.2 The Tenancy Strategy was released for consultation in January 2012. This final version of the strategy takes account of comments received during the consultation period.

2. The Evidence Base

2.1 We have included at Appendix 2 evidence that we believe supports the Key Principles we have included within the Tenancy Strategy. The evidence referred to seeks to provide information about the local housing markets that operate within Somerset together with other national indicators.

3. Tenancy Strategy Key Principles

3.1 Length of Fixed Term Tenancy

3.1.1 ***Social landlords will generally be expected to offer tenancies of general needs properties of no less than 5 years following a 12 month probationary period.***

3.1.2 ***Social landlords can only offer tenancies of less than 5 years, but no less than 2 years, in exceptional circumstances, which must be clearly set out in the social landlords Tenancy Policy.*** The social landlord will be expected to demonstrate within their Tenancy Policy, how any tenancy of less than five years can be managed in order to minimise adverse impact on local community cohesion, the sustainability of that community and homelessness. An Equality Analysis will also be required in order to show how any adverse impact on the vulnerable groups will be prevented.[22]

3.1.3 ***There is an expectation that social landlords will protect existing tenants' security as far as the regulations allow.*** Social landlords are expected to have a clear statement within their tenancy policy regarding the security of tenure they would offer a tenant transferring from another social landlord.[23]

3.1.4 The Somerset Strategic Housing Partnership Affordable Housing Programme 2011-2015 Investment Policy (paragraph 18.14) sets out guidelines on creating and maintaining stable, mixed and balanced communities, encouraging social landlords to provide minimum period tenancies appropriate to the needs of the household, dwelling type and location within Somerset.[24]

3.1.5 Collectively the five Somerset Local Housing Authorities together with social landlords agreed that a flexible non prescriptive approach on fixed term tenancies should be adopted, with a minimum of five years following a 12 month probationary period. This will allow a reasonable length of security to enable some tenants to plan

[22] http://www.communities.gov.uk/documents/housing/pdf/2017529.pdf Annex A Final Directions (2)(3)(d)
[24] See Somerset Strategic Housing Partnership Affordable Housing Programme 2011 – 2015 Investment Policy Guidelines
[24] See Somerset Strategic Housing Partnership Affordable Housing Programme 2011 – 2015 Investment Policy Guidelines

ahead taking account of future options. Allowing social landlords the freedom to allocate more flexible tenancies based on local need within each of the five districts but retaining the discretion to offer tenancies on a lifetime basis. Combined with an Affordable Rent model social landlords will be able to offer a range of housing options, whilst raising extra rents to invest in new building.

3.2 Affordable Rents

3.2.1 ***Those social landlords who have an HCA agreement should have regard to affordability issues within the geographic area of the vacancy when deciding which properties to re-let at Affordable Rents and should state how they will do this within their Tenancy Policy.***[25]

3.2.2 The Tenancy Strategy has adopted the definition of Affordable Housing as set out in the draft National Planning Policy Framework (as set out in section 1.7.2).

3.2.3 Affordable Rents must be no more than 80% of market rents, including service charges. When setting an Affordable Rent, Landlords should have regard to Local Housing Allowance (LHA) rates within the area of the property being let.

3.2.4 We have not provided any definition of affordability within this Tenancy Strategy but would expect social landlords to have regard to the evidence provided at Appendix 2 regarding affordability issues and availability of private rented accommodation when setting their Affordable Rent levels.

3.3 Vulnerable Groups

3.3.1 ***Social landlords should take into account the needs of vulnerable applicants (including families with children to avoid disruptive changes, older people, people with long-term illness or disability or a member of their household affected by) when granting fixed term tenancy agreements, and make clear within their Tenancy Policies how this will be done***.[26] In addition when issuing and reviewing tenancies social landlords should have regard to the long term housing needs of vulnerable groups, including those that require adapted properties.

3.3.2 This principle ties in closely with the existing Sub-Regional Homelessness Strategy – 'Making Homes, Helping People, Changing Lives (Somerset Homelessness Review & Prevention Strategy 2008-2011) sets out the local strategic aims to achieve positive outcomes in the support for vulnerable people. The action plan to prevent homelessness focuses on the following key priorities[27]:

- Floating support services
- Homeless prevention

[25] See Shelter Private Rent Watch - Report one: Analysis of local rent levels and affordability October 2011
[26] http://www.communities.gov.uk/documents/housing/pdf/2017529.pdf Annex A Final Directions (2)(3)(g)
[27] http://www.westsomersetonline.gov.uk/getattachment/Housing/Housing-Strategies-and-Policies/Somerset-Homeless-Review-Strategy.pdf.aspx Action plan page 56 onwards.

- Improved access to the Private Rented Sector
- Improved access to appropriate housing
- Improve protocols and partnerships to tackle homelessness

3.3.3 In addition the South West Regional Housing Strategy 2005-2016 supports action to tackle homelessness and to reduce the use of Temporary Accommodation through investment in new social rented housing and by promoting positive models of prevention and address homeless prevention services for vulnerable groups.[28]

3.4 Comprehensive End of Tenancy Appraisal

3.4.1 ***Social landlords will undertake a Comprehensive Appraisal of all Fixed Term Tenancies before issuing Notice at the end of a Fixed Term Tenancy.*** [29]

3.4.2 ***The key principles of the Comprehensive Appraisal will be developed with social landlords.*** Both the Local Housing Authority partners and social landlords could benefit from a structured approach to housing options advice. The current Homefinder Somerset system provider (Abritas) facilitates housing options advice provision through a system module that can be tailored to provide applicants and tenants with a printed housing options report, setting out the next steps they would need to take regarding their housing. This could be used as part of the 'End of Tenancy Appraisal' to provide social landlords with a clear decision path for sustaining tenancies and tenants with clear housing options advice.

There are two ways in which this may be utilised:

Initial presentation for housing advice
The applicant presents to the Local Housing Authority requesting housing options advice or to join the register. Before they can join the register the applicant is invited to complete a housing options online questionnaire which will then alert them to the best housing option available and include an indication (based on their circumstances) of how long they may have to wait if they joined the housing register. This will help to manage expectations and also highlight to applicants the other options available.

Tenancy Assessment for Flexible Tenancy
When a tenant is coming up to their 6 months assessment period with a landlord, Homefinder Somerset will flag up to landlords that a 6 month assessment is required, from the data logged when the applicant was initially housed.

[28] http://www.swslim.org.uk/documents/themes/lt12-housingstrategy.pdf
[29] http://www.communities.gov.uk/documents/housing/pdf/2017529.pdf Annex A Final Directions (2)(3)(e)

The landlord is required to provide housing options advice to the tenant but may wish to extend the tenancy if the review proves successful. In these circumstances the tenant can complete the housing options assessment. This assessment will look at the following:

- financial circumstances to see if they can afford a different housing options
- Household size
- Medical/welfare issues
- Any other key circumstances

Once completed the assessment can then advise the applicants of other possible housing options that would suit their circumstances (including 80% market rents) OR justify the landlord in issuing a new tenancy.

Landlords can have a PDF copy of the housing options report to attach to the tenancy file within their housing management systems if necessary (as a record) and access the housing options module (including its set up) for an increase in the advert fee or a one off charge.

3.4.3 ***The Comprehensive Appraisal will consider relevant options e.g. issuing a replacement tenancy, home ownership, property sale to the tenant, supported housing, housing in the private rented sector etc.*** [30]

3.4.4 There is a great deal of uncertainty around how frequently fixed term/flexible tenancies will be renewed. This is likely to depend on a number of factors, including the:

i. criteria social landlords adopt for their lettings policies; and
ii. the circumstances of tenants that are granted flexible tenancies and the way these evolve over the period before reviews.

3.4.5 One of the grounds that might lead landlords to decide not to renew a flexible tenancy could be a large and sustained increase in income. Other grounds could include household composition, e.g. number of inhabitants and their age, and suitability of accommodation. Factors that could be taken into account in renewing a flexible tenancy might include age of occupiers, having dependent children, and health of the tenant.[31] Further examples are set out below.

[30] http://www.communities.gov.uk/documents/housing/pdf/2017529.pdf Annex A Final Directions (2)(3)(h)
[31] Amended from work done by St Edmudsbury DC
http://www.stedmundsbury.gov.uk/sebc/say/pdf/PublicConsultation/110915TS%20Consultation%20Final.PDF

Criteria	Explanatory Notes
Property under occupied	Potentially tenants, such as young couple or families may be allowed to under occupy in order to allow the family to grow into the house and have a firm base in the area. A range of occupation levels may also help contribute to balanced communities.
Property over occupied	To prevent low quality housing conditions developing.
Suitability of property	Is the property/services/facilities still suitable for the current tenant?
When a tenant requires re-housing in a more suitable/appropriate location	This scenario is likely to be picked up and dealt with through housing management measures before the need not to renew a tenancy occurs. Examples might include Domestic Abuse cases/witness protection/antisocial behaviour
Tenant change in circumstances	For example when a tenant has demonstrably a high enough income to comfortably afford (for example purchase) market housing and arguably the affordable house would be better used by somebody in greater need.

3.4.6 ***There is a presumption that, following the Comprehensive Appraisal social landlords will renew the tenancy wherever appropriate.***

3.4.7 It is generally accepted that creating high turnover in the housing stock is not desirable – for the Local Housing Authority keeping people in established communities is more sustainable and for the social landlords it helps to keep costs down for their business model. Therefore the occurrences when tenancies are not renewed (i.e. granting a new fixed term/flexible tenancy at the end of the original term) are likely to be the exception and not the rule. This will also be important in ensuring that homelessness is minimised (one of the principle reasons for homelessness is the termination of existing Assured Shorthold Tenancies in the private sector).

3.5 Renewing a Tenancy

3.5.1 ***The expectation when re-issuing a tenancy, is that as a minimum, the existing tenure type will be maintained.*** Principle 3.3 would still apply in terms of addressing the needs of vulnerable groups.

3.5.2 ***Any new Tenancy issued after an initial Fixed Term Tenancy should have regard to an applicant's circumstances (vulnerability, financial etc) at the time of appraisal.***

3.6 Notice Period

3.6.1 Legal requirements to end a tenancy will be a matter for the social landlord concerned but social landlords will be expected to refer to the following key principles when ending tenancies.

3.6.2 ***Social landlords are expected to give at least 6 months notice to the tenant before the expiry of the tenancy if the social landlord will not be granting a new tenancy at the end of the fixed term.[32] Where a tenancy will end social landlords are expected to follow the existing Somerset Pre-Eviction Protocol (to be reviewed).***

3.6.3 ***Social landlords must give the Local Housing Authority Housing Options team advance warning of the expiry of the tenancy if they do not wish to grant a new tenancy at the end of the fixed term.***

3.6.4 The advance warning process will be developed as part of the Comprehensive Tenancy Appraisal***.***

3.6.5 The Governments latest figures on statutory homelessness in England show that there has been an increase in the number of households applying to councils for help with re-housing (an increase of 14% in the last year). There has also been a 26% increase in the number of households accepted as homeless who are still waiting for re-housing by the local authority.[33]

3.6.6 Analysis of Somerset homeless statistics shows that termination of AST private sector tenancies is the main reason for homelessness and is increasing when compared to 2010-11.[34]

3.7 Appeals /Reviews Offers/Notice

3.7.1 Social landlords should set out in their Tenancy Policy the way in which the tenant or prospective tenant may appeal against or complain about the length of fixed term tenancy offered and the type of tenancy offered, and against a decision not to grant another tenancy on the expiry of the fixed term.[35]

3.7.2 Social landlords will also be responsible for dealing with any requests for a review of their decision to end a fixed term tenancy or on the length of tenancy offered to a prospective tenant under Section 154, 107B of the Localism Act. [36] . We would expect the processes for these requests to be made clear in social landlords Tenancy Policies.

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[32] Localism Act 2011 Part 7, Chapter 2 Section 154, 107D (3)

[33] http://www.communities.gov.uk/publications/corporate/statistics/homelessnessq22011

[34] Somerset P1E Homeless Statistics

[35] http://www.communities.gov.uk/documents/housing/pdf/2017529.pdf Annex A Final Directions (2)(3)(f)

[36] Localism Act 2011 Part 7, Chapter 2 Section 154, 107B

3.8 Monitoring

3.8.1 ***Social landlords will publish clear and accessible policies and procedures to support their Tenancy Policies.***

3.8.2 ***The Local Housing Authority partners will develop robust mechanisms to monitor allocations against the Key Principles.***

3.8.3 ***Social Landlords will provide relevant data to help with monitoring, which will include the number of complaints and requests for review.***

3.9 Conversions of Social Rented Housing Stock to Affordable Rent and Disposal of Affordable Homes

3.9.1 Consultation with the Local Housing Authority on the detail of any conversion is required. This consultation by social landlords is seen as crucial to enable the Local Housing Authority to ensure that a sustainable mix of housing is maintained locally. See Appendix 2

3.9.2 Registered Providers should have regard to the following when considering the proportion of properties which will be re-let at an 'Affordable Rent':

- The pattern of re-lets by location, property size and type.
- The need to ensure that under-occupiers wishing to downsize are not put off by having to pay a higher rent or being given reduced tenancy rights.
- The need to ensure a reasonable supply of family-sized accommodation at social rents.
- The need to ensure that properties in rural areas can be let to those working in the area on low wages.
- The shortage of wheelchair accessible accommodation.

3.9.3 We will support disposals to the open market subject to the agreement of the social housing regulator, where the provider has completed an options appraisal and can demonstrate a clear benefit.[37]

3.10 Mobility

3.10.1 The Tenancy Strategy encourages Social Landlords to promote and assist tenants who need to move to other properties, to find their own solutions, and to make best use of existing stock.

[37] See Somerset Strategic Housing Partnership Affordable Housing Programme 2011 – 2015 Investment Policy Guidelines

3.11 Down sizing and Under Occupation

3.11.1 ***Partners to this Tenancy Strategy support the promotion of 'downsizing' through incentives and encourage social landlords and Local Housing Authority Landlords to review under-occupation at the end of Fixed Term tenancy.***

3.12 Choice Based Lettings

3.12.1 ***This Strategy recognises the Partnership of Homefinder Somerset. It is acknowledged that the Strategic and Operational groups will deal with any anomalies and issues arising from the implementation of the Tenancy Strategy and Tenancy Policies.***

It is an expectation that all Affordable Rent, intermediate housing products and social rented properties will initially be advertised through Homefinder Somerset.

