

You are requested to attend a meeting of the Council to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 31 March 2015 at 18:30.

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## **Agenda**

The meeting will be preceded by a Prayer to be offered by the Mayor's Chaplain.

- 1 Minutes of the meetings of the Council held on 29 January 2015 (attached) and 24 February 2015 (attached).
- 2 To report any apologies for absence.
- 3 To receive any communications.
- 4 Declaration of Interests  
To receive declarations of Disposable Pecuniary Interests or personal or prejudicial interests, in accordance with the Code of Conduct. The usual declarations made at meetings of Full Council are shown on the attachment.
- 5 To receive questions from Taunton Deane Electors under Standing Order 15.
- 6 To receive any petitions or deputations from Taunton Deane Electors under Standing Orders 16 and 17.
- 7 Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy 2015/2016. Report of the Finance Manager (attached).
- 8 Centre for Outdoor Activities and Community Hub (C.O.A.C.H). Report of the Community Leisure Manager (attached). See also Confidential Appendix D at agenda No. 14.
- 9 Southwest One Succession Planning. Report of the Assistant Director - Corporate Services (attached).
- 10 New Nuclear Programme Manager – Upgrade of Post to Assistant Director. Report of the Director - Growth (attached).
- 11 Report of the Joint Independent Members Remuneration Panel (attached).

- 12 Part I - To deal with written questions to, and receive the following recommendations from, the Executive:-
- (i) Councillor Edwards - Creation of the Somerset Building Control Partnership (attached);
  - (ii) Councillor Norman Cavill - Support and Funding for the Arts and Creative Industries - The Creative Innovation Centre Community Interest Company (attached);
  - (iii) Councillor Vivienne Stock-Williams - Discretionary Reduction in Council Tax Liability Policy and Discretionary Housing Payment Policy (attached).
- 13 Part II - To receive reports from the following Members of the Executive:-
- (a) Councillor John Williams - Leader of the Council;
  - (b) Councillor James Hunt - Environmental Services;
  - (c) Councillor Catherine Herbert - Sports, Parks and Leisure;
  - (d) Councillor Jean Adkins - Housing Services;
  - (e) Councillor Vivienne Stock-Williams - Corporate Resources;
  - (f) Councillor Mark Edwards - Planning Policy, Transportation and Communications;
  - (g) Councillor Jane Warmington - Community Leadership; and
  - (h) Councillor Norman Cavill - Economic Development, Asset Management, Arts and Tourism.

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.

- 14 Confidential Appendix D - Centre for Outdoor Activities and Community Hub (C.O.A.C.H) (attached). See also report at agenda No.8. Paragraph 3 - Information relating to Financial or Business Affairs.
- 15 Planning (Listed Buildings and Conservation Areas) Act 1990 – Heritage Buildings at Tone Mill, Milverton Road, Wellington. Report of the Legal Services Manager (attached). Paragraph 3 - Information relating to financial or business affairs.

Bruce Lang  
Assistant Chief Executive

17 August 2016

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.

Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, 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](http://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](mailto:r.bryant@tauntondeane.gov.uk)**

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## **Council Members:-**

Councillor V Stock-Williams (Chairman and Mayor of Taunton Deane)  
Councillor H Prior-Sankey (Deputy Mayor)  
Councillor J Adkins  
Councillor J Allgrove  
Councillor J Baker  
Councillor A Beaven  
Councillor C Bishop  
Councillor R Bowrah, BEM  
Councillor N Cavill  
Councillor S Coles  
Councillor B Denington  
Councillor D Durdan  
Councillor K Durdan  
Councillor M Edwards  
Councillor H Farbahi  
Councillor M Floyd  
Councillor J Gaden  
Councillor E Gaines  
Councillor A Govier  
Councillor J Govier  
Councillor T Hall  
Councillor K Hayward  
Councillor R Henley  
Councillor C Herbert  
Councillor C Hill  
Councillor M Hill  
Councillor J Horsley  
Councillor J Hunt  
Councillor L James  
Councillor R Lees  
Councillor S Lees  
Councillor L Lisgo, MBE  
Councillor J Meikle, MBE  
Councillor N Messenger  
Councillor I Morrell  
Councillor B Nottrodt  
Councillor U Palmer  
Councillor D Reed  
Councillor J Reed  
Councillor S Ross  
Councillor T Slattery  
Councillor G Slattery  
Councillor Miss F Smith  
Councillor (Historic) F Smith  
Councillor F Smith  
Councillor P Smith  
Councillor P Stone  
Councillor B Swaine  
Councillor P Tooze

Councillor J Warmington  
Councillor P Watson  
Councillor (Historic)Mrs E Waymouth  
Councillor D Webber  
Councillor A Wedderkopp  
Councillor D Wedderkopp  
Councillor J Williams - Leader of the Council  
Councillor G Wren

## **Taunton Deane Borough Council**

At a meeting of Taunton Deane Borough Council held in the John Meikle Room, The Deane House, Belvedere Road, Taunton on 29 January 2015 at 7.50 p.m.

**Present** The Mayor (Councillor D Durdan)  
The Deputy Mayor (Councillor Mrs Hill)  
Councillors Mrs Adkins, Mrs Allgrove, Beaven, Bowrah, Cavill, Coles, Denington, Miss Durdan, Farbahi, Mrs Floyd, Gaines, Hall, Hayward, Mrs Herbert, C Hill, Horsley, Miss James, R Lees, Mrs Lees, Ms Lisgo, Meikle, Morrell, Nottrodt, Ms Palmer, D Reed, Mrs Reed, Ross, Miss Smith, Mrs Smith, P Smith, Mrs Stock-Williams, Stone, Mrs Warmington, Watson, Mrs Waymouth, A Wedderkopp, D Wedderkopp, Williams and Wren

### **1. Apologies**

Councillors Mrs Baker, Bishop, Edwards, A Govier, Mrs Govier, Henley, Hunt and Tooze.