It is expected that properties will be let in accordance with the way in which they are advertised.

3.13 Equality

3.13.1 The Tenancy Strategy will meet the requirements of the Equality Act 2010. This strategy through its key principles, encourages landlords to undertake their responsibilities under both the Localism Act and Tenancy Standard in a robust and equitable manner. With regard to this point Landlords will need to ensure that they have clear records, supported by strong evidence that show how and why decisions have been made.

3.13.2 An Equality Analysis has been undertaken on the Tenancy Strategy as part of the consultation exercise. We have addressed the issues highlighted by the Equality Analysis and the changes have been incorporated into this Tenancy Strategy.

4. Action Plan

4.1.1 The Tenancy Strategy and the final version of the Tenancy Strategy when it is available will need to evolve as circumstances dictate. A number of the Key Principles identified within this document have highlighted the need for further work. These pieces of work are included at appendix 3.

4.1.2 The Tenancy Strategy will be reviewed every 3 years by the Local Housing partner authorities in consultation with relevant agencies.

Appendix 1 – Details of where Social Landlord tenancy policies can be found.

We will place a link to your homepage on the Homefinder Somerset website and it will be Social Landlords responsibility to ensure that their Tenancy Policy is available on their website by 1st April 2012.

Appendix 2 – The Evidence Base

1. Somerset Strategic Housing Partnership Affordable Housing Programme 2011 – 2015 Investment Policy Guidelines (December 2011)

Introduction

1. The comprehensive spending review in October 2010 significantly reduced the direct investment available from the Homes and Communities Agency (HCA) and introduced a new product, Affordable Rent. The affordable homes programme 2011 – 2015 replaces the national affordable homes programme (NAHP).

2. This document covers investment policy guidelines, giving a clear indication of the expectations and wishes of the Local Housing Authorities. Specific guidance for providers is set out in section 18, but should not be taken as prescriptive.

HCA framework

3. The HCA's affordable homes programme 2011 – 15 framework, released on 14th February, required Registered Providers to produce and submit by 3 May 2011 a 4 year programme for the delivery of affordable housing. Once the package of funding is agreed between the Registered Provider and the HCA they will sign a Contract committing to delivery for homes to be completed by March 2015. Contracts are due to be signed by the end of September 2011. A short form of the Contract will also be signed by those Registered Providers not in receipt of funding but wishing to provide the Affordable Rent product without subsidy.

4. The framework is intended to:-

    - Meet housing need at a local level
    - Provide a more flexible offer for social housing tenants
    - Ensure that public funds (and funds generated from re-lets resulting in Affordable Rent) are properly and effectively spent
    - Maximise delivery of new affordable housing supply through the introduction of the new Affordable Rent product and other means and
    - Ensure quality standards are maintained

5. The HCA framework places the onus on Registered Providers to raise capital for new affordable housing supply. In future access to the reduced government subsidy is directly linked to a Registered Provider's willingness to incorporate Affordable Rent into their business plans for both new homes and for a percentage of their existing homes when re-let (conversions).

Affordable Rents

6. The new Affordable Rent product requires homes to be let at 'up to' 80% of market rent. This guidance is the basis on which Registered Providers are expected to raise capital for new affordable homes and is the basis on which they will qualify for HCA subsidy.

7. For context Social Rents in Somerset are generally well below 80% prevailing market rates, although the % varies according to size of property and location. As an example a brief analysis of social rents in South Somerset gives the following averages;

    - One bedroomed flat – 81% (note actually higher than Affordable Rent model)
    - Two bedroomed flat – 66%
    - Two bedroomed house – 65%
    - Three bedroomed house – 57%
    - Four bedroomed house – 43%

8. The above figures quote averages across the district. Affordable Rents will be calculated based on an RICS valuation of what the same property would command as an open market rent. It is therefore reasonable to assume that variations will also exist according to the exact locale – for example between different neighbourhoods and between urban and village locations.

9. It should be noted that the Affordable Rent is effectively capped by the Local Housing Allowance (LHA) limit which applies to Housing Benefit claims. From June 2010 the LHA has been based on the 30th per centile of (available) market rents in a broad housing market areas. It is unlikely that 80% prevailing market rents will be above the LHA, except in the case of 5 or more bedrooms as the 4 bed LHA will apply – although we already have one case in South Somerset where the 80% rent is forecast as marginally above the LHA.

Four year programme

10. The four year programme will reflect specific existing commitments and the current affordable housing delivery pipeline in the first 2 years with unnamed schemes in the latter 2 years. the programme will be developed through partnership based on capital finance generated and HCA subsidy.

11. The HCA will assess Registered Providers capacity to deliver across the whole of their business plans and will moderate on a national basis.

12. The Framework puts the onus on Registered Providers to work in close collaboration with Local Authorities across their housing areas to develop their programmes in accordance with Local Investment Plans and local housing need.

Strategic Tenancy Policies

13. Under the Localism Bill, assuming it is passed in its current form, authorities will be required to put in place strategic tenancy policies by April 2012. These will guide social landlords as to how they will develop their programmes, manage their assets and let their properties.

14. The five Somerset Local Housing Authorities (Somerset Housing Partners) through the Somerset Strategic Housing Partnership) are seeking to create a single Strategic Tenancy Policy that will reflect local circumstances, with overarching principles that underpin the countywide investment plans. This has been prioritised by the Shared Housing Programme Board as a project to commence in early June using a project team heavily drawn from the Homefinder Somerset Monitoring Board, reflecting the need to integrate well with our county wide Choice Based Lettings scheme.

15. Our strategic tenancy policy must reflect both identified need and the process through which lettings are made. All registered providers and the Housing Authorities must work together to ensure a continuous, fair and equitable provision of affordable housing is delivered to meet the needs of tenants and allow for flexibility and opportunity for tenants to progress from social housing into home ownership and to facilitate movement to support economic growth.

16. Registered Providers will be required to develop their lettings policies having regard to the strategy adopted by the relevant Housing Authority. Co-operating on a county wide basis to produce a single strategy will make this easier for most Associations, although there will still be dissimilarities between ours and neighbouring authorities, e.g. Wiltshire, West Dorset, North Devon etc.

17. It should be noted that some Registered Providers have already formulated their tenancy strategies as lettings under Affordable Rent will commence in advance of April 2012. Where possible it is expected that cyclical reviews of these policies should take into consideration the issues raised in this document and the guidelines set out below.

Guidelines for Registered Providers

18. The following are to be taken as guidelines, giving a clear indication of the expectations and wishes of the Local Housing Authorities but without being prescriptive.

18.1. Existing countywide planning policies require that affordable housing delivered through S106 agreements should not require public subsidy.

18.2. Where it is confirmed that a scheme is not viable to deliver without public subsidy, a minimum level of affordable housing will be expected through planning obligation alone and it is likely that social rent housing will remain the major component of this, possibly supplemented by some shared ownership.

18.3. Both the developer and the Housing Association partner will then seek public subsidy to complement the affordable housing delivered through planning gain alone. Where this public subsidy is secured through the HCA, or a combination of HCA and Local Authority funds, it is likely that Affordable Rent will be the major component.

18.4. We will not normally support conversions of social rent and shared ownership units which were delivered (or due to be delivered) through existing s106 agreements to

Affordable Rent where the S106 agreement or other legal covenants state that the affordability/tenure of those units to remain as social rent or shared ownership or where other similar legal restrictions apply to previously delivered schemes.

18.5. Conversion of existing social rent dwellings which have previously been developed using subsidy (grant and/or free/reduced land) only from the Local Housing Authority (e.g. with no additional public subsidy being forthcoming from the HCA) will ordinarily be subject to the approval of that Authority. The Housing Authority may require either direct re-investment within the same District or repayment of the subsidy which was directly attributable to that Authority.

18.6. Where social housing has been acquired by a Housing Association from the sponsoring Council through Large Scale Voluntary Transfer (LSVT) it is possible that the detail of the transfer agreement restricts the loss of such dwellings from social rent except through the exercise of the Preserved Right To Buy. Any request to vary an LSVT agreement to allow for Affordable Rents will only be considered by the relevant Local Housing Authority if the Registered Provider can demonstrate that detailed consultation with the appropriate tenants has been undertaken.

18.7. We will support the conversion of social rent tenancies when the property becomes void to Affordable Rent or New Build Home Buy (unless there is a restriction in the S106 agreement or other legal covenants) where such migrations will deliver balanced and sustainable communities.

18.8. We may wish to apply restrictions to conversions of tenancies to Affordable Rent where deemed appropriate based on locally identified need and circumstances. Where Registered Providers have committed themselves to a proportion of vacancies being subject to conversion, they should discuss with the relevant Local Housing Authority those instances and locations where conversions may be deemed appropriate and those instances and locations where the Authority may wish to preserve an element of social rent provision.

18.9. We will support Affordable Rent provided as affordable housing *in addition* to those required under agreed s106 at nil public subsidy beyond the individual Council's approved affordable housing planning policy requirement.

18.10. We will also support Affordable Rent provided as part of the Registered Providers contract with the HCA (e.g. on 100% affordable sites) or by negotiation subject to viability.

18.11. We will support disposals to the open market subject to the agreement of the social housing regulator (currently the TSA), where the provider has completed an options appraisal and can demonstrate a clear benefit. Where Registered Providers have committed themselves to a designated number of disposals, they should discuss with the relevant Local Housing Authority those instances and locations where disposals may be deemed appropriate

18.12. Any affordable housing delivered with or without public subsidy must be compliant with HCA quality and design standards 2007 or any other subsequent standards introduced. This requirement may be reduced but only exceptionally where there is a clear and case specific justification.

18.13. Where specified in individual agreements, affordable housing delivered must remain at an affordable price for future eligible households or, if restrictions are lifted, the appropriate Housing Authority should be consulted and all effort should be made to

ensure that the resulting funds realised should be recycled for alternative affordable housing provision in that District area in the first instance.

18.14. In order to create and maintain stable, mixed and balanced communities, we shall encourage Registered Providers to provide tenancies for a minimum period appropriate to the needs of the household, the dwelling type and the specific location. To allow for flexibility any reduction from appropriate minimum period should be discussed with the Somerset Housing Partners in advance of any decision being made

*(**NOTE** Minimum periods to be considered as part of the tenancy strategy by the project team. Our expectation is that a blanket number of years will not work for all client groups and that different minimums shall be set on a county-wide basis for different categories)*

18.15. Somerset Housing Partners would support Affordable Rents of up to 80% (including service charges) as long as the actual rent charged is below the housing benefit cap to ensure clients who are eligible for housing benefit will be able to claim the full rental amount and to remain affordable after the move to universal credit.

18.16. All Affordable Rent properties should be advertised through the Somerset Choice Based Lettings scheme.

2. Shelter Private Rent Watch - Report one: Analysis of local rent levels and affordability October 2011

http://england.shelter.org.uk/__data/assets/pdf_file/0008/386828/Private_Rent_Watch_Report_1.pdf

See in particular Figure 6 and Figure 8, Figure 25 and 26 on affordability levels in the South West. Appendix 1 also provides information on average private rent levels.

3. Analysis of Social Rents on the Homefinder Somerset CBL scheme Average Rents by LA by Property and Bed Size

			Highest	Lowest		
Local Authority	***HFS Average***	**Mendip**	**Sedgemoor**	**South Somerset**	**Taunton Deane**	**West Somerset**
Bungalow						
1 Bedroom	*68.10*	67.05	56.75	77.47	60.28	79.90
2 Bedroom	*80.11*	76.01	64.94	83.16	71.55	86.87
Studio	*51.06*		51.06			
Flat						
1 Bedroom	*62.29*	55.10	54.93	66.72	60.75	70.88
2 Bedroom	*74.06*	70.81	74.72	75.44	71.84	79.23
3 Bedroom	*62.87*	83.87	61.56			
Studio	*58.33*	93.12	44.38	63.61		
House						
1 Bedroom	*67.13*	63.37	57.16	72.75		74.51
2 Bedroom	*75.85*	81.00	74.91	76.18	70.65	84.36
3 Bedroom	*85.08*	90.95	78.83	86.18	83.21	91.06
4 Bedroom	*93.04*	101.51	79.99	105.28	103.29	104.90
5 Bedroom	*86.15*		72.90		79.99	118.81
6 Bedroom	*129.05*			129.05		
Maisonette						
2 Bedroom	*65.08*	62.17	61.60	74.75	62.60	76.76
3 Bedroom	*67.91*	77.42	64.85	82.45	64.25	
Studio flat						
1 Bedroom	*50.94*				50.94	
Studio	*52.14*	27.33	50.38	60.28	55.09	63.47

Source: Analysis of property adverts from 1/4/10 to 31/3/11

4. Analysis of Social Rents on the Homefinder Somerset CBL scheme Average Rents by Social Landlord by Property and Bed Size

Average of Rent by Landlord			Highest	Lowest																								
Landlord	*HFS Average*	Flourish Homes	Homes in Sedgemoor	Magna (West Somerset)	Taunton Deane Borough Council	Yarlington Housing Group	Falcon Rural Housing Association	Guinness Hermitage	Hastoe HA	Jephson HA	Kennet Housing Society	Kilmersdon Rural Housing Association	Knightstone HA	Magna HA Ltd	Places For People	Raglan HA Ltd	Redland HA	Sanctuary HA	Selwood Housing	SHAL	Signpost HA	Somer Community Housing Trust	Southwestern Housing Society	Sovereign HA	The Alexander Every`s Almshouses Charitable Trust	Western Challenge HA	William Sutton Homes	Wyvern Rural Housing Association
Bungalow																												
1 Bedroom	*68.10*	67.03	56.63	79.90	60.28	77.47						67.82	64.76															
2 Bedroom	*80.11*	76.01	63.82	88.35	68.61	83.16	74.74						82.95					72.75										
Studio	*51.06*		51.06																									
Flat																												
1 Bedroom	*62.29*	49.60	51.15	72.33	56.42	66.23	58.46		67.75	66.85	60.92		64.46	68.85	69.70	71.34		62.52		60.95	67.98	68.11		68.38		80.73		
2 Bedroom	*74.06*	69.20	58.31	83.36	60.61	74.13		77.29	75.06	80.10			71.81	78.98	58.09	85.25		73.15		70.24	81.17		75.63	97.34		85.79	87.33	
3 Bedroom	*62.87*	83.87	61.56																									
Studio	*58.33*		44.38			63.61																						
House																												
1 Bedroom	*67.13*		56.58	74.51		74.84		63.37					62.30					58.33										
2 Bedroom	*75.85*	82.44	65.30	86.06	64.67	71.36	73.73		80.68	77.64	72.03	44.24	78.89	84.60	79.00	84.40	79.24	73.64	73.65	73.33	83.31	90.71	73.32	83.78	83.19	84.37		73.78
3 Bedroom	*85.08*	92.78	67.84	88.40	70.71	84.41	82.30		91.06	93.98	74.49	-	91.86	94.92		95.47	93.65	84.75		82.36	93.95	102.37	89.91	96.56		85.41		
4 Bedroom	*93.04*	105.12	70.98	104.90	77.60	103.90				109.57			112.71	110.52		102.07	104.04			92.65				108.51				
5 Bedroom	*86.15*		72.90	118.81	79.99																							
6 Bedroom	*129.05*					129.05																						
Maisonette																												
2 Bedroom	*65.08*	62.17	60.60		60.39	74.75	76.76						68.11										70.56					
3 Bedroom	*67.91*	77.42	64.85		64.25	82.45																						
Studio flat																												
1 Bedroom	*50.94*				47.17								55.06					59.20										
Studio	*52.14*	27.33	50.38	63.47		62.08							55.09					53.08										

Source: Analysis of property adverts from 1/4/10 to 31/3/11

5. EDF Energy Proposed Development at Hinkley Point – Additional Information

a) EDF Energy has submitted a development consent order application to the Infrastructure Planning Commission for the construction and operation of two nuclear generating units at Hinkley Point power station (HPC), together with Allied Works within and off the site. The site of the proposed new reactors is within West Somerset; much of the associated, ancillary and other related development required to construct and operate the facility would be located in Sedgemoor. The issue of the accommodation requirements for the construction of HPC is a particular concern for the relevant local authorities.

b) EDF Energy's workforce assumptions regarding the scale of temporary workforce are that the lifetime of the project is likely to require some **26,600 FTE** and a peak of **5600 FTE** on site by 2016. Of this number it is agreed that an estimated 34% could be home-based leaving 66% (approximately 3700 workers) requiring accommodation in the local area.

c) The Councils are particularly concerned about the potential of significantly increased demand for accommodation in an area of high demand for affordable housing and limited capacity. A major influx of nearly 4000 construction workers seeking accommodation for a temporary period is likely to have a significant impact on the local accommodation market. These impacts may relate to the level of supply in relation to demand but also can be related to the price of accommodation. Where the supply and availability of housing is constrained as a consequence of construction worker demand, this will result in competition in the local housing market with other users of accommodation. Given the higher than local average wages of construction workers this is likely to have inflationary impact on rents and as a consequence will lead to (1) local people unable to access local housing and (2) the displacement of existing residents from accommodation.

6. Analysis of Homefinder Somerset Housing Register & CBL Data

6a Overall Household numbers as at 30.6.11

As a percentage of the total for each authority

Household numbers	1	2	3	4	5	6	7	8	9	10	13	Grand Total
Mendip District Council	41.96	26.01	14.58	10.24	4.58	1.82	0.63	0.13	0.05	0.00	0.00	100.00
Sedgemoor District Council	34.98	29.18	17.48	10.17	4.78	2.35	0.60	0.30	0.16	0.00	0.00	100.00
South Somerset District Council	39.56	28.37	15.38	9.36	4.30	2.01	0.70	0.18	0.10	0.02	0.02	100.00
Taunton Deane Borough Council	43.16	26.55	15.21	8.57	3.97	1.56	0.51	0.37	0.06	0.04	0.00	100.00
West Somerset Council	39.65	27.46	15.33	9.90	4.25	2.09	1.11	0.07	0.07	0.07	0.00	100.00
Grand Total	**39.75**	**27.65**	**15.69**	**9.56**	**4.38**	**1.96**	**0.65**	**0.24**	**0.09**	**0.02**	**0.00**	**100.00**

6b Banding and Household Numbers by Local Authority as at 30.6.11

Shown as a %age of total	Emergency		Emergency Total	Gold											Gold Total
Household Number	**1**	**3**		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**13**	
Mendip District Council	0.03	0.03	0.05	3.47	1.53	0.76	0.32	0.24	0.13	0.24	0.00	0.05	0.00	0.00	6.74
Sedgemoor District Council	0.00	0.00	0.00	1.97	1.59	0.56	0.24	0.18	0.16	0.08	0.08	0.04	0.00	0.00	4.90
South Somerset District Council	0.00	0.00	0.00	3.48	2.45	1.20	0.60	0.13	0.15	0.15	0.13	0.08	0.02	0.02	8.41
Taunton Deane Borough Council	0.00	0.00	0.00	3.19	1.60	0.84	0.31	0.18	0.18	0.06	0.10	0.00	0.04	0.00	6.51
West Somerset Council	0.14	0.00	0.14	3.00	1.46	0.49	0.98	0.14	0.35	0.21	0.07	0.07	0.00	0.00	6.76
Grand Total	0.01	0.00	0.02	3.02	1.82	0.84	0.42	0.18	0.17	0.13	0.09	0.05	0.01	0.00	6.73

Shown as a %age of total	Silver									Silver Total
Household Number	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	
Mendip District Council	24.53	13.06	7.29	4.58	2.63	0.79	0.32	0.11	0.00	53.30
Sedgemoor District Council	18.84	12.94	7.32	3.27	2.29	1.14	0.42	0.16	0.10	46.50
South Somerset District Council	20.65	13.22	6.49	3.53	2.18	1.25	0.42	0.02	0.02	47.77
Taunton Deane Borough Council	23.72	11.02	6.58	3.23	1.77	0.66	0.35	0.23	0.04	47.58
West Somerset Council	16.66	10.73	5.51	3.28	2.37	1.11	0.63	0.00	0.00	40.28
Grand Total	21.36	12.45	6.79	3.57	2.20	1.00	0.40	0.11	0.04	47.91

Shown as a %age of total	Bronze										Bronze Total	Grand Total
Household Number	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**		
Mendip District Council	13.92	11.42	6.50	5.34	1.71	0.89	0.08	0.03	0.00	0.00	39.91	100.00
Sedgemoor District Council	14.17	14.65	9.59	6.66	2.31	1.04	0.10	0.06	0.02	0.00	48.61	100.00
South Somerset District Council	15.43	12.70	7.69	5.23	1.98	0.62	0.13	0.03	0.00	0.00	43.82	100.00
Taunton Deane Borough Council	16.26	13.93	7.79	5.03	2.01	0.72	0.10	0.04	0.02	0.00	45.91	100.00
West Somerset Council	19.86	15.26	9.34	5.64	1.74	0.63	0.28	0.00	0.00	0.07	52.82	100.00
Grand Total	15.35	13.39	8.06	5.57	2.00	0.79	0.12	0.04	0.01	0.00	45.34	100.00

6c Adverts By Landlord and bedroom number (Numbers) 2010-11

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom	Studio	Total
Falcon Rural Housing Association	3	8	2					13
Flourish Homes	167	142	49	4			2	364
Guinness Hermitage	3	1						4
Hastoe HA	2	64	46					112
Homes in Sedgemoor	207	106	94	20	2		53	482
Jephson HA	5	26	13	3				47
Kennet Housing Society	5	1	2					8
Kilmersdon Rural Housing Association	3	2	1					6
Knightstone HA	54	70	41	7			11	183
Magna (West Somerset)	59	128	27	4	1		1	220
Magna HA Ltd	7	27	10	2				46
Places For People	6	11						17
Raglan HA Ltd	64	213	67	7				351
Redland HA		1	1	1				3
Sanctuary HA	29	131	5				2	167
Selwood Housing		1						1
SHAL	12	24	21	2				59
Signpost HA	31	19	9					59
Somer Community Housing Trust	1	1	1					3
Southwestern Housing Society		11	4					15
Sovereign HA	7	22	18	2				49
Taunton Deane Borough Council	173	163	54	3	1			394
The Alexander Every`s Almshouses Charitable Trust		1						1
Western Challenge HA	6	6	4					16
William Sutton Homes		2						2
Wyvern Rural Housing Association		1						1
Yarlington Housing Group	525	502	331	6		9	12	1385
Grand Total	**1369**	**1684**	**800**	**61**	**4**	**9**	**81**	**4008**

6d Adverts By Landlord and bedroom number (Percentage) 2010-11

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom	Studio	Total
Falcon Rural Housing Association	0.07	0.20	0.05	0.00	0.00	0.00	0.00	**0.32**
Flourish Homes	4.17	3.54	1.22	0.10	0.00	0.00	0.05	**9.08**
Guinness Hermitage	0.07	0.02	0.00	0.00	0.00	0.00	0.00	**0.10**
Hastoe HA	0.05	1.60	1.15	0.00	0.00	0.00	0.00	**2.79**
Homes in Sedgemoor	5.16	2.64	2.35	0.50	0.05	0.00	1.32	**12.03**
Jephson HA	0.12	0.65	0.32	0.07	0.00	0.00	0.00	**1.17**
Kennet Housing Society	0.12	0.02	0.05	0.00	0.00	0.00	0.00	**0.20**
Kilmersdon Rural Housing Association	0.07	0.05	0.02	0.00	0.00	0.00	0.00	**0.15**
Knightstone HA	1.35	1.75	1.02	0.17	0.00	0.00	0.27	**4.57**
Magna (West Somerset)	1.47	3.19	0.67	0.10	0.02	0.00	0.02	**5.49**
Magna HA Ltd	0.17	0.67	0.25	0.05	0.00	0.00	0.00	**1.15**
Places For People	0.15	0.27	0.00	0.00	0.00	0.00	0.00	**0.42**
Raglan HA Ltd	1.60	5.31	1.67	0.17	0.00	0.00	0.00	**8.76**
Redland HA	0.00	0.02	0.02	0.02	0.00	0.00	0.00	**0.07**
Sanctuary HA	0.72	3.27	0.12	0.00	0.00	0.00	0.05	**4.17**
Selwood Housing	0.00	0.02	0.00	0.00	0.00	0.00	0.00	**0.02**
SHAL	0.30	0.60	0.52	0.05	0.00	0.00	0.00	**1.47**
Signpost HA	0.77	0.47	0.22	0.00	0.00	0.00	0.00	**1.47**
Somer Community Housing Trust	0.02	0.02	0.02	0.00	0.00	0.00	0.00	**0.07**
Southwestern Housing Society	0.00	0.27	0.10	0.00	0.00	0.00	0.00	**0.37**
Sovereign HA	0.17	0.55	0.45	0.05	0.00	0.00	0.00	**1.22**
Taunton Deane Borough Council	4.32	4.07	1.35	0.07	0.02	0.00	0.00	**9.83**
The Alexander Every`s Almshouses Charitable Trust	0.00	0.02	0.00	0.00	0.00	0.00	0.00	**0.02**
Western Challenge HA	0.15	0.15	0.10	0.00	0.00	0.00	0.00	**0.40**
William Sutton Homes	0.00	0.05	0.00	0.00	0.00	0.00	0.00	**0.05**
Wyvern Rural Housing Association	0.00	0.02	0.00	0.00	0.00	0.00	0.00	**0.02**
Yarlington Housing Group	13.10	12.52	8.26	0.15	0.00	0.22	0.30	**34.56**
Grand Total	**34.16**	**42.02**	**19.96**	**1.52**	**0.10**	**0.22**	**2.02**	**100.00**

6e Adverts By Local Authority and bedroom number (Numbers) 2010-11

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom	Studio	Total
Mendip District Council	207	203	73	3			2	**491**
Sedgemoor District Council	260	416	165	28	2		53	**924**
South Somerset District Council	596	688	426	13		9	14	**1746**
Taunton Deane Borough Council	254	304	108	13	1		11	**691**
West Somerset Council	52	73	28	4	1		1	**159**
Grand Total	**1369**	**1684**	**800**	**61**	**4**	**9**	**81**	**4008**

6f Adverts By Local Authority and bedroom number (Percentage) 2010-11

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom	Studio	Total
Mendip District Council	5.16	5.06	1.82	0.07	0.00	0.00	0.05	**12.25**
Sedgemoor District Council	6.49	10.38	4.12	0.70	0.05	0.00	1.32	**23.05**
South Somerset District Counc	14.87	17.17	10.63	0.32	0.00	0.22	0.35	**43.56**
Taunton Deane Borough Counc	6.34	7.58	2.69	0.32	0.02	0.00	0.27	**17.24**
West Somerset Council	1.30	1.82	0.70	0.10	0.02	0.00	0.02	**3.97**
Grand Total	**34.16**	**42.02**	**19.96**	**1.52**	**0.10**	**0.22**	**2.02**	**100.00**

Appendix 3 – Tenancy Strategy Action Plan

Action	To complete by	Resource	Output
LA's to carry out feasibility study for use of Housing Options Wizard	October 2012	AH – via Op Group, HMG and Monitoring Board	This will provide a clear specification of the work required to implement the housing options wizard including costs and inputs from all partners.
Develop a comprehensive end of tenancy appraisal mechanism and principles. Waiting for Regulations, some social landlords have already developed a Framework; Tenants need to know offer, will be in Tenancy Policy. General Principles/Framework Interaction between Social Landlords and Housing Options Teams	Dec 2012	LAs to draft in consultation with landlords – use information from this document	End of tenancy checklist for social landlords Clear guidance/principles on what should and shouldn't be taken into account at end of tenancy review The circumstances that social landlords should have regard to in terms of vulnerabilities when undertaking tenancy reviews
Development of mechanism for provision of standard housing options advice at the end of the tenancy.	Dec 2012	HMG	The implementation of the Housing Options wizard
LA's to create standard procedures for housing advice teams	Dec 2012	As above	Consistency of approach when dealing with applicants/tenants affected by tenure/rent type changes.