### **2. Declaration of Interests**

Councillors Coles, A Wedderkopp and D Wedderkopp declared personal interests as Members of Somerset County Council. Councillor Mrs Hill declared a personal interest as an employee of Somerset County Council. Councillor Wren declared a personal interest as Clerk to Milverton Parish Council. Councillor Nottrodt declared a personal interest as a Director of Southwest One. Councillors D Durdan and Stone declared prejudicial interests as Tone Leisure Board representatives. Councillor Farbahi declared a personal interest as a local owner of land in Taunton Deane. Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillor Ms Lisgo declared a personal interest as a Director of Tone FM.

### **3. Public Question Time**

Mr Nigel Behan referred to the future of Southwest One (SW1) and in particular to the media reports that Avon and Somerset Police and Wiltshire Police were moving towards sharing services (IT, HR and Payroll etc.).

- (a) Was Taunton Deane Borough Council (TDBC) (as a partner in the Joint Venture Company-Somerset County Council, Taunton Deane Borough Council, Avon and Somerset Police and IBM - known as SW1) consulted?
- (b) Had this been included in the Corporate Risk Log?
- (c) What steps were being taken to ensure there is no detriment to Taunton Deane Borough Council?
- (d) What progress was being made to bring back (insource) services from SW1 as the contract ends in 2017?"

In response, Councillor Mrs Stock-Williams stated that:-

- (i) The Council had not been consulted;
- (ii) The matter had not been added to the Risk Log yet. A review would be undertaken shortly and the Risk Log updated as necessary;
- (iii) Discussions on the proposed sharing of services by the two Police Authorities began yesterday and continuing engagement would take place; and
- (iv) Various options were being looked at with regard to 2017.

#### 4. **Exclusion of the Press and Public**

**Resolved** that the press and public be excluded from the meeting for the following item because of the likelihood that exempt information would otherwise be disclosed relating to Clause 3 of Schedule 12A to the Local Government Act, 1972 and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

#### 5. **Proposed sale of a site at Priory Way, Taunton**

Considered report previously circulated, which sought permission to sell a site at Priory Way Taunton. The report had been considered by the Executive at its meeting immediately beforehand.

The proposed sale was based on the asset being oversized for the current use and the need for significant investment to bring the asset to a standard fit for the next 10-20 years of operation.

There was a known shortage of available employment land in Taunton and this impacted on local businesses when looking to expand their current operation. In the case of the preferred bidder there was a real chance that these businesses would be lost from Taunton if a sale could not be agreed.

Details of the preferred bidder and the bidding process that was used following the agreed marketing of the site was identified in the report.

The preferred bidder's price remained subject to vacant possession and planning.

Following detailed discussion, the Executive had recommended Full Council to support:-

- (a) The sale of the site at Priory Way, Taunton to the preferred bidder delegating authority to officers, the Portfolio Holder and the Shadow Portfolio Holder to negotiate the most appropriate conditions for this Council;
- (b) The urgent work required to determine the future operating location of the present occupiers of the site;

- (c) The underwriting of the preferred bidder's third party costs that were reasonably incurred specifically relating to planning applications on this site up to £35,000. (This would only be applicable if the alternative condition could be agreed); and
- (d) The capital receipt from the sale of the site being ring-fenced for the provision of a new site for the present occupiers, with any surplus being returned to General Reserves.

During the discussion, Members agreed that any surplus from the capital receipt obtained from the proposed sale should be used towards the provision of replacement temporary accommodation.

**Resolved** that it be agreed to support:-

- (a) The sale of the site at Priory Way, Taunton to the preferred bidder delegating authority to officers, the Portfolio Holder and the Shadow Portfolio Holder to negotiate the most appropriate conditions for this Council;
- (b) The urgent work required to determine the future operating location of the present occupiers of the site;
- (c) The underwriting of the preferred bidder's third party costs that were reasonably incurred specifically relating to planning applications on this site up to £35,000. (This would only be applicable if the alternative condition could be agreed); and
- (d) The capital receipt from the sale of the site being ring-fenced for the provision of a new site for the present occupiers, with any surplus being allocated towards the provision of replacement temporary accommodation.

(The meeting ended at 8.25 p.m.)



## Taunton Deane Borough Council

At a meeting of Taunton Deane Borough Council held in the John Meikle Room, The Deane House, Belvedere Road, Taunton on 24 February 2015 at 6.30 pm.

**Present** The Mayor (Councillor D Durdan)  
The Deputy Mayor (Councillor Mrs Hill)  
Councillors Mrs Adkins, Mrs Allgrove, Beaven, Bowrah, Coles, Denington, Ms Durdan, Edwards, Farbahi, Gaines, A Govier, Hall, Hayward, Henley, Mrs Herbert, C Hill, Horsley, Hunt, Miss James, R Lees, Mrs Lees, Ms Lisgo, Meikle, Mrs Messenger, Morrell, Prior-Sankey, D Reed, Mrs Reed, Ross, Gill Slattery, T Slattery, Miss Smith, Mrs Smith, P Smith, Mrs Stock-Williams, Swaine, Tooze, Mrs Warmington, Watson, Mrs Waymouth, A Wedderkopp, D Wedderkopp, Williams and Wren

### 1. Minutes

The minutes of the meeting of Taunton Deane Borough Council held on 9 December 2014, copies having been sent to each Member, were signed by the Mayor.

### 2. Apologies

Councillors Mrs Baker, Bishop, Cavill, Mrs Floyd, Mrs Gaden, Mrs Govier, Nottrodt and Ms Palmer.

### 3. Declaration of Interests

Councillors Coles, A Govier, Prior-Sankey, A Wedderkopp and D Wedderkopp declared personal interests as Members of Somerset County Council. Councillor Henley declared personal interests both as a Member of Somerset County Council and as an employee of Job Centre Plus. Councillor Hunt declared personal interests both as a Member of Somerset County Council and as one of the Council's representatives on the Somerset Waste Board. Councillor Ross declared personal interests as one of the Council's representatives on the Somerset Waste Board and as the Alternate Director of Southwest One. Councillor Mrs Hill declared a personal interest as an employee of Somerset County Council. Councillor Tooze declared personal interests as an employee of the UK Hydrographic Office and as the Vice-Chairman of the North Taunton Partnership. Councillor Swaine declared a personal interest as a part-time swimming instructor. Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillor Wren declared a personal interest as Clerk to Milverton Parish Council. Councillor D Durdan declared a prejudicial interest as a Tone Leisure Board representative. Councillor Gill Slattery declared personal interests

as a member of the Board of Governors at Somerset College, as a representative on the Parrett Internal Drainage Board and as a member of the National Steering Group for the Public Health England/Kings College, London longitudinal study into the impact of flooding on health and wellbeing . Councillor Farbahi declared a personal interest as a local owner of land in Taunton Deane. Councillor Ms Lisgo declared a personal interest as a Director of Tone FM

#### 4. **Public Question Time**

- (a) Mr Steve Hasell asked how the Council assessed and applied the new prior notification planning regulations for converting agricultural barns into homes that came into being in April 2014.