AGENDA ITEM NO. 10

Taunton Deane Borough Council

Executive - 12 September 2012

Taunton Deane Troubled Families Programme 2012 to 2015

Joint Report of the Strategy Manager and the Troubled Families Project Manager
(This matter is the responsibility of Portfolio Holder for Community Leadership: Jane Warmington)

1. Executive Summary

The Government has launched a three year £500 million programme to turn around the lives of these Troubled Families. It is asking all local authorities to work with Troubled Families living within their area and try to improve outcomes for these families by 2015

The Government estimate that in Somerset there are 870 Troubled Families, 182 of which are within Taunton Deane. The Government is contributing up to £4000 per Troubled Family. In Taunton Deane this means that we will receive £160,000 in 2012/13 and more money (exact figure still to be confirmed) in 2013/14 and 2014/15

Across Somerset, district councils are developing slightly different models of implementation. The key principle for the proposed Taunton Deane model is 'sustainability' and, working closely with Somerset County Council, will build on the work of the Healthy Child Model. Service redesign will be the key focus for the Taunton Deane Model.

The proposals would require a fixed term part-time project support officer (circa £17k pro rata) to be recruited, for which funding has already been received from Somerset County Council. This post would provide administrative support to the project.

Implementation is planned to begin in October 2012

2. Background

Context

2.1 The Coalition Government has pledged to radically reduce the disproportionate cost to the taxpayer generated by approximately 120,000 'Troubled Families'. They estimate that on average these families each cost the public sector in excess of £75,000 per annum.

2.2 The Government has launched a three year £500 million programme to turn around the lives of these Troubled Families. It is asking all local authorities to work with Troubled Families living within their area and try to improve outcomes for these families by 2015.

2.3 While the Government is trying to improve outcomes for families, it is clear that a key driver is reducing the cost to the public sector. Service redesign is therefore expected to play a central role in project delivery.

2.4 As top tier authority, Somerset County Council is ultimately accountable to Government for the success of the project. The Council is, however, adopting a 'hub and spoke' model within which Districts, in partnership with their respective Local Strategic Partnerships, are being asked to lead and co-ordinate project delivery at the local level.

What are Troubled Families?

2.5 The Government's definition of a Troubled Family is fairly prescriptive. To be classified as 'troubled' a family must display at least three of the following characteristics:

i) Have an adult on out of work benefits,
ii) Have children not in school (i.e. exclusion or absenteeism),
iii) Be involved in crime or anti social behaviour,
iv) Discretionary filter (to be determined by the local authority)

2.6 The discretionary filter provides local authorities with a degree of flexibility with which they can include families that they want to work with within the scope of the project. Local authorities can choose what their discretionary filter(s) is so long as it identifies families which have health problems or which are high cost to the public sector.

2.7 The Government estimate that in Somerset there are 870 Troubled Families, 182 of which are within Taunton Deane. This is a projection based on statistics. This figure is used by Government to determine how much funding should be awarded to the county.

Funding

2.8 The Government is contributing up to £4000 per Troubled Family to support project delivery. A portion of this money will be paid upfront as an 'attachment fee', with the remainder paid on a performance by results basis. The percentage paid as an attachment fee varies in each year of the project:

Year	Percentage Paid as an Upfront Attachment Fee	Percentage Paid on a Performance by Results Basis
2012/13	80% (£3,200)	20% (£800)
2013/14	60% (£2,400)	40% (£1,600)
2014/15	40% (£1,600)	60% (£2,400)

2.9 As top tier authority, this money is being paid directly to Somerset County Council. The County Council has, however, committed to transfer all money to District Councils in 2012/13. It is expected that it will agree to transfer the vast majority of funding in year two and three.

2.10 In order for funding to be released, Taunton Deane will need to sign a Service Level Agreement with the County Council, which commits itself to working with its allocation of Troubled Families. No commitment needs to be made about the level of success achieved

2.11 A breakdown of funding for Taunton Deane in 2012/3 is as follows:

Funding Allocation (Year One)

1

50 Families × £3200 Attachment Fee = £160,000

+

2

Success Money

£700
Meet ALL 3 ASB & education measures

a) Each child in the family has had fewer than 3 fixed exclusions and less than 15% of unauthorised absences in the last 3 school term, and

b) A 60% reduction in anti-social behaviour across the family in the last 6 months; and

c) Offending rate by all minors in the family reduced by at least a 33% in the last 6 months

£100
Attach to ESF or DWP Work Programmes

If they do not enter work, but achieve the 'progress to work' (one adult in the family has either volunteered for the Work Programme or attached to the European Social Fund provision in the last 6 months).

OR

2b

£800
Enter Work

At least one adult in the family has moved off out-of-work benefits into continuous employment in the last 6 months (and is not on the European Social Fund Provision or Work Programme to avoid double-payment).

2.12 In addition to the national funding, Taunton Deane has been given £16,600 from Somerset County Council to support project delivery locally

Governance

2.13 The newly established Troubled Families Programme Board, which is chaired by the County Council's Director of Children's Services, oversees the countywide Troubled Families Programme. Each District Council will be represented at this Board. The Board will be ultimately accountable to the Health and Wellbeing Board

2.14 The Government is awarding each top tier authority £100k per annum for three years to employ a Troubled Families Co-ordinator. This senior post, which is yet to be filled in Somerset, will report to the Programme Board and will co-ordinate the Programme across the County.

3 <u>Implementation</u>

Context

3.1 Across Somerset, district councils are developing slightly different models of implementation. Three broad approaches are emerging: the South Somerset model; the Sedgemoor/Mendip/West Somerset model and the Taunton Deane Model.

3.2 The emerging South Somerset model uses family mentors and they recently went through a tendering process to identify a supplier. The emerging Sedgemoor/Mendip/West Somerset model builds on the Total Somerset High Contact Families Pilot Project. It uses volunteer family coaches to support the family and has a dedicated Triage Team which helps to coordinate service delivery.

Taunton Deane Model

3.3 The proposed Taunton Deane model, which has been developed in collaboration with the County Council's lead for Early Intervention, can be distinguished from the above models because it is *not* adding any more resource to support delivery. This is for two important reasons:

a) *Sustainability*: Government funding for this project lasts for three years. For the project to be sustainable it cannot rely on this funding to support it. If this money was spent directly on supporting families it would only be a short term solution. The Taunton Deane model will instead focus on service redesign and making changes to delivery which do not rely on a continuation of this funding

b) *Chaotic Services:* Troubled Families interact with a significant number of public sector services. In many instances, services are delivered in a fragmented way, leading to duplication and inefficiency. If a new team or function is created to support families the risk is that it is simply adding an extra layer of complexity to this already 'chaotic' picture. The Taunton Deane approach will instead

focus on trying to join up service delivery and reduce the number of providers that contact families.

3.4 In year one of the project it is proposed that the Taunton Deane model uses geography as a discretionary filter – focusing specifically on Halcon and Priorswood. This is partly because there are likely to be a high number of 'troubled families' in these area, but also because the work will align very well with work already taking place in these areas. As the project develops it is suggested that the geographical scope of the project widens. There is not a limit to the number of discretionary filters that can be chosen, so there is still opportunity to choose further filters.

3.5 The proposed Taunton Deane model will centre around two groups: the *Troubled Families Practitioner Group* and the *Troubled Families Strategic Group*

a) *Practitioner Group*: This group will build upon existing multi-agency 'Healthy Child' Groups which operate out of Children's Centres. The group will consist of professionals working with a particular Troubled Family. Membership will be fluid depending on which Troubled Families are discussed. Each time the group meets there will be a brief verbal report from staff working with a family. The group will then agree a pragmatic and number-limited, action based, multi-agency plan to improve family outcomes

b) Strategy Group: This group will identify learning from the practitioner group and then work to unblock barriers to joined up working; plug gaps in service provision and look at how services can be redesigned. This group would control the project's budget.

It is therefore anticipated that family outcomes will be improved through the work of the Practitioner Group, but that more fundamental and longer lasting improvements will be made through the Strategic Group. A more detailed description of the Taunton Deane model is available in the appendices

4 Resource Implications of the Proposed Taunton Deane Model

4.1 The proposals require a Project Support Officer to provide administration support to the Practitioner Group. It is suggested that this post be appointed at a Taunton Deane Grade D and work three days a week. With 'on costs' this would cost £14,340 per annum, which will be entirely funded from existing resources (see 2.12).

4.2 The Troubled Families Strategy group would initially be supported by the Taunton Deane Strategy Team. As the project develops it is anticipated that further resource will be required and that it will be necessary to appoint a Project Manager in early 2013. This post will be responsible for driving service redesign.

4.3 It is anticipated that further staff resource could be needed from other Taunton Deane Borough Council service areas, such as Housing, Benefits, Community Development and Economic Development.

4.4 It is anticipated that a Project Manager will need to be appointed in early 2013 in order to deliver the project. This would be a 2 year fixed term contract, which would coincide with the end of the project. The post would be funded from Troubled Families money awarded to the Council (2.11).

5 Proposed Delivery Timetable

5.1 September:

a) Advertise for part time project support officer
b) Refine the detail of implementation plan
c) Identify families that the Project will work with in Year One
d) Invite partners to join either the Practitioner or Strategy Group

October

a) Host stakeholder event to launch the project & raise awareness amongst professionals
b) Start referring Troubled Families to the Troubled Families Practitioner Group

6 Risks Management

6.1 The proposed model may not be able to demonstrate success as quickly for individual families as models which increase spending directly on supporting families. In year two this could potentially reduce the amount of ‘success monies’ that the council will be able to claim.

6.2 Identifying Troubled Families involves the sharing of sensitive information, which will require an Information Sharing Agreement between Taunton Deane and Somerset County Council. An draft agreement has been drafted by the County Council and the South West Audit Partnership have provided initial steer that it is sufficiently robust for Taunton Deane to sign. Legal teams within other districts are looking at the agreement in more detail. If there is a delay in this agreement being signed it could potentially delay the project.

7 Equalities

7.1 See appendices for Equality Impact Assessment

8 Legal Implications

8.1 This project has no legal implications

9 Financial Implications

9.1 Funding to support the Troubled Families Project (see 2.11) will be paid directly to Taunton Deane Borough Council. A new ‘cost centre’ has already been created.

9.2 The Taunton Deane Partnership has committed to oversee the Troubled Families Project across Taunton Deane, providing scrutiny and challenge. At the next meeting of the Board the recommendation will be made that the Partnership defer the day-to-day responsibility for the Troubled Families budget to the Troubled Families Strategic Group.

9.3 It is anticipated that the Project Support Officer (see 4.1) would be appointed at TDBC Grade D for three days a week. With ‘on costs’ this equates to £14,340 per annum. The Officer would be housed within the Strategy Unit in Deane House and so the Council would therefore also incur some minimal ‘hosting’ costs.

9.4 The Project Support Officer will initially be appointed on a 12month contract, starting in October 2012. Resources are already available to fund the post for a year (see 2.11). If the Troubled Families Strategic Board chooses to extend this contract they would do so using resources allocated as part of the wider project (see 2.11)

9.5 In 2012/3 Taunton Deane will receive £160,000 in attachment fees, so long as the project engages with its allocated number of 50 families. The funding that the Council will receive in 2013/4 and 2014/5 is unknown as it is dependent on a) the amount of success monies the project is able to claim and b) the amount of money Somerset County Council agrees to release to Districts (both attachment fees and success monies).

9.6 If Taunton Deane Borough Council can secure success money it is proposed that the money is reinvested back into the project.

9.7 Underspend can be carried forward between each year of the project.

9.8 It is anticipated that a Project Manager will need to be appointed in early 2013 in order to deliver the project. This would be a 2 year fixed term contract, which would coincide with the end of the project. The post would be funded from Troubled Families money awarded to the Council (2.11).

10 Partnership Implications

10.1 The success of the project will be largely dependent on the extent to which partners engage with the project. This is because many of the services which contact Troubled Families are outside the control of Taunton Deane Borough Council.

10.2 Somerset County Council is the main provider of services to Troubled Families. They are fully engaged with the project, with both the local Early Intervention Manager and the Children's Services Manager helping to develop the Taunton Deane Approach.

10.3 The Taunton Deane Partnerships is fully engaged with the project and will continue to provide challenge, scrutiny and advice. In addition to this, the project intends to hold a Stakeholder event in early October to engage with wider Partners

11 Requests/Recommendations

11.1 Executive is requested to approve the proposed Taunton Deane Borough Council implementation model.

11.2 Executive is requested to approve the proposed recruitment of a part time Project Support Officer for 12 months to support the Troubled Family Practitioner Group, subject to the normal sign off and approval process (see 4.1)

11.3 Executive is requested to provide a steer on the discretionary field that could be adopted to help identify Troubled Families (see 2.6). This will ensure the Troubled Families work is able to meet the broader ambitions of the Council

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Appendix 1: Draft Taunton Deane Troubled Families Proposal

Taunton Deane Troubled Families Programme

Draft Proposal, August 2012

1. INTRODUCTION

The Troubled Families Programme is a three year Government initiative designed to support the 120,000 families, nationally identified, as having multiple and inter-generational problems. The focus of this initiative is to reduce anti-social behaviour, improve school attendance, promote employment and training and reduce the cost to the public sector.

The Government's definition of a troubled family is fairly prescriptive. To be classified as 'troubled' a family must display at least three of the following characteristics:

v) Have an adult on out of work benefits,
vi) Have children not in school (i.e. exclusion or absenteeism),
vii) Be involved in crime or anti-social behaviour,
viii) Discretionary filter (to be determined by the local authority)

The discretionary filter provides local authorities with a degree of flexibility with which they can include families that they want to work with within the scope of the project. Local authorities can choose what their discretionary filter(s) is so long as it identifies families which have health problems or which are high cost to the public sector.