By their very nature agricultural barns were in the rural areas where facilities and public transport was somewhat limited. But there was another side to the argument that by allowing the organic growth of hamlets and villages by this prior notification method, then these communities became more sustainable, because they could support more services. This type of prior notification also allowed farmers to provide much needed accommodation for the next generation of their families and their workers.

Mr Hasell explained that an application he had submitted had been refused a few weeks ago and he would be appealing to the Secretary of State and asking for costs to be awarded against the Council.

He asked for the following information:-

- (1) How many prior notification applications of this type had been submitted to the Council since April 2014?
- (2) How many of them had been successful? and
- (3) Please could the Council review how this type of application was determined to ensure it was compliant with national guidelines?

Councillor Edwards thanked Mr Hasell for his questions and undertook to arrange a written reply in due course.

- (b) Mr Alan Debenham felt there had been a 'massacre of local services' over the past few years and, with the Government proposing to withdraw the Revenue Support Grant, things were only going to become worse. Why had there no arguments made against austerity? Why were services not being defended against this right-wing Government?

In response Councillor Williams stated that the country had had to face a very serious recession where difficult decisions had to be made. Although addressing the National Debt was a priority Councillor Williams continued to be proud of Taunton Deane's service delivery.

Services had not been 'massacred' – most had remained intact due to the actions undertaken by the Council.

- (c) Having previously asked a number of questions about the future of Southwest One (SW1) at the meeting of Full Council on 29 January 2015, Mr Nigel Behan from the UNITE Union asked the following further questions:-

### **The Future of Southwest One**

When would services (currently dependent on SW1) be able to plan effectively for the period leading up to 2017 and beyond?

### **IBM, Leicester City Council and SW1**

It was recently reported in the media that "Technology company IBM was to open a base in Leicester with the creation of 300 jobs over three years. It will be the first time the US firm had selected a UK site for one of its services centres."

- a) Did IBM consult Somerset County Council (SCC) and Taunton Deane about creating a service centre in Somerset?
- b) Were similar claims (creating and working with universities and creating new jobs in Somerset) made during the ISiS programme (which led to the contract with IBM?)
- c) Were the promises by IBM of economic development and creating new jobs (in Taunton and Somerset) contractual? If so, were IBM now in clear breach of contract and what steps could be taken?

### **Reference the Annual Report of the SCC Cabinet Member for Resources in relation to SW1**

Section 2.9 stated "Since the return of services in 2013 the Client Team had continued to robustly manage SW1 with a continued focus on the ICT service to ensure value for money and improve the service performance of the contract for SCC. SW1 have had a significant number of KPI failures since, resulting in SCC having to serve warning notices to ensure an improvement to the ICT service."

Were there similar Key Performance Indicator (KPI) failures at Taunton Deane and, if so, could a list of them be provided?

### **The latest SW1 Company Accounts**

The report stated that "The SW1 directors were aware that at the end of the contract life, the company was currently due to settle its inter-company loan balance with IBM, which at 31 December 2013 was £48,800,000. Currently it was felt that there were insufficient cash flows to be generated in the remainder of the contract to settle the loan balance."

- a) Could it be clarified whether Taunton Deane would be liable for any of the inter-company loan balance with IBM as Taunton Deane was a Joint Venture Partner in SW1?
- b) Did SW1 borrow an additional £1,000,000 from IBM in 2013?
- c) Was SW1 currently still trading because of “continued financial support from IBM United Kingdom Holdings Limited”?

Councillor Mrs Stock-Williams thanked Mr Behan for his questions and undertook to arrange a written reply in due course.

## 5. **Monkton Heathfield Capacity Funding**

Reported that the urban extension at Monkton Heathfield comprised mixed use development including 1,000 dwellings identified in the Taunton Deane Local Plan with a further 3,500 in the period up until 2026 allocated in the Core Strategy.

Whilst planning permission had been granted for the first phases and dwellings were now occupied, there remained considerable work and a number of issues that needed to be overcome in order to ensure that delivery was provided at a rate that would make a substantial contribution to the Council’s Housing Land Supply in years to come, as well as bringing forward much needed employment land.

As a result, capacity support had been sought from the Department of Communities and Local Government (DCLG) to assist in unblocking potential hurdles to delivery.

Further reported that the DCLG had made available up to £400,673 to the Council through the Large Sites Infrastructure Programme Capacity Fund. This was in addition to the award made in 2013, which had been spent primarily on legal and other technical advice aimed at pursuing a solution that would deliver the Western Relief Road. It had also funded the submission of a planning application for the road.

Whilst the money was not ring fenced, the award had been made on the basis that it was intended to support the development of the Monkton Heathfield housing development.

The initial payment of £160,173 had been received with the additional payment of £240,500 due to be received early in the next financial year on the basis that satisfactory progress had been made.

Approval was therefore sought to spend the award, and any outstanding money from the earlier award, in accordance with the key objectives that formed the basis of the Council’s bid. These were to set up a dedicated Delivery Team focused primarily on progressing both completion of the first phase of development as well as master planning and delivery of the wider Core Strategy proposals.

**Resolved** that a supplementary estimate of £160,173 (and potentially a further £240,500) be approved, funded by the grant received from the Department of Communities and Local Government (to add to remaining funds from the earlier award) on progressing the setting up of a dedicated Delivery Team as set out in the report.

## 6. **Loan to Somerset Waste Partnership for Waste Vehicles - Update**

Reference Minute No. 6 of the Full Council meeting held on 30 September 2014, reported that the procurement process had taken longer than anticipated, and had raised some new options which had been considered by the Somerset Waste Board (SWB).

The preferred outcome from this exercise was to progress some hire options as well as the purchase of vehicles, thereby reducing the total loan requirement. In addition, interest rates for seven year funding had fallen since September 2014 and the rate of 3.5% was no longer appropriate.

The total loan requirement was now £3,805,000, which SWB was asking Taunton Deane and South Somerset District Council (SSDC) to progress. Having discussed rates, it was felt a fixed rate of 1% above Public Works Loan Board (PWLB) rate (currently 1.7%) was reasonable and offered a decent balance of return for the two Councils, plus an affordable rate for the SWB.

SSDC was progressing similar approvals in line with this new position – with the ambition for both Councils to offer loans of £1,902,500 at PWLB +1%. However, if SSDC decided not to progress this arrangement, the Section 151 Officer felt it would be appropriate for Taunton Deane to offer the full amount of £3,805,000.

The latest information suggested a loan start date of 1 June 2015, but this might shift to later in 2015 should lead in times for vehicles change.

**Resolved** that:-

- (a) The principle of a seven year fixed rate loan at PWLB +1% to Somerset Waste Partnership of up to £3,805,000 (detailed terms within this framework to be agreed, through delegated authority, by the Section 151 Officer), be agreed; and
- (b) It also be agreed to add this capital expenditure to the Capital Programme with the understanding that the principal payments would be treated as capital receipts offsetting the Capital Financing Requirement.

## 7. **Written Questions to Members of the Executive**

### **From Councillor Morrell to Councillor Mrs Herbert**

- (1) Following the recent signing between Mendip District Council and Fusion Leisure, whereby Fusion Leisure had contracted to take over all associated running costs and risks from the Council as well as agreeing to invest £2,000,000 of new funding into the Frome Leisure Centre so allowing the Council to reinvest in other frontline services, why did Taunton Deane continue operating its leisure services – including the recently agreed Blackbrook Swimming Pool - at financial cost, risk and uncertainty to the taxpayer?
- (2) In light of the Mendip District Council and Fusion Leisure contract, when would Taunton Deane cease operating unviable commercial practices and become commercially savvy?

**Response by Councillor Catherine Herbert** – As a result of their existing contractual arrangements coming to an end, Mendip had recently finalised a deal with Fusion Leisure re their leisure sites. This was a long term deal (50 year leases) and delivered significant revenue savings for the Council. The Council is aware that the leisure market had shifted over recent years, and this Council would be reviewing options open to us later this year so we could properly prepare for the continuation of services when the present lease arrangements with Tone Leisure expired in 2019.

### **From Councillor Morrell to Councillor Cavill**

- (1) Further to Part 5 Chapter 3 of the Localism Act 2011, requiring District Councils to maintain a list of 'community assets', when would the register be published?

**Response by Councillor John Williams (in the absence of Councillor Norman Cavill)** – The Localism Act 2011 placed requirements on the Council to maintain a list of land/buildings in its area that it considers land of community value. The Community Right to Bid provided the right to nominate land or buildings as Assets of Community Value.

Under the relevant regulations it was clear that if land/ a building in the local authority's area, was nominated by a 'relevant body', was not an excluded land/building type and met the definition of community value then the local authority must list it and inform the interested parties.

In accordance with the requirements of the Localism Act 2011- Part 5, the Council must maintain a list of assets of community value and a list of assets nominated unsuccessfully. These lists were published on the Council's website and made available for free inspection by any person at the Council's Offices.

Assets would remain on the register for five years and a restriction and Local Land Charge would be registered against the property. When the five year period had expired, the asset could be re-nominated.

- (2) Could it be confirmed that all art and artefacts of historical and/or cultural importance held by Taunton Deane Borough Council, whether on display or not, were registered and secured without risk of damage by the elements or theft?

**Response by Councillor Williams** – The Council's Art and Silver collections were either stored securely whilst on display in The Deane House or securely and appropriately stored at the Heritage Centre. Some paintings were on display at the Old Municipal Buildings and two on loan at the Museum of Somerset. All items were listed and itemised on the Council's insurance policy.

#### **From Councillor Morrell to Councillor Mrs Stock-Williams**

- (1) Following the 2015 Annual Report of Somerset County Council's Cabinet Member for Resources highlighting South West One's (SW1) key performance indicator failures, when would Taunton Deane's Councillors receive detail on South West One's key performance indicator failings?

**Response by Councillor Vivienne Stock-Williams - In respect of the 2014/2015 financial year to end of January 2015 SW1 had failed one Key Performance Indicator as follows:-**

**ICT – Nov 14 – Taunton Deane Network availability : Target 99.70%, Actual 99.54%**

- (2) Could the level of cashable savings from the SW1 contract to date be detailed?

**Response** – Procurement savings - Currently identified projected savings to Taunton Deane from procurement were approximately £3,049,000, of which £2,631,000 had been delivered and reduced from budgets to 31 March 2015.

Unitary Charge Savings – Taunton Deane received a 2.5% reduction in its annual Unitary Charge; the payment to SW1 for providing the services. Elements of the Unitary Charge were subject to indexation, although in addition Taunton Deane seconded staff increments for secondees were funded by SWO.

- (3) Could it be determined whether those cashable savings as answered in question (2) had cleared loan and interest costs?

**Response** – The savings had not yet cleared the internal loan, but the current estimate was that it would be cleared in 2015/2016 (approximately

£100,000 would remain outstanding at 31 March 2015). There was no commercial interest in respect of this internal loan although there was an opportunity cost. In addition it should be noted that in line with our established accountancy practices this capital borrowing was also reduced by 4% per annum in addition to the procurement savings.

(4) As the South West One contract would end in 2017, when would Taunton Deane Borough Councillors be briefed of provisional plans post-expiry?

**Response** – The intention was to bring a report to Members regarding Succession Planning over the coming months.

## 8. **Recommendations to Council from the Executive**

### (a) **Proposed Business Case for a Shared Legal Service**

The Executive had recently considered a report which set out the latest position in respect of the preparation of a draft Business Case for establishing a shared Legal Service between Mendip District Council (MDC), Taunton Deane Borough Council (TDBC) and West Somerset Council (WSC).