The Government has provided every top tier local authority with a specific number of troubled families within their area with whom they should work. Across Somerset, the Government have identified 872 troubled families, 182 of which are within Taunton Deane.

As top tier authority, Somerset County Council is ultimately accountable to Government for the success of the project. The Council has, however, adopted a 'hub and spoke' model with Districts Councils, in partnership with their respective Local Strategic Partnerships, being asked to lead and co-ordinate project delivery at the local level.
This document sets out the initial Taunton Deane response to the Troubled Family agenda

2. LOCAL PRINCIPLES

1. Develop an effective model, which is sustainable beyond the Troubled Families Programme
2. Improve and develop existing structures and services rather than create new ones
3. Develop services led by the needs identified by families and the practitioners working with them

3. FUNDING

The Government is contributing up to £4000 per troubled family to support project delivery. A portion of this money will be paid upfront as an 'attachment fee', with the remainder paid on a performance by results basis. Over the

three years of the Programme the percentage paid by Government as an attachment fee will reduce, with an increased portion of their funding realised on a payment by results basis. This is illustrated below:

Year	Percentage Paid as an Upfront Attachment Fee	Percentage Paid on a Performance by Results Basis
2012/13	80% (£3,200)	20% (£800)
2013/14	60% (£2,400)	40% (£1,600)
2014/15	40% (£1,600)	60% (£2,400)

As top tier authority, this money is being paid directly to Somerset County Council. The County Council has, however, committed to transfer all money to District Councils in 2012/13. It is expected that it will agree to transfer the vast majority of funding in year two and three.

In 2012/2 Taunton Deane will be able to draw down £160,000 from the County Council as upfront attachment fees, so long as it works with its allocated number of 50 families. The exact level of funding that the Council will received in 2013/14 and 2014/15 is unknown as it will depend on the amount of money which can be claimed under the performance by results framework.

The below diagram provides an overview of the funding that Taunton Deane can expect to draw down in the first year of the project (2012/13).

Funding Allocation (Year One)

1

50 Families × £3200 Attachment Fee = £160,000

+

2

Success Money

£700
Meet ALL 3 ASB & education measures

a) Each child in the family has had fewer than 3 fixed exclusions and less than 15% of unauthorised absences in the last 3 school term, and

b) A 60% reduction in anti-social behaviour across the family in the last 6 months; and

c) Offending rate by all minors in the family reduced by at least a 33% in the last 6 months

£100
Attach to ESF or DWP Work Programmes

If they do not enter work, but achieve the 'progress to work' (one adult in the family has either volunteered for the Work Programme or attached to the European Social Fund provision in the last 6 months).

OR

2b

£800
Enter Work

At least one adult in the family has moved off out-of-work benefits into continuous employment in the last 6 months (and is not on the European Social Fund Provision or Work Programme to avoid double-payment).

In addition to the above, Taunton Deane Borough Council has also been awarded a one off sum of £16,600 by Somerset County Council to support project implementation

4. STRUCTURE

With such limited additional financial resources it is critical that the strong partnerships that exist across Taunton Deane area are used to maximum effect, delivering existing services more coherently to reduce duplication and targeting resources to enable significant long-term change in families.

Two tier approach

The proposed Taunton Deane model takes a two tier approach, through the establishment of a *Troubled Families Strategic Group* and a *Troubled Families Practitioner Group.*

4a Troubled Families Practitioner Group

This group will build upon existing multi-agency 'Healthy Child' Groups which operate out of Children's Centres. The group will consist of professionals working with a particular Troubled Family. Membership will be fluid depending on which Troubled Families are discussed. Each time the group meets there will be a brief verbal report from staff working with a family. The group will then agree a pragmatic and number-limited, action based, multi-agency plan to improve family outcomes

The core membership of this group would be first tier managers, or equivalent from the following:

- Local Housing Providers
- Children's Social Care Early Intervention team
- Taunton Learning Partnership
- Children's Centre representative
- Police Anti-Social behaviour coordinator
- Health visiting/school nurse representative
- Somerset Partnership representative

Other services/organisations will attend as required.
In order to effectively plan work with families in a timely manner it is expected that the group would initially meet fortnightly and would discuss approximately 10 -15 families per meeting. The frequency of these meetings may, however, reduce as the system becomes established.

It is anticipated that the group would review families every 6 weeks, until there is consensus within the group that the agreed outcomes have been achieved or that no further work will be effective.

Chairing the Practitioner Group

It is proposed that the Practitioner Group is chaired, at least initially, by a manager from Children's Social Care due to service expertise in leading multi-agency planning for children and families. In the medium term, alternative arrangements could be considered

The Chair would be responsible for collating learning arising from cases discussed and feeding this through to the Strategic Group for consideration. This would include giving examples of best practice; highlighting gaps in service provision and identifying any barriers to more effective and cohesive working practices.

Administering the Practitioner Group

It is proposed that a fixed term, part-time project support officer post is created. This post, based within Taunton Deane Borough Council would support the Practitioner Group. Their duties would include:

- Organise Practitioner Group meetings – ensuring that all necessary lead professionals are in attendance
- Minute actions and write up the Whole Family Action Plans

- Monitor progress made against Whole Family Action Plans
- Support project evaluation – capturing information required under the Performance by Results Framework
- Capture 'learning' in an accessible format so that it can be passed onto the Strategic Group.

4b Troubled Family Strategic Group

The purpose of this group is to interpret information and learning coming out of the Practitioner Group in order to try and improve the effectiveness s and efficiency of services that Troubled Families across Taunton Deane receive. Functions carried out by this group would likely include the following:

- Adapt existing resources to better meet identified need, either on a single or multi-agency basis.
- Expand existing resources to better meet identified need
- Remove barriers to joined up working
- More rarely the Group may commission additional services to meet currently unmet need.

This group would comprise of a limited number of strategic managers or "decision makers" from the District Council and its partners. The Practitioner Group Chair would also be a member of this group. This Group would have control of Taunton Deane's Troubled Families budget.

4c Project Team Support

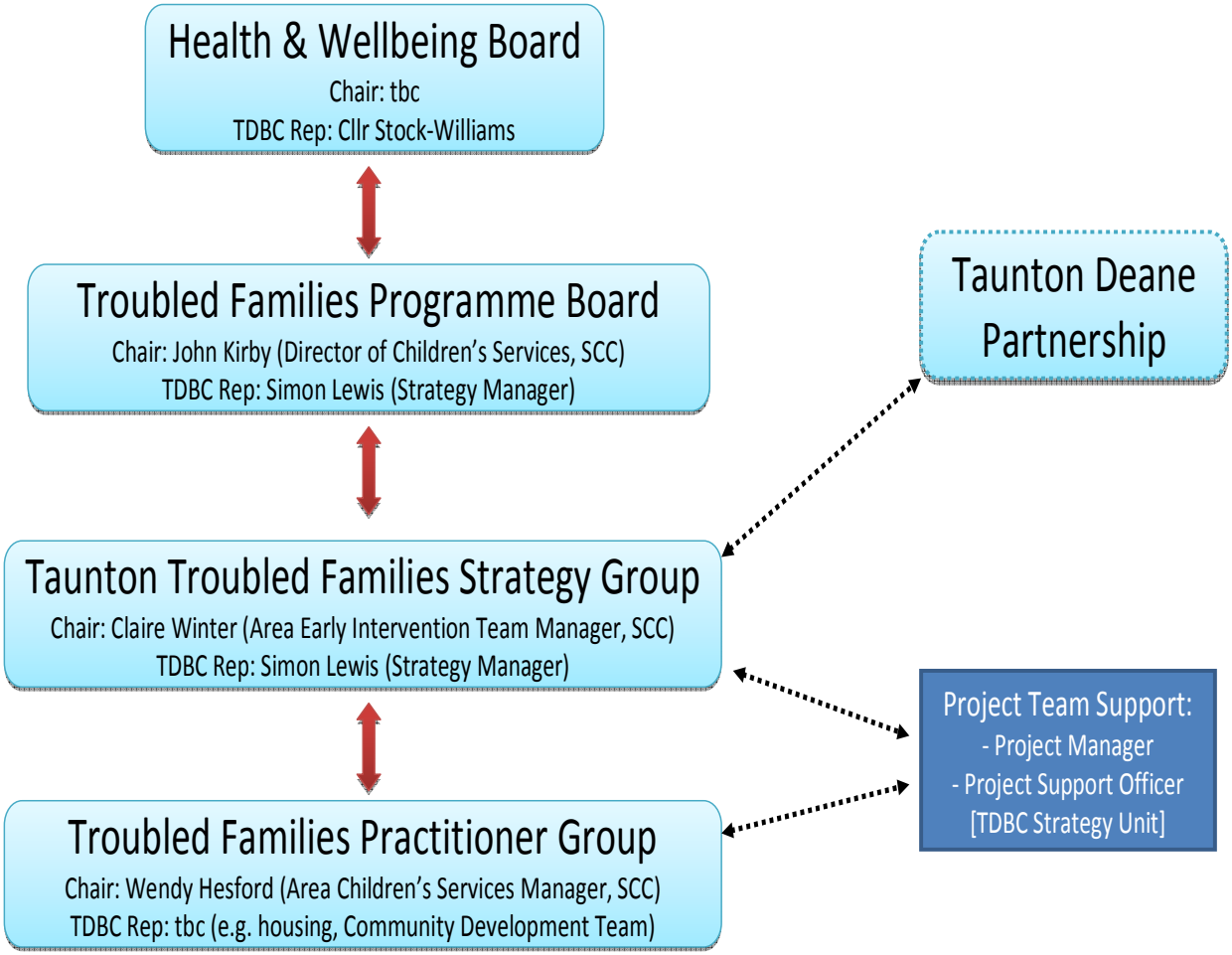
There will be a need for a Project Team to support delivery of the project. Functions carried out by this group would include:

- Identifying and scoping potential opportunities for projects or initiatives which could improve service delivery
- Act as the delivery arm of the Strategic Group: scoping and implementing agreed actions
- Support delivery of both the Practitioner Group and the Strategic Group.

Until the project is up and running it is difficult to quantify the time and expertise requirements of this team. In the short term, capacity will be provided by existing resource within Taunton Deane Borough Council and the new part time Project Support Officer post. This will be reviewed in early 2013. It is anticipated that at this point a full time Project Manager will need to be appointed

5 Governance

Towards an Implementation Model for Taunton Deane: Governance Structure



Towards an Implementation Model for Taunton Deane: Roles & Responsibilities

Taunton Deane Partnership

- Provides challenge and scrutiny
- Works to ensure senior 'buy in' from partner agencies

Troubled Families Strategic Group

- Has deferred responsibility from the Taunton Deane Partnership to manage the project.
- Manages the Troubled Family Project budget
- Drives service redesign, empowers professionals working with families, commissions services and facilitates more joined up working

Troubled Families Practitioner Group

- Improves outcomes for Troubled Families
- Identifies learning, blockages and gaps in service provision and feeds this through to the Strategic Group for consideration

Project Team Support

- Delivery arm of the Strategic Group: scoping and implementing agreed actions
- Identify learning
- Identify and scope potential opportunities for projects or initiatives which could improve service delivery

Appendix 2

Equality Impact Assessment – Troubled Families Project

Responsible person	Simon Lewis	**Job Title:** Strategy and Performance Manager	
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy or service		Yes
	Change to Policy or Service		
	Budget/Financial decision – MTFP		
	Part of timetable		
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	**The Council is proposing to work in partnership with SCC and other agencies to work with troubled families, improve outcomes against government measures and make sustainable improvements to the way agencies interact.**		
Section One – Scope of the assessment			
What are the main purposes/aims of the policy?	The aim is to tackle troubled families, addressing school absence, anti-social behaviour and unemployment. The longer term aims of the project and the main focus for our approach is to redesign services to have improved co-ordination and reduced complexity for the recipient, to provide sustainable benefits.		
Which protected groups are targeted by the policy?	The targeted troubled families are likely to fall within all of the protected groups but we have not yet identified the Troubled Families.		
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	The targeted troubled families are likely to fall within all of the protected groups but we have not yet identified the Troubled Families. Once we have identified the families and started to work with them we will assess which protected groups they belong to and the impacts that the Troubled Families work will have.		

Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality

Groups with protected characteristics are expected to benefit from the Troubled Families work – the aim of the project is to improve the lives of these families.
There are no perceived negative outcomes of this work, except if the implementation is unsustainable and stops once government funding ceases. The TDBC approach is deliberately more focussed on longer term sustainable outcomes to avoid this.

I have concluded that there is/should be:

No major change - no adverse equality impact identified	No adverse impact identified at this stage. To be kept under review through life of project.
Adjust the policy	
Continue with the policy	
Stop and remove the policy	

Reasons and documentation to support conclusions
The engagement activity with the affected groups will identify any impacts which are unforeseen by the project team at this time.

Section four – **Implementation –** timescale for implementation

The project is intended to be completed within 3 years of the formal approval of recommendations to build.

Section Five – Sign off

Responsible officer: Simon Lewis Date: 4th September 2012	Management Team Date

Section six – Publication and monitoring

Published on

Next review date	Date logged on Covalent

Taunton Deane Borough Council

Executive – 12 September 2012

Review of Lease Car, Cash Alternative and Car Loan Schemes

Report of the Retained HR Manager
(This report is the responsibility of Executive Councillor Stock-Williams)

1 Executive Summary

The purpose of this report is:

(1) to approve amendments to the Lease Car and Cash Alternative Schemes; and

(2) to approve amendments to the Car Loan Scheme.

2 Background

2.1 The terms and conditions of employment for staff at Taunton Deane Borough Council are based on the National Terms and Conditions of Service for Local Government Services as amended locally by the Council through collective agreements with UNISON as the recognised trade union.

2.2 These local terms include a frozen Lease Car and Cash Alternative Scheme and a Car Loan Scheme.

2.3 As part of the Budget Review Project for 2012/13 the Car Leasing and Cash Alternative Schemes were identified as possible staff benefits/terms and conditions where changes could be made.