The three Councils had been working together to examine the feasibility of sharing legal services. This work has flowed from the Somerset Shared Services Task and Finish Group which directed that such a project should be potentially undertaken across all Somerset authorities.

Following the completion of an outline business case in April 2014, Somerset County Council, Sedgemoor District Council and South Somerset Council decided not to pursue the matter at this time. However, MDC, TDBC and WSC had agreed to pursue their ambition to forge a constructive partnership to deliver legal services collectively.

A Joint Officer Project Board was established to develop the Business Case. Its vision was to create a dedicated service to support public and third sector clients with specialist and cost effective advice.

The key objectives of the project would be to:-

- Deliver a significant budget saving for TDBC and WSC;
- Create a flexible resilience model, with a critical mass of expertise;
- Provide enhanced efficiency and effectiveness; and
- Establish an arrangement that would operate for a minimum initial five year period with a review at the end of year four.

The outcome from this work was the production of a draft Business Case for a shared Legal Service based on the model of MDC to be the host authority and aiming for an implementation date of 1 April 2015.



The lead authority model option was seen to be the most appropriate as it would enable the three Councils to set up a shared service relatively swiftly with the minimum of risk. It was likely to be seen as a first step towards a fully integrated service that could potentially be expanded with further partners at a later date.

The host authority model involved current TDBC staff being transferred under the Transfer of Undertakings and Protection of Employees (TUPE) Regulations to MDC. There has been consultation with all affected staff throughout the process. It is anticipated that all existing staff would have the option of a job in the new shared service.

The Business Case had demonstrated that for TDBC the annual cost of providing the Legal Service would be reduced by £22,323 to £200,915, representing a 10% saving. Correspondingly, the annual cost to WSC would be reduced by £20,113 to £113,977 which represented a 15% saving.

MDC had agreed to defray initial savings on the basis that in the Business Case it was anticipated that there would be some growth in terms of generating additional income and the distribution formula for this would be set to ensure that MDC received a 15% saving from this income as the first priority. Additional growth beyond this would then be distributed between the three partners based on a formula linked to their respective inputs into the partnership.

The high level financial Business Case had been signed off by the Section 151 Officers of the three Councils.

Consultations had been undertaken with UNISON and the affected staff at the three Councils.

The Business Case had been considered by the Scrutiny Committees and Cabinets of both WSC and MDC, all of whom were fully supportive of the proposals.

TDBC's Corporate Scrutiny Committee considered the proposal at its meeting on 13 January 2015 when Members agreed to support the introduction of a Shared Legal Service subject to a six month 'break clause' being included in the Inter Authority Agreement between the Councils which could be invoked by TDBC after the first three years of operation of a shared service.

Reported that MDC has indicated that it would be amenable to this amendment subject to certain 'receipted costs' incurred by that authority being able to be recouped. Such costs would be agreed at the time of any termination of the agreement.

In anticipation that Full Council would adopt the proposed Business Case, a draft Inter-Authority Agreement to ensure the proper and transparent governance of the proposed Shared Legal Service had been prepared. Essentially this document formalised an arrangement whereby MDC could discharge TDBC's and WSC's relevant functions through a shared legal practice under the provisions of Section 101 of the Local Government Act 1972 and of the Local Government (Arrangement for the Discharge of Functions) (England) Regulations 2000.

This was an important document as it set out the terms and conditions that the three authorities would be required to work within for the provision of the service.

There was a specific requirement that TDBC and WSC would designate a senior officer as a Contract Manager for the service in relation to delivery of the service to TDBC and WSC. The Assistant Chief Executive was currently the senior officer responsible for the provision of the legal service across both authorities and had had significant experience in managing a similar contract with Mendip District Council since 2008.

It was therefore recommended that the Assistant Chief Executive be designated to fulfil the role of Contract Manager for WSC and TDBC.

If these recommendations are adopted, then certain detailed amendments to the existing constitution needed to be agreed and details of these had been provided.

On the motion of Councillor Mrs Stock-Williams, it was

**Resolved** that:-

- (1) The draft Business Case for a Shared Legal Service to be implemented with effect from 1 April 2015 be approved;
- (2) The Inter-Authority Agreement which was the framework for operating a Shared Legal Service with effect from 1 April 2015 be endorsed;
- (3) The Assistant Chief Executive be designated to undertake the role of "Contract Manager" as defined in the Inter-Authority Agreement; and
- (4) Amendments to the Constitution be agreed to reflect the proposed arrangements as set out in the report to the Executive.

**(b) General Fund Revenue Estimates 2015/2016**

The Executive had considered its final 2015/2016 budget proposals which recognised the continuing financial challenges, with annual reductions in Government funding for Local Council services as the Government sought to reduce the national deficit.

The budget contained details on:-

- (i) the General Fund Revenue Budget proposals for 2015/2016, including a Council Tax Freeze; and
- (ii) draft figures on the predicted financial position of the Council for subsequent years.

The Corporate Scrutiny Committee had considered the draft budget proposals at its meeting on 22 January 2014. Specific recommendations made by Members related to a request for further information in relation to public toilets and the process surrounding community asset transfers and arrangements with Town and Parish Councils and asking for the previous decision to remove the funding for the fixed-term Climate Change Officer role to be re-considered.

The Council Tax calculation and formal tax setting resolution was to be considered separately. The proposed budget for Taunton Deane contained a proposed Council Tax Freeze for 2015/2016 which would mean that the Band D Council Tax would remain at £137.88. The Band D taxpayer would therefore receive all the services provided by the Council in 2015/2016 at a cost of £2.64 per week.

The estimated Special Expenses chargeable to the non-parished area of Taunton in 2015/2016 amounted to £42,900, which represented a freeze in the special expenses per Band D equivalent of £2.98 per property per year in the Unparished Area. In addition, the Unparished Area Budget had received a notional Council Tax Support Grant of £6,030 in 2015/2016 giving a total budget for the year of £48,930.

Although the Fees and Charges for 2015/2016 had been approved by Full Council on 9 December 2014, work had progressed on a number of representations raised in connection with some of the Taxi Licensing fees and some minor amendments were now considered appropriate. The overall impact on the budget was forecast to be a cost of £2,400 and this would be addressed through the Licensing Earmarked Reserve.

It was a requirement for the Council to prepare not only budgets for the following financial year but to also provide indicative figures into future years. The Medium Term Financial Plan (MTFP) provided an indication of the expected budget gap going forward into 2016/2017 and beyond and a summary of this position was reflected in the following table:-

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Net Expenditure on Services	12,067	12,744	13,332	13,934	14,493
Other Operating Costs & Income	(287)	(278)	(268)	(258)	(247)
Parish precepts and Special expenses	574	575	576	577	578
Transfers to/from Earmarked Reserves	2,141	3,358	3,482	3,351	3,180
Transfers to/from General Reserves	0	0	0	0	0
Capital Financing Adjustments	(1,302)	(1,422)	(1,548)	(1,548)	(1,548)
<b>Net Expenditure</b>	<b>13,193</b>	<b>14,977</b>	<b>15,574</b>	<b>16,056</b>	<b>16,456</b>
<i>Financed By:</i>					
New Homes Bonus	(3,179)	(3,768)	(3,892)	(3,761)	(3,590)
Retained Business Rates	(2,749)	(2,869)	(2,972)	(3,035)	(3,122)
Revenue Support Grant	(1,916)	(1,319)	(726)	(327)	(114)
Council Tax Freeze Grant	(62)	0	0	0	0
Demand on Collection Fund - TDBC	(5,288)	(5,433)	(5,583)	(5,736)	(5,894)
Demand on Collection Fund - Parishes & SER	(574)	(575)	(576)	(577)	(578)
Previous Years Collection Fund Deficit Share - NNDR	710	0	0	0	0
Previous Years Collection Fund Surplus Share - Council Tax	(135)	0	0	0	0
<b>Predicted Budget Gap</b>	<b>0</b>	<b>1,013</b>	<b>1,825</b>	<b>2,620</b>	<b>3,158</b>

These estimates included the following main assumptions relating to funding:-

- Revenue Support Grant (RSG) for 2015/2016 was as set out in the Provisional Finance Settlement. It was then projected to diminish to nil by 2020/2021.
- The updated estimates for Business Rates funding for 2015/2016 took into account the cap on the Retail Price Index increase to Rates at 1.91%.
- Council Tax is assumed to be frozen in 2015/2016 and increases by 1.99% in 2016/2017.

It was proposed that the minimum acceptable reserves position should be retained at £1,500,000, or £1,250,000 if funds were allocated to 'invest to save' initiatives.

The current Budget for 2015/2016 would maintain reserves above this minimum, but following a number of allocations from reserves agreed during 2014/2015 there was limited 'headroom' in the current estimated balance. This would significantly limit the Council's ability to fund 'up front' service and transformation investment from revenue reserves.

Based on the MTFP position set out above the General Reserves forecast was summarised as follows:-

#### **General Reserves Forecast**

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Estimated Balance B/F	1,897	1,897	884	-942	-3,562
Predicted Budget Gap	0	-1,013	-1,825	-2,620	-3,158
<b>Estimated Balance C/F</b>	<b>1,897</b>	<b>884</b>	<b>-942</b>	<b>-3,562</b>	<b>-6,721</b>

Clearly the Council would need to ensure action was taken to ensure the projected financial deficit over the medium term was avoided and (at least) minimum balances were maintained. This was essential for the continuing financial resilience and sustainability of the Council. The Budget Proposals and Options presented for consideration provided opportunities to make significant progress towards addressing the financial challenge.

Before the start of each financial year, the Council was required to determine the basis on which it would make provision from revenue for the repayment of borrowing undertaken for the purpose of financing capital expenditure. This annual provision, known as Minimum Revenue Provision (MRP), was designed to ensure that authorities made prudent provision to cover the continuing costs of their borrowing.

The proposed Policy for 2015/2016 was for the calculation of MRP to be the same as the current year.

The Council's Section 151 Officer had a duty to comment, as part of the budget setting process on the robustness of the budget and the adequacy of reserves. In her response, Shirlene Adam had stated that she believed the Council's reserves to be adequate and the budget estimates used in preparing the 2015/2016 budget to be robust.

Moved by Councillor Coles, seconded by Councillor Horsley, that the budget proposals be amended as follows:-

"That £25,000 was included in the budget for 2015/2016 towards the provision of Christmas Lights in Taunton".

In accordance with Standing Order 18(6), the Mayor called for a formal roll call of votes to be taken and recorded in the Minutes.

The amendment was put and was carried with forty six Councillors in favour and one abstaining, as follows:-

<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Councillor Mrs Adkins		Councillor Wren
Councillor Mrs Allgrove		
Councillor Beaven		
Councillor Bowrah		
Councillor Coles		
Councillor Denington		
Councillor D Durdan		
Councillor Miss Durdan		
Councillor Edwards		
Councillor Farbahi		
Councillor Gaines		
Councillor A Govier		
Councillor Hall		
Councillor Hayward		
Councillor Henley		
Councillor Mrs Herbert		
Councillor C Hill		
Councillor Mrs Hill		
Councillor Horsley		
Councillor Hunt		
Councillor Miss James		
Councillor R Lees		
Councillor Mrs Lees		
Councillor Ms Lisgo		
Councillor Meikle		
Councillor Mrs Messenger		
Councillor Morrell		
Councillor Prior-Sankey		
Councillor D Reed		
Councillor Mrs Reed		
Councillor Ross		
Councillor Gill Slattery		
Councillor T Slattery		
Councillor Miss Smith		
Councillor Mrs Smith		
Councillor P Smith		
Councillor Mrs Stock-		
Williams		
Councillor Stone		
Councillor Swaine		
Councillor Tooze		
Councillor Mrs Warmington		
Councillor Watson		
Councillor Mrs Waymouth		
Councillor A Wedderkopp		

Councillor D Wedderkopp  
Councillor Williams

Moved by Councillor Ross, seconded by Councillor Ms Lisgo, that the budget proposals be amended as follows:-

“This Council allocates £80,000 from General Fund Reserves in 2015/2016 to the convenience of the public in Milverton, Wellington, Wiveliscombe and West Deane and those other areas in Taunton Deane in which Town and Parish Councils, who had already disputed or objected to closure, identified a need to maintain existing public services by reinstating public toilets.