2.4 However, due to the complexity of these schemes, Counsel's Opinion was sought in October 2011. Bearing in mind the advice received, the other changes that were being introduced as part of the budget review and the need to have sufficient resources to manage this appropriately a decision was taken by the Corporate Management Team to reschedule this review until 2012/13.

2.5 In addition to the general background Counsel was provided with 13 additional documents/background data to assist them in providing their advice.

1. Letter of 16 November 2000 from Chief Personnel Officer – Scheme Frozen
2. TDBC Staff Car Lease Scheme – Outline Conditions of Scheme 2004
3. TDBC Staff Lease Car Allowance Calculation Policy 2008
4. TDBC Staff Car Leasing Scheme – Agreement 2004
5. TDBC Master Agreement for Contract Hire with Full Maintenance

6. Principal Statement of Particulars of Employment – Lease Car with Pension
7. Principal Statement of Particulars of Employment – Lease Allowance
8. Principal Statement of Particulars of Employment – Lease Car Agreement
9. Schedule of Employees with Lease Cars
10. Schedule of Employees with Cash Alternative
11. Schedule of Equality Data relating to Lease Car and Cash Alternative employees
12. Current Lease Car Allowance amounts
13. Current Lease Car Cash Equivalent amounts

2.6 Counsel was asked to provide advice on 8 issues.

1. Whether the proposed closure of both schemes can be done safely through a Collective Agreement with UNISON for all affected employees.
2. On what basis the closure of the schemes could be achieved if a Collective Agreement is not appropriate.
3. What, if any action, should the Council take (in addition to notifying each employee of the proposals being discussed with UNISON) with employees who are not members of UNISON.
4. Whether the cash alternative payment given and accepted by staff should be superannuable where their previous lease car arrangements were superannuable.
5. The level of one off compensation which would be appropriate and whether such compensation should vary between those employees with a superannuable right and those without.
6. Whether any compensation payment would be subject to tax or whether such a payment can be made as an ex-gratia payment.
7. Whether the alternative proposal (the Council set out an alternative to closure of the schemes in the covering document) could be achieved without a ‘collective agreement’ and whether this approach could be challenged as a breach of contract.
8. Generally – any other advice.

2.7 Counsel’s Opinion provided the authority with legal advice and also the main elements of a negotiating stance to be taken with UNISON and individual staff. As such the detail of the ‘opinion’ needs to remain confidential but has been shared with the Portfolio Holder and Shadow Portfolio Holder.

2.8 However to assist members with their understanding of the advice and the approach proposed some elements of the ‘opinion’ have been set out below.

‘TDBC is right when it says that the provision of a lease car is a contractual benefit…….the best way to attempt to change or vary…is through negotiation and consultation with UNISON. This is undoubtedly best achieved via a collective agreement.’

‘Should collective agreement not be possible, TDBC will automatically be at risk……There are two possible courses of action…..’

‘Thus, the importance of collective agreement cannot be overstated…..’

‘There is always the alternative suggestion….TDBC should include this as part of its discussions with UNISON/the other affected employees..if it is really something that could achieve the desired cost savings…’

2.9 The advice from Counsel has been used by the Retained HR Manager to formulate a range of options which have been revised and reviewed with the Chief Executive.

2.10 Attached at Appendix A is a copy of the proposal which was provided to UNISON (at the UNISON Change Forum of 12 June 2012) and to affected individual staff by letter shortly after that meeting. Further consultation and negotiation has been undertaken with UNISON.and, in an effort to reach agreement, the original proposals have been slightly amended and these amendments are shown in bold text and set out in 3.2 and 3.3 below. Affected staff have been advised of these amended proposals.

2.11 Corporate Scrutiny considered these issues at its meeting of 19 July 2012 and **Resolved** that the proposals detailed in the report be supported and that the Committee’s views be submitted to the Executive. A copy of the full minute is attached as Appendix E.

2.12 Attached as Appendix B is an Equality Impact Assessment for these changes.

2.13 When considering the review of the Lease Car and Cash Alternative Scheme it was felt appropriate to review the current car loan scheme and make recommendations for changes and these are attached at Appendix C.

3 Summary of Proposals

3.1 Full details of the proposed Lease Car and Cash Alternative Scheme are attached as Appendix A which will apply to all 32 affected staff.

3.2 As can be seen from the proposal it is suggested that a reduced Lease Car and Cash Alternative Scheme is retained. On the basis of this proposal there will be no need to ‘buy out’ the contractual benefit although as part of the continuing negotiations with UNISON, and taking on board comments from staff, the proposals have been amended to provide for a buy out option equivalent to ones times the existing contribution level.

3.3 The new Scheme would see:

One Lease Car/Cash Alternative rate set at an initial level of £1280 per annum which provides for a reduction in direct expenditure of approximately 60%

Only vehicles with an emission of less than 120 g/km being able to be leased

The option to take a lump sum buy out (equivalent to one times the current contribution level less deductions for tax and national insurance).

3.4 If this option were agreed and implemented savings would be in the region of £57,500 per annum with effect from 1 April 2013. This saving excludes any additional amounts which would occur if staff took the option to buy out as described above. In discussions with the S151 Officer this option would be viewed as an 'invest to save' initiative with expenditure being covered by the use of reserves as the pay back period is within 3 years.

3.5 With regard to Car Loans (details are attached as Appendix C) it is proposed that loans will only be available for vehicles with less than 120 g/km emissions and that (other than for the first loan taken by a member of staff opting out of the lease car arrangement) all future loans would be subject to an interest charge.

4 Benefits of the Proposed Policies

4.1 It is recognised that these changes will impact on staff but it is felt to be important that the changes are introduced in time for the 2013/14 budget due to the current budget deficit.

4.2 In addition to the budget benefits the proposals also support the Council's carbon emission aspirations and help to reduce risks associated with equal pay.

4.3 If these proposals can be concluded with a collective agreement with UNISON this will also assist in reducing the risk of challenge based on employment and equalities legislation although it should be noted that Counsel believes the authority could seek to implement the changes.

4.4 UNISON are currently preparing to ballot affected members on the revised proposals as the best which could be achieved through negotiation.

5 Financial Implications

5.1 Overall direct expenditure on lease cars and cash alternatives is in the order of £103,000 per annum and these proposals will save in the region of £57,500 per annum excluding any additional revenue savings created by the new buy out option which would provide an additional annual revenue saving of £1280 per employee who opts out.

5.2 It should be noted that care should be taken in quoting a definitive saving as circumstances are always changing (staff movement, decisions by individual staff etc).

5.3 If all staff were to opt out, which is highly unlikely, the maximum liability on reserves would be in the order of £103,000.

6 Links to Corporate Priorities

6.1 The Lease Car and Cash Alternative proposals and the Car Loan Proposals support the Councils priorities relating to carbon emissions and are linked to the Budget Strategy.

7 Finance Comments

7.1 Savings in the order of £57,500 as set out in 5.1 are achievable as long as the proposed scheme is agreed and implemented as set out.

8 Risk Management

Risk	Consequence	Probability	Impact	Treatment
Scheme is challenged by UNISON and/or staff	Possible delays to Scheme introduction, Employment Tribunal Claims or Industrial Action	1	3	UNISON have been involved in consultation and staff have been consulted and UNISON are preparing to ballot affected members.
New Scheme impacts on staff morale.	Productivity affected and increased staff turnover.	3	2	Communication to staff to ensure they know the reasons why changes are required and the impacts on service delivery have been taken into account.

9 Equalities Issues

9.1 The proposed scheme will be applied across all affected staff on a consistent basis.

9.2 The proposals for the Lease Car and Cash Alternative Scheme are supported with an Equalities Impact Assessment (Appendix B) which highlights that there are still some remaining equal pay risks.

9.3 Data has been shared with UNISON to assist them with their response to consultation.

10 Partnership Implications and Consultation

10.1 The policy will apply to all affected Taunton Deane employees including those seconded to SW1.

10.2 SW1 has been consulted on the proposals contained within this report and understands that these will apply to secondees.

10.3 Consultation has also taken place with the Taunton Deane UNISON Branch who has in turn discussed issues with UNISON Regional Office.

10.4 The proposals which were developed have been communicated to all affected staff and an initial 21 day consultation period held. A summary of responses is attached as Appendix D. The updated proposals have also been notified to affected staff.

10.5 As a result of the initial consultation period amendments were made to the proposals for annual reviews to ensure that these were clear and did not impact further on staff affected. The further consultation with UNISON has also seen amendments made with regard to 'buy out'.

11 UNISON Comments

11.1 UNISON provided the following comments on 10 July 2012 prior to consideration of the issue by Corporate Scrutiny and these were subsequently responded to in full.

- Can the Council explain in detail why it does not propose to 'buy out' lease car drivers on an individual basis?

- Changes to the scheme should be phased in so that those people who have recently taken out a new car loan, as distinct from coming to the end of one, are not disproportionately affected. Under the current proposals some employees are facing an immediate reduction of more than 50% - several thousand pounds per annum – in their lease car allowance.

- Some staff will have been paying superannuation contributions on the value of the lease. The new lower level of financial contribution by the Council will adversely affect both the lump sum and annual pension payments. How does the Council propose to ensure that those people for whom the benefit is pensionable, do not lose out?

- UNISON would wish to see the basis on which future index linking of the allowance is to be carried out and how this would be applied to people in receipt of a cash alternative.

11.2 UNISON wished to reserve the right to submit further comments once specific advice has been received from its Regional Office and have confirmed there are no additional comments they wish to make.

12 Recommendations

12.1 To approve the amendments to the Lease Car, Cash Alternative and Car Loan Schemes as set out in this report and give the Retained HR Manager delegated authority to implement the Schemes taking due regard of the result of the ballot of affected UNISON members and the advice of Counsel.

12.2 To request Full Council to approve a supplementary estimate from General Fund Reserves of £103,000 to fund the maximum potential cost of buy-out from the existing schemes. Any unused funds will be returned to General Fund Reserves.

13 Appendices

13.1 Appendix A – Proposed Lease Car and Cash Alternative Scheme
13.2 Appendix B – EIA for Lease Car and Cash Alternative Scheme
13.3 Appendix C – Proposed Car Loan Scheme
13.4 Appendix D – Summary of staff consultation responses
13.5 Appendix E – Corporate Scrutiny Minute

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APPENDIX A

LEASE CARS AND CASH ALTERNATIVES

PROPOSALS

CURRENT POSITION

The Council has obtained Counsels Opinion on the current Lease Car and Cash Alternative Schemes in relation to making amendments to them and/or terminating them. This advice was for a range of different options which could then be considered.

The Council has acknowledged, due to its current financial position, that the situation with regard to Lease Cars and Cash Alternatives needs to be reviewed to provide a saving. It is also accepted that changes are needed for equitable reasons within the workforce following changes to car allowances and staff parking charges.

In considering the options regard has been given to the need to make an ongoing revenue saving against the potential costs of buying out the schemes without any alternative being available.

PROPOSAL

The proposal is to retain both a lease car and cash alternative scheme with an amended set of benefits.

The main elements of the proposal are that:

1) The range of lease cars available for selection will be limited to vehicles at or below CO2 emission levels of 120 g/km unless very exceptional operational circumstances apply.

2) Employees will continue to be responsible to provide their own insurance.

3) The financial contribution by TDBC towards the lease vehicle agreement will be limited to £1280* per annum.

   This allowance rate will be reviewed annually on 1 April and applied to the cash alternative payment, existing leases as well as any new leases.

4) The Cash Alternative will be £1280 per annum with effect from 1 April 2013.

5) **Alternatively the employee could choose to opt out of either the car leasing scheme or cash alternative scheme and receive a one off lump sum payment based on their existing contribution level. This payment would be subject to deductions for tax and national insurance.**

6) Changes to be effective from 1 April 2013.

7) Mileage payments for lease car drivers and staff with the cash alternative will continue to be paid at the lease car rate (currently 16.3p per mile)

8) Where staff with an entitlement to a cash alternative meet the eligibility criteria to be an essential car user then they will have the option to opt have the essential user allowance and mileage applied rather than the cash alternative and lease car mileage.

*this contribution is based on a CITROEN C1 HATCHBACK 1.0i VT 5dr on a four year lease of 10,000 miles per annum.

There are 7 lease vehicles due to extend beyond 31 March 2013 and the affected employee will have the option to:

a) retain the vehicle and pay the additional contribution;
b) return the vehicle and lease a new vehicle under the new scheme rules;
c) return the vehicle and move to the new cash alternative scheme.
d) purchase the vehicle

In the case of vehicles being returned early or purchased early the termination charges will be met by the authority.

The intention is to consult with UNISON and affected staff on the above with a view to achieving a collective agreement. Notice would then be given of the new arrangements to the affected staff.

Changes to Car Loan Scheme

It is also proposed to make some amendments to the Car Loan Scheme so that loans are only available for the purchase of vehicles at or below CO2 emission levels of 120 g/km unless very exceptional operational circumstances apply.

There are also proposals to charge interest on the majority of car loans **however employees opting out of the Car Leasing Scheme (either to the cash alternative scheme or completely) would have the option to take an interest free car loan as a one off option.**.

APPENDIX B

Equality Impact Assessment – Lease Cars and Cash Alternative

Responsible person	Martin Griffin	**Job Title – Retained HR Manager**
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Change to Policy or Service	Revision of Car Leasing Scheme and Cash Alternatives; The schemes were introduced as a recruitment and retention benefit and have been frozen to new staff for a number of years. The continuation of the schemes without revision will increase the risk of exposure the Council faces from Equal Pay challenge.
	Budget/Financial decision – MTFP	Required as part of the Budget Strategy Project.
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	The Car Leasing and Cash Alternative Scheme are available to some groups of staff with protected rights and an analysis has been compiled that shows the equalities data for the staff who benefit from a lease car or cash alternative and who are affected by the proposed changes to the schemes. Information gathered includes details of gender, disability, ethnicity, age and is available within HR and has been shared as part of the discussions with UNISON.	
Section One – Scope of the assessment Both of the above schemes are available to a protected group of staff and an analysis has been compiled for which shows which staff benefit from the scheme currently. As this is a closed scheme new staff will not be eligible to benefit from the schemes and the continuation of the schemes without some amendment will increase the risks to the Council.		
What are the main purposes/aims of the schemes?	The schemes were introduced as recruitment and retention benefits but because of the changing nature of the economy have, for a number of years, been closed and staff with the benefit have had this protected.	