The £80,000 was for reinstating and operating specific public toilets and aimed to allow pause for reflection and consideration in which the Council could respond to communities who thought that Taunton Deane Borough Council was not listening to them”.

In accordance with Standing Order 18(6), the Mayor called for a formal roll call of votes to be taken and recorded in the Minutes.

The amendment was put and was carried with twenty four Councillors in favour, twenty one Councillors voting against and one abstaining, as follows:-

<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Councillor Coles	Councillor Mrs Adkins	Councillor Wren
Councillor Farbahi	Councillor Mrs Allgrove	
Councillor Gaines	Councillor Beaven	
Councillor A Govier	Councillor Bowrah	
Councillor Henley	Councillor Denington	
Councillor Mrs Hill	Councillor D Durdan	
Councillor Horsley	Councillor Miss Durdan	
Councillor Miss James	Councillor Edwards	
Councillor R Lees	Councillor Hall	
Councillor Mrs Lees	Councillor Hayward	
Councillor Ms Lisgo	Councillor Mrs Herbert	
Councillor Mrs Messenger	Councillor C Hill	
Councillor Morrell	Councillor Hunt	
Councillor Prior-Sankey	Councillor Meikle	
Councillor Ross	Councillor D Reed	
Councillor Gill Slattery	Councillor Mrs Reed	
Councillor T Slattery	Councillor Mrs Stock-Williams	
Councillor Miss Smith	Councillor Mrs Warmington	
Councillor Mrs Smith	Councillor Watson	
Councillor P Smith	Councillor Mrs Waymouth	
Councillor Swaine	Councillor Williams	
Councillor Tooze		

Councillor A Wedderkopp  
Councillor D Wedderkopp

Members went on to discuss the substantive Budget of the Council.

In accordance with Standing Order 18(6), the Mayor called for a formal roll call of votes to be taken and recorded in the Minutes.

On the motion of Councillor Williams, the substantive Motion, which is detailed below, was put and was carried with thirty nine Councillors in favour, one Councillor voting against and six abstaining:-

**Resolved** that the budget for General Fund services for 2015/2016 as shown in the original report to Full Council and as amended above, be approved and that:-

- (a) The Section 151 Officer's Statement of Robustness, which applied to the whole budget including General Fund, Housing Revenue Account and Capital Budget proposals be noted;
- (b) The General Fund Revenue Budget 2015/2016, including a Basic Council Tax Requirement budget of £5,287,500 and Special Expenses of £42,900 be approved;
- (c) The transfer of any unallocated year end under/overspend in the 2014/2015 General Fund Revenue Account Outturn to/from the General Fund Reserves be approved;
- (d) The Budget Savings Proposals for 2015/2016 as set out in the report to the Executive be approved and that it be noted that Equalities Impact Assessments were not required for the savings detailed in the report to the Executive;
- (e) The General Reserves position and Medium Term Financial Plan projections and the continuing financial challenge to address the Budget Gap for future years be noted;
- (f) The Minimum Revenue Provision (MRP) Policy for 2015/2016 as set out in the report to the Executive be approved;
- (g) The revised Taxi Licensing Fees, set out in the report to the Executive be also approved; and
- (h) An additional £105,000 be added to the budget (£25,000 for Christmas Lights and £80,000 for Public Conveniences) for 2015/2016 funded from General Fund Reserves.

The details of the recorded vote was as follows:-



<b>Yes</b>	<b>No</b>	<b>Abstain</b>
Councillor Mrs Adkins	Councillor Morrell	Councillor Gaines
Councillor Mrs Allgrove		Councillor A Govier
Councillor Beaven		Councillor Ms Lisgo
Councillor Bowrah		Councillor Mrs Messenger
Councillor Coles		Councillor Ross
Councillor Denington		Councillor Swaine
Councillor D Durdan		
Councillor Miss Durdan		
Councillor Edwards		
Councillor Farbahi		
Councillor Hall		
Councillor Hayward		
Councillor Mrs Herbert		
Councillor C Hill		
Councillor Mrs Hill		
Councillor Horsley		
Councillor Hunt		
Councillor Miss James		
Councillor R Lees		
Councillor Mrs Lees		
Councillor Meikle		
Councillor Prior-Sankey		
Councillor D Reed		
Councillor Mrs Reed		
Councillor Gill Slattery		
Councillor T Slattery		
Councillor Miss Smith		
Councillor Mrs Smith		
Councillor P Smith		
Councillor Mrs Stock-Williams		
Councillor Tooze		
Councillor Mrs Warmington		
Councillor Watson		
Councillor Mrs Waymouth		
Councillor A Wedderkopp		
Councillor D Wedderkopp		
Councillor Williams		
Councillor Wren		

**(c) Capital Programme Budget Estimates 2015/2016**

The Executive had also recently considered the proposed General Fund (GF) and Housing Revenue Account (HRA) Capital Programmes for 2015/2016.

In terms of the GF Capital Programme, a prioritisation system is used to assess bids received from budget holders using the following approved criteria:-

Priority	
1	Business Continuity (corporate / organisational)
2	Statutory Service Investment (to get to statutory minimum / contractual / continuity)
3	Growth (top 5)
4	Transformation
5	Others

The prioritisation system had been developed in order to ensure that the Council's very limited Capital Resources were channelled at key projects. The proposed Draft General Fund Capital Programme for 2015/2016 totalled £1,012,000 split between Deane DLO schemes and General Fund Schemes.

In addition to these schemes which primarily delivered service continuity and improvements, the following table incorporated the highest priority 'Growth' schemes and their estimated total costs. It was not expected that the Council would be liable for the full amounts but it was anticipated that Taunton Deane will need to make a financial contribution towards these. The Council's strategy of setting aside the majority of the New Homes Bonus Grant could provide funding towards these schemes in future.