Which protected groups are targeted by the schemespolicy?	None
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	An analysis of the staff with the protected benefit has been compiled and comparison can be made with the whole workforce statistics. The information is available from HR.

Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality

1. The retention of a reduced right to a lease car or cash alternative will apply to all staff with a protected benefit.

2. This proposed change may adversely impact on eligible staff with pension entitlements for the lease vehicle although there are protection arrangements LGPS. There are seven male employees and one female employee in this category who will be affected.

3. The retention of a scheme with reduced benefits will reduce the possible impact of equal pay claims.

I have concluded that there is/should be:

Adjust the policy	**Lease Cars and Cash Alternatives -** Where staff have disabilities there may be the need to adjust the policy to be able to provide a suitable vehicle above the benchmark.

Unison	Gender	Ethnicity	Age group	Disability
0	M	White/English	31-40	N/A
0	M	N/A	41-50	N/A

0	M	White/English	41-50	N/A
0	M	White/English	41-50	No
1	M	White/English	51-60	No
1	M	N/A	51-60	N/A
0	F	N/A	61+	N/A
0	M	White/English	41-50	N/A
1	M	White/English	51-60	No
1	M	N/A	51-60	N/A
1	M	N/A	51-60	Yes
1	F	White/English	41-50	Yes
1	F	White/English	51-60	N/A
1	M	White/English	51-60	N/A
1	M	N/A	41-50	N/A
0	M	White/English	51-60	N/A
0	F	White/English	51-60	Yes
0	F	White/English	41-50	No
0	M	White/English	41-50	No
1	F	White/English	41-50	No
0	M	N/A	61+	N/A
1	M	White/English	51-60	No
0	F	White/English	41-50	N/A
0	M	White/English	41-50	No
1	F	White/English	51-60	Yes
1	F	White/English	41-50	No
1	M	White/English	41-50	No
0	F	N/A	41-50	Yes
0	M	White/English	41-50	No
0	F	White/English	51-60	N/A
0	M	White/English	41-50	N/A
0	F	White/English	51-60	No

Unison		
Y	14	44%
N	18	56%
Male	20	63%
Female	12	37%
Age Group		
16-20	0	0
21-30	0	0
31-40	1	3%
41-50	16	50%
51-60	13	41%
61+	2	6%
Ethnicity		
White	24	75%
N/A	8	25%
Disability		
Yes	5	16%
No	12	38%
N/A	15	46%

TAUNTON DEANE BOROUGH COUNCIL
ASSISTED CAR PURCHASE SCHEME DETAILS

1. Eligibility

   1. An employee of the Council is entitled to apply for a car loan under the Assisted Car Purchase Scheme if they meet one of the following criteria: -

      1. i) are an essential car user, for which interest is payable on a loan;

      or

      ii) are moving from the lease car scheme to the cash alternative scheme on 1April 2013, for which the first loan will be interest free and subsequent loans charged with interest

      or

      iii) have special dispensation as a casual user with a Strategic Director agreement, for which interest is payable on a loan.

2. Amount Borrowed

   2.1 The Councils current maximum loan available is £7,000 and repayment can be made over a maximum of five years.

   2.2 A repayment table is available showing the monthly repayments for a loan at the current rate of interest in accordance with National Conditions.

   2.3 Money **cannot** be borrowed:

   To cover Road fund licence
   To cover Fuel costs
   To cover Accessories, such as a tow bar, roof rack or fog lights, fitted at the time of purchase.
   For vehicles more than 5 years old at the time of application

3. Applying for a Loan

   3.1 To apply for a car loan you will need to complete the attached application form giving details of the loan you require and car you wish to purchase. Loans will only be granted for vehicles which have emissions at or below 120 g/km

   3.2 In addition to this, an independent inspection and valuation report is required for all second hand vehicles being purchased (see attached). We will also need the original sales invoice and vehicle registration document.

   3.3 All of the above information needs to be forwarded to HR for approval.

4. Legal Agreements

   You will be required to sign a legal agreement before the cheque is released. A member of staff from HR will contact you when this is ready for you to sign.

5. Further Information

   If you require any further information about the scheme, please contact HR Advisory Services who will be pleased to help.

HR June 2012

TAUNTON DEANE BOROUGH COUNCIL

ASSISTED CAR PURCHASE SCHEME

VEHICLE VALUATION REPORT

1. All second hand vehicles are to be inspected by an independent engineer. The nominated provider for Taunton Deane Borough Council's scheme is:

   Deane DLO
   Priory Depot
   Priory Way
   Taunton

   Telephone: 01823 356356

2. Inspections must be be carried out at their workshops.

3. They aim to carry out an inspection within two days of receipt of the request/inspection form and cheque. The cost of the inspection is to be borne by the employee, and is currently £52 plus VAT.

4. You should enter your details on the attached inspection form and then pass it to the Deane DLO for them to complete and return to you.

APPENDIX D

Summary of Lease Car Responses to Consultation

Employee	Date Raised	Issue Raised	Response	Date Sent
Employee A	15/06/2012	I have for some time intended to move over to the cash alternative. My lease car is 7 months or so outside of its original lease period and I am keen to move forward and purchase the vehicle, Before I instruct HR that I wish to change please could you confirm that under the proposals I will receive the cash alternative at the existing rates (circa £2920 p/a) pro rata until the end of March 2013	I can confirm that for you.	15/06/2012
Employee B	18/06/2012	Following your recent letter regarding the above could you send me a copy of the counsel's advice that TDBC have received please? Also could you please confirm the current lease allowance for officers.	Unfortunately I can't provide you with a copy of counsels opinion as this is provided to the Council on a confidential basis. With regard to current lease allowances these are: Up to SCP 32 £212.20 pcm SCP 33 and above £254.59 pcm Chief Executive and SDs £283.50 pcm	18/06/2012
Employee B	18/06/2012	Thanks for the reply however I am concerned that you are not able to share counsels advice openly with me. The proposals outlined in your letter are going to reduce the lease allowance for an officer at my grade from over £3k pa to £1.3k ie a reduction of over 50% but I am unable to see the legal advice that you have received which presumably details that TDBC are able to do this.	I note your comments about the Counsel's Opinion and will respond later about the provisions under which the Council believe it can make these proposals.	18/06/2012

		If you cannot share this advice then please advise me under which employment contract provisions the scheme is being amended. I have a number of comments to make regarding the proposed scheme and will respond more fully later this week…….it would be helpful if you could send me an electronic copy of the consultation document which will enable me to put comments against the proposals in a structured way.	'The need for a (vehicle) allowance and its classification may be reviewed and, where necessary, it will be amended or withdrawn'' (Clause J in the contracts) I have attached the electronic consultation document for you so that you can use this when making your response.	
		I am not a member of Unison but have copied them into my query.	The Council has entered into consultation with staff on proposals to vary the lease car and cash alternative schemes and it is hoped that this can be achieved through a collective agreement with UNISON. Where a member of staff is not a UNISON member we will also consult with them as an individual to get their feedback and response. However, should agreement not be possible with UNISON, I would advise that there is express contractual provision that the Council could use.	
Employee C	18/06/2012	At present I have a lease car whose lease runs till the 7th of July. What options, if any, are open to me between this date and 1st April 2013 and are these the ones listed in the alternatives letter assuming I am one of the 7 affected employees?	Your options at 7 July are: i) extend the lease up to 31 March 2013 ii) end the lease and return the vehicle which means you could move to the cash alternative at its current rate until 2013 iii) end the lease and purchsse the vehicle which means you could move to the cash alternative at its current rate until 31 March 2013 If you wanted another vehicle at 7 July for a four year period we would need to sit down and discuss these arrangements to ensure that everyone was clear how it would work.	20/06/2012

		With regards to the proposals and consultation I am a bit confused. Are staff involved in the consultation process up till 5th July and if so who do we return our responses to?	Any consultation responses should be returned to me – they can be done individually or through UNISON if you are a UNISON member.	
Employee D	18/06/2012	Generally I am supportive of the reduction in the emissions limit for 160g/km down to 120g/km. This is in line with the Council's 'green' policies and follows the trend within the motor industry itself. The huge percentage reduction in financial contribution by the Council is personally disappointing, but from a corporate stance I understand the need to make financial savings. The proposals regarding insurance and mileage payments remain unchanged so have no detrimental effect on staff.	I know you are away but thought I would acknowledge and let you know I will do a more detailed response when back in the office w/c 2 July.	20/06/2012
		I am concerned at the precise wording in proposal 3 about annual reviews. The wording states the annual review will be applied to "*the cash alternative, existing leases as well as any new leases*". This reads that staff could be subject to changes in lease payments during the life of the lease. This is a major departure from the previous scheme whereby payments were fixed for the whole of the lease period. How does the Council justify this when the cost to the Council from the leasing company will be fixed? Staff taking out leases could be adversely affected financially when they have no options to negotiate.	Thank you for raising this matter and I will now discuss this part of the proposal with the Chief Executive. This was included so that those staff retaining a lease car would benefit from any increases in the lease cost of the standard vehicle in the same way as those receiving the cash alternative would. There was and is no intention for this to be reduced.	03/07/2012

		My existing lease runs out in October this year. Under the current scheme I would now begin looking to replace it. Given the proposals I assume this is not an option. Could you please confirm that my current lease will be extended on a monthly basis on its existing terms until 31 March and there will be no additional costs to me above my current contribution.	I can confirm that your vehicle can be extended on the basis that you set out and there will be no financial impact on you.	
		Since the lease car scheme started I have been paying superannuation contributions on the value of the lease. The suggested new lower level of financial contribution by the Council will seriously adversely affect both my lump sum and annual pension payments. What proposals does the Council have to protect my position within the pension scheme?	Attached are details of the protection arrangements that apply under the Local Government Pension Scheme. Should you wish to have further personal assessments of the impact I will ask the Pensions Section.	
Employee B	19/06/2012	Please find attached my response in red text regarding the consultation to the proposed changes to the TDBC lease car scheme.	I am collecting a number of comments and will start replying in detail in week commencing 2/7.	20/06/2012
		Regarding the contractural provisions under which TDBC could make these changes you mention below clause J - I checked my lease vehicle contract last night and could not see this clause or are you referring to the employment contract clauses? If so could you send me the clause in full please so i can see it in the context of our employment contracts.	Clause J is one of the terms outlined in your contract of employment. Below is the full version.	19/06/2012
			J. Current Motor Car Allowance **I**f your post currently carries a motorcar allowance, this will be shown at item 16(b) on page 2. Your attention is particularly drawn to the fact that such allowances are allocated to specific **posts** (not individual employees).	

			The need for an allowance and its classification may be reviewed and, where necessary, it will be amended or withdrawn. All employees authorised to use their motor vehicles on official business are advised that they will need to be insured by a reputable insurance company including in the policy of insurance a clause indemnifying the Borough Council against all third party claims (including those covering passengers) arising out of the use of the vehicle on official business. Employees authorised to use their motor vehicle on official business are responsible for its safe operation and for ensuring that it is in a safe and roadworthy condition. For those posts where driving is regularly required as part of the duties the loss by the employee of his/ her driving licence as a result of a driving disqualification may lead to a termination of employment.	
Employee C	20/06/2012	Can I extend the lease till 31 March 2013 but move to the cash alternative at any time after 7 July but before March 2013? Do you need confirmation from me to extend contract till March 31 2013 from 7 July till such time as I may change my mind regarding taking up the cash alternative?	Of the top of my head I can't see anything wrong with what you suggest but would need to ask SW1 Procurement when I am back in the office at the end of next week to check I am not missing anything. We (SW1 Procurement) would need to have your confirmation and I believe they will be in touch with you very shortly as they have been looking at extensions etc.	20/06/2012

Employee E	22/06/2012	How may these proposals be affected in the case of those individuals (such as myself) who first had a lease car prior to the date(which i believe is December 1991) when the 'value' of the lease contribution (and i assume the cash alternative) could count as pensionable renumeration?	With regard to your queries I have attached guidance from Somerset CC Pensions on the protection arrangements where pensionable pay is reduced. I can also confirm that the cash alternative is not pensionable and this is an issue we checked with Counsel.	03/07/2012
		What alternatives were looked at in terms of one-off lump sum payments to end the entitlements altogether? I believe that this is a route which other councils have gone down and is something which i would be very happy to consider. I accept completely that any such payment would have to be affordable and represent value for money for the council, but it would seem a 'cleaner' solution and one which would maximise revenue savings in the slightly longer term.	With regard to alternative options I can confirm that a full range of options were considered both prior to and after the advice from Counsel was received. In terms of the best financial and achievable option for the Council it was felt that the proposal provided to scheme members was the one which should be presented. The proposals affect all scheme members equally irrespective of when they joined the scheme.	
Employee F	03/07/2012	I am concerned that it is proposed that there will be a large reduction in the in the cash alternative down to £1280 yet there is no increase for the amount per mile that can be claimed for using the car for business purposes. I have a relatively small car (VW Polo) but according to official figures this car costs 44.5p per mile to run. A mileage allowance of 16.3 per mile seems unfair given that the lump sum will be reduced significantly. I would suggest that a figure closer to the true cost of travelling is provided. If the mileage allowance remains at 16.3 the employee will effectively be "subbing" the council from their reduced lump sum which seems unfair.	Thank you for your response. I note your comments about the mileage rates but would say that traditionally lease car mileage rates have been lower than essential user rates as the lease provides for all maintenance costs and servicing.	03/07/2012

		The proposed date for the change (April 2013) does not take into account the fact that many people with the cash alternative will have taken out finance based on an assumption that the cash alternative would remain relatively static throughout the period of their loan	I note your comments and accept that this is a potential outcome from this proposal although, if this were accepted as a legitimate argument, changes would be very difficult to make..	
Employee G	03/07/2012	I am disappointed that the amount allocated has been reduced by 58% which is the equivalent of a substantial pay cut for a small group of staff. However, I am relieved the scheme will remain open and I will still be able to have a leased car, even though it will be much smaller.	Thanks for your response.	04/07/2012
		Can I please have confirmation that I will be able to extend the lease of my existing car until 31 March 2013 after which time the new scheme will apply.	I am also able to confirm that your existing lease can be extended until 31 March 2013.	
Employee F	03/07/2012	Yes – understood My comments on the mileage rate relates to those people who have the cash alternative rather than the lease and so would have to fund maintenance and servicing from a lump sum that will be more than halved while still only getting the same mileage rate		
		Put simply it seems that TDBC are reducing the lump sum but not increasing the payment that will be made when that employee uses their car for business purposes. The more mileage that that employee does, the greater the impact	On the latter point there is always the tipping point that if the employee does enough miles to qualify for an essential user allowance they can move to that scheme which does, of course, come with the higher mileage.	

Employee B Comments in Italics

MG Comments in bold

CURRENT POSITION

The Council has obtained Counsels Opinion on the current Lease Car and Cash Alternative Schemes in relation to making amendments to them and/or terminating them. This advice was for a range of different options which could then be considered. *It would be helpful if counsels opinion could be shared with lease car recipients (would this be available via an FOI request?) but if not confirmation of the employment contract provisions that allow for such changes would be useful.*

I have checked with the Monitoring Officer and counsels opinion is covered by legal privilege. It would therefore not be available under FOI. I am also aware that Fiona has sent you details of the employment contract provisions.

The Council has acknowledged, due to its current financial position, that the situation with regard to Lease Cars and Cash Alternatives needs to be reviewed to provide a saving. It is also accepted that changes are needed for equitable reasons within the workforce following changes to car allowances and staff parking charges.

In considering the options regard has been taken to the need to make an ongoing revenue saving against the potential costs of buying out the schemes without any alternative being available.

PROPOSAL

The proposal is to retain both a lease car and cash alternative scheme with an amended set of benefits.

The main elements of the proposal are that:

9) The range of lease cars available for selection will be limited to vehicles at or below CO2 emission levels of 120 g/km unless very exceptional operational circumstances apply. *It is good that the scheme is to continue*

Noted

10) Employees will continue to be responsible to provide their own insurance.

11) The financial contribution by TDBC towards the lease vehicle agreement will be limited to £1280* per annum. *It would be helpful if TDBC could specify how many vehicles are available at 10,000 miles and an annual lease of £1280 pa – this will help users judge whether the proposed new allowance is reasonable.*

I will ask Steve Redman in Procurement whether this can be done.

The current proposals mean that a lease allowance for an officer such as myself will fall from £3055.08 to £1280 – a fall of 58%! How can this be justified in one year – have you considered a sliding scale of lease allowance reductions?

We understand that this is a substantial reduction but this has been proposed in order to assist in closing the budget gap and yes a whole range of options were considered prior to this final proposal being put forward.

The new lease allowance means that only smaller cars will be available at the level of the allowance compared to the current benchmark of say a mid range hatchback. I think it reasonable to ask how TDBC can expect officers to make such a drastic reduction in their vehicle requirements in one year, with little notice – some officers will have an ongoing need for say an estate car which will not be able to be leased without a significant increase in their vehicle contribution from 1/4/13.

I have noted this and accept that this is an outcome of the proposal that has been made.

This allowance rate will be reviewed annually on 1 April and applied to the cash alternative payment, existing leases as well as any new leases. *There needs to be clarity on the basis by which allowance rates will be reviewed each year and will this be reflected in allowances given to staff each year or will the allowance be fixed for the life of the vehicles lease based on the allowance level when the lease was taken out?*

Thank you for raising this matter and I will now discuss this part of the proposal with the Chief Executive. This was included so that those staff retaining a lease car would benefit from any increases in the lease cost of the standard vehicle in the same way as those receiving the cash alternative would. There was and is no intention for this to be reduced.

12) The Cash Alternative will be £1280 per annum with effect from 1 April 2013.

13) Changes to be effective from 1 April 2013. *I do not think it reasonable to expect officers to make such a change part way through their lease – you are effectively moving the goalposts and requiring officers to pay significantly more for the same vehicle or look to downsize their vehicle requirements which when they took the lease out (in my case 18 months ago) they would have been unaware of. I think it more reasonable to impose such a change only at the end of current leases.*

I have noted this and accept that this is an outcome of the proposal that has been made. The proposal is however aimed at seeking the change in the Scheme in time for the financial benefit to be felt in the 2013/14 budget.

14) Mileage payments for lease car drivers and staff with the cash alternative will continue to be paid at the lease car rate (currently 16.3p per mile)

15) Where staff with an entitlement to a cash alternative meet the eligibility criteria to be an essential car user then they will have the option to opt have the essential user allowance and mileage applied rather than the cash alternative and lease car mileage.

*this contribution is based on a CITROEN C1 HATCHBACK 1.0i VT 5dr on a four year lease of 10,000 miles per annum.

There is a VAT loophole in the current scheme which could if closed could save the council further money – I would be happy to discuss further

Thanks for highlighting this and I would be grateful if you could provide further information.

There are 7 lease vehicles due to extend beyond 31 March 2013 and the affected employee will have the option to:

e) retain the vehicle and pay the additional contribution; *As mentioned above I do not regard it as reasonable to expect users to change their vehicle mid way through their lease*
Noted
f) return the vehicle and lease a new vehicle under the new scheme rules;
g) return the vehicle and move to the new cash alternative scheme.
h) purchase the vehicle

Whilst I appreciate it maybe prohibitively expensive to close the scheme completely and "buy out" all lease car scheme members have you considered offering this option on a case by case basis?

We did consider the option of closing the scheme but having considered the legal advice have not brought this forward as a viable option. It is also not felt to be appropriate to offer this on a case by case basis.

In the case of vehicles being returned early or purchased early the termination charges will be met by the authority. *Please also clarify the position on any mileage charges*

Excess mileage charges would be met by the authority if above the pro rata position at the point of termination.

The intention is to consult with UNISON and affected staff on the above with a view to achieving a collective agreement. Notice would then be given of the new arrangements to the affected staff.

Changes to Car Loan Scheme

It is also proposed to make some amendments to the Car Loan Scheme so that loans are only available for the purchase of vehicles at or below CO2 emission levels of 120 g/km unless very exceptional operational circumstances apply.

There are also proposals to charge interest on the majority of car loans.

I am unsure of the current rules regarding eligibility of car loans but would you be able to offer up a car loan facility to staff who are currently eligible for a lease car – thereby allowing them to surrender (or purchase) their current vehicle and get an alternative vehicle via a car loan – these staff would of course still be eligible for the lease car cash equivalent payment

We are also looking at making some changes to the Car Loan Scheme and I have attached the papers for you – this allows for staff coming out of the lease car scheme to be provided with an interest free loan (first loan only) for a vehicle which has emissions of less than 120g/km

The staff would still be eligible for the cash equivalent payment.

Appendix E

Minute of Corporate Scrutiny 19 July 2012

50. Review of Lease Car, Cash Alternative and Car Loan Schemes

Considered report previously circulated, which proposed a number of changes to the Lease Car and Cash Alternative Schemes and the Car Loan Scheme.

As part of the Budget Review Project the Car Leasing and Cash Alternative Schemes were identified as possible staff benefits where changes could be made.

However, due to the complexity of these schemes, Counsel's Opinion was sought in October 2011. Bearing in mind the advice received, the other changes being introduced as part of the budget review and the need to have resources to manage this appropriately a decision was taken by the Corporate Management Team to reschedule this review until 2012/2013.

Counsel was asked to provide advice on 8 issues, as follows:-

9. Whether the proposed closure of both schemes could be done safely through a Collective Agreement with UNISON for all affected employees;
10. On what basis the closure of the schemes could be achieved if a Collective Agreement was not appropriate;
11. What, if any action, should the Council take (in addition to notifying each employee of the proposals being discussed with UNISON) with employees who were not members of UNISON;
12. Whether the cash alternative payment given and accepted by staff should be superannuable where their previous lease car arrangements were superannuable;
13. The level of one off compensation which would be appropriate and whether such compensation should vary between those employees with a superannuable right and those without;
14. Whether any compensation payment would be subject to tax or whether such a payment could be made as an ex-gratia payment;
15. Whether the alternative proposal (the Council set out an alternative to closure of the schemes in the covering document) could be achieved without a 'collective agreement' and whether this approach could be challenged as a breach of contract; and
16. Generally – any other advice.

Counsel's Opinion provided Taunton Deane with legal advice and also the main elements of a negotiating stance to be taken with UNISON and individual staff. As such, the detail of the 'opinion' needed to remain confidential but had been shared with the Portfolio Holder and Shadow Portfolio Holder.

However to assist Members with their understanding of the advice and approach proposed some elements of the 'opinion' had been included in the report, details of which were shown below:-

- 'Taunton Deane is right when it says that the provision of a lease car is a contractual benefit…….the best way to attempt to change or vary…is through negotiation and consultation with UNISON. This is undoubtedly best achieved via a collective agreement.'

- 'Should collective agreement not be possible, the Council will automatically be at risk……There are two possible courses of action…..'

- 'Thus, the importance of collective agreement cannot be overstated…..'

- 'There is always the alternative suggestion….Taunton Deane should include this as part of its discussions with UNISON/the other affected employees….if it is really something that could achieve the desired cost savings…'

Reported that the advice from Counsel had been used by the Retained HR Manager to formulate a range of options which had been revised and reviewed with the Chief Executive.

The Portfolio Holder and Shadow Portfolio Holder had been fully briefed and Counsel's Opinion provided prior to the proposal being submitted to UNISON (at the UNISON Change Forum of 12 June 2012) and to affected individual staff by letter. An Equality Impact Assessment had also been completed.

Initial consultation ran for 21 days ending on 5 July 2012 and a summary of the responses received were submitted for the information of Members.

The proposal was to maintain a reduced (between 40% and 45% of current benefit levels) Lease Car and Cash Alternative Scheme and on this basis would be no need to 'buy out' the contractual benefit.

If this option were agreed and implemented savings would be in the region of £57,500 per annum with effect from 1 April 2013.

Further reported that retaining a scheme still meant there were some risks retained with regard to equal pay – although these would be reduced and if there was a collective agreement, the likelihood of challenge would be reduced.

Noted that the proposals would also help support the Council's stated aim to reduce carbon emissions.
The Chairman invited Phil Bisatt of UNISON to address the Committee. He said that UNISON remained cautious in their response until further comments had been made by their members but accepted that some budgetary cuts were less painful than others especially where it avoided job losses. UNISON

were also aware of the need to review schemes where there were variations between staff.

During the discussion of this item, Members made the following comments and asked questions:-

- It was good that briefings of the Portfolio Holder and Shadow had taken place and that this long running report had at last come before Members;
- The links to vehicle emissions of 120g/km or less was positive;
- Assurance was sought that staff with any disability would be addressed through the Equality Impact Assessment; and
- Concern was expressed that on this case and with other cases, the use of Counsel may not always be appropriate both with regard to costs and approach.

In relation to the last two points the Retained HR Manager confirmed that the Equality Impact Assessment did address this concern and, with regard to the use of Counsel, a ballpark cost was provided and an explanation as to why it was felt appropriate for this to be sought prior to the consultation with affected staff and UNISON.

Resolved that the proposals detailed in the report be supported and that the Committee's views be submitted to the Executive.

05/12/2012, Report:2013/2014 Provisional Budget Proposals and Savings Plans
Reporting Officers:Paul Fitzgerald

05/12/2012, Report:Quarter 2 Performance Report
Reporting Officers:Dan Webb

05/12/2012, Report:Fees and Charges Report
Reporting Officers:Maggie Hammond

05/12/2012, Report:Overview of the Voluntary and Community Sector grants and Service Level Agreement payments for 2013/2014
Reporting Officers:Lisa Redston

05/12/2012, Report:Earmarked Reserves and Provisions
Reporting Officers:Maggie Hammond
Contains exempt information requiring private consideration: Yes
Exempt reason:Possibly. If Members wish to ask specific questions on the reserves relating to Southwest One, the matter would need to be dealt with in private.

05/12/2012, Report:Revenues and Benefits Feasibility Study
Reporting Officers:Richard Sealy
Contains exempt information requiring private consideration: Yes
Exempt reason:The report will contain information on individuals and financial and business affairs.

05/12/2012, Report:Community Right to Bid
Reporting Officers:Tonya Meers

16/01/2013, Report:Community Infrastructure Levy - Draft Charging Schedule
Reporting Officers:Nick Bryant

16/01/2013, Report:2013/2014 Council Tax Base
Reporting Officers:Paul Fitzgerald

16/01/2013, Report:Draft Corporate Business Plan
Reporting Officers:Simon Lewis

16/01/2013, Report:2013/2014 Business Rate Tax Base
Reporting Officers:Paul Fitzgerald

16/01/2013, Report:Asset Management Plan
Reporting Officers:John Sumner

06/02/2013, Report:2013/2014 Capital Programme Estimates
Reporting Officers:Paul Fitzgerald

06/02/2013, Report:2013/2014 Housing Revenue Account Estimates
Reporting Officers:Paul Fitzgerald

06/02/2013, Report:2013/2014 General Fund Revenue Estimates

Reporting Officers:Paul Fitzgerald
Contains exempt information requiring private consideration: Yes
Exempt reason:The report will contain information on individuals and financial and business affairs.

06/02/2013, Report:2013/2014 Council Tax Setting
Reporting Officers:Paul Fitzgerald

06/02/2013, Report:Swimming Pool Provision in Taunton
Reporting Officers:Simon Lewis

06/02/2013, Report:Somerset Waste Partnership Draft Business Plan
Reporting Officers:Richard Sealy

13/03/2013, Report:Planning toolkit for handling large scale and complex development proposals
Reporting Officers:Tim Burton