#### ***Bids Submitted for Growth Schemes***

Project	Cost £k	Priority				
		1	2	3	4	5
<b>Growth Schemes</b>						
Firepool Infrastructure and Planning	3,500			3,500		
Toneway Corridor Improvements (including Creech Castle)	23,120			23,120		
J25 Improvements	9,240			9,240		
Taunton Strategic Flood Alleviation Work	15,000			15,000		
<b>Total</b>	<b>50,860</b>			<b>50,860</b>		

Funding for capital investment by the Council could come from a variety of sources including Capital Receipts, Grant Funding, Capital Contributions (for example from another Local Authority or Section 106 Agreement funding), Revenue budgets/reserves (often referred as RCCO – Revenue Contributions to Capital Outlay) and Borrowing.

The Capital Programme for 2015/2016 was fully funded through a combination of revenue contributions (DLO and General) plus grant funding provided via Somerset County Council. There was projected

unallocated resources of £149,000, pending actual capital receipts arising, which would provide some flexibility to support future priority schemes.

As to the HRA, the proposed Draft Capital Programme for 2015/2016 totalled £8,670,000. This was part of a Five-Year Capital Expenditure Estimate of some £40,340,000 for the period 2015/2016 to 2019/2020. The Programme reflected the priorities set out in the 30-Year Business Plan which is reviewed every year.

A breakdown of the proposed Capital Programme for 2015/2016 was shown below highlighting the proposed capital investment requirements in the next budget year.

***Draft HRA Capital Programme 2015/2016***

<b>Project</b>	<b>Total Cost £</b>
Major Works	6,590,000
Improvements	155,000
Related Assets	125,000
Exceptional Extensive Works	260,000
Disabled Facilities Grants and Aids and Adaptations	435,000
IT Systems and Software Improvements	100,000
Social Housing Development Fund	1,000,000
<b>Total Proposed HRA Capital Programme 2015/16</b>	<b>8,665,000</b>

It was proposed that the HRA Capital Programme for 2015/2016 would be fully funded from revenue resources, including the Major Repairs Reserve, Revenue Contributions to Capital Outlay and the Social Housing Development Fund.

On the motion of Councillor Williams, it was

**Resolved** that:-

- (a) The additional General Fund Capital Programme Budget of £1,012,000 for 2015/2016 be approved; and
- (b) The Housing Revenue Account Capital Programme of £8,670,000 for 2015/2016 also be approved.

**(d) Council Tax Setting 2015/2016**

The Localism Act 2011 had made significant changes to the Local Government Finance Act 1992, and now required the billing authority to calculate a Council Tax requirement for the year.

The Town and Parish Council Precepts for 2015/2016 totalled £574,623. The increase in the average Band D Council Tax for Town and Parish Councils, including Special Expenses for the Unparished Area, was 3.41% and resulted in an average Band D Council Tax figure of £14.98 for 2015/2016.

The Avon and Somerset Constabulary Police and Crime Commissioner had recently announced a 1.99% increase. The confirmed precept was £6,702,601 which resulted in a Band D Council Tax of £174.78. The precept would be adjusted by a Collection Fund contribution of £151,312.

The Devon and Somerset Fire and Rescue Authority had also approved a 1.99% increase to its tax requirement on 20 February 2015. The confirmed precept had been set at £3,007,297 which resulted in a Band D Council Tax of £78.42. The Precept would be adjusted by a Collection Fund contribution of £66,565.

The Somerset County Council had approved its tax requirement on 18 February 2015. The amount of precept included a 0% increase and would be £39,395,472, which results in a Band D Council Tax of £1,027.30. The Precept would be adjusted by a Collection Fund contribution of £907,040.

The estimated balance on the Council Tax Collection Fund was forecast on 15 January each year. Any surplus or deficit was shared between the County Council, the Police and Crime Commissioner, the Fire Authority and Taunton Deane, in shares relative to the precept levels.

This year the estimated balance was a surplus of £1,259,450. Taunton Deane's share of this amounted to £134,533, and this had been reflected in the General Fund Revenue Estimates.

In accordance with Standing Order 18(6), the Mayor called for a formal roll call of votes to be taken and recorded in the Minutes.

On the motion of Councillor Williams, the substantive Motion, which is detailed below, was put and was carried with twenty nine Councillors in favour, eight Councillors voting against and four abstaining:-

**Resolved:-**

- (a) That the following formal Council Tax Resolution to reflect the proposed Council Tax Freeze in 2015/2016 be approved:-
  - (1) That it be noted that on 15 January 2015 the Council calculated the Council Tax Base for 2015/2016:-
    - (i) for the whole Council area as 38,348.55 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"); and,

(ii) for dwellings in those parts of its area to which a Parish precept related as in Appendix B below;

(2) That the Council Tax requirement for the Council's own purposes for 2015/2016 (excluding Parish precepts) be calculated as £5,287,500;

(3) That the following amounts be calculated for the year 2015/2016 in accordance with Sections 31 to 36 of the Act:-

- (i) £90,882,603 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils. *(Gross Expenditure including amount required for working balance)*
- (ii) £85,020,480 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. *(Gross Income including reserves to be used to meet Gross Expenditure)*
- (iii) £5,862,123 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act). *(Total Demand on Collection Fund.)*
- (iv) £152.86 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). *(Council Tax at Band D for Borough Including Parish Precepts and Special Expenses)*
- (v) £574,623 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as in Appendix B below). *(Parish Precepts and Special Expenses).*
- (vi) £137.88 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. *(Council Tax at Band D for Borough Excluding Parish Precepts and Special Expenses);*

(4) To note that Somerset County Council, Avon and Somerset Police and Crime Commissioner and Devon and Somerset Fire Authority would issue precepts to the Council in accordance with Section 40 of the

Local Government Finance Act 1992 for each category of dwellings in the Council's area;

- (5) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate provisional amounts shown in the table in Appendix A to these Minutes as the amounts of Council Tax for 2015/2016 for each part of its area and for each category of dwellings;
- (6) To determine that the Council's basic amount of Council Tax for 2015/2016 was not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992; and
- (7) To note that if the above formal Council Tax Resolution was approved the total Band D Council Tax would be as follows:-

	2014/2015	2015/2016	Increase
	£	£	%
Taunton Deane Borough Council	137.88	137.88	0.00%
Somerset County Council	1,027.30	1,027.30	0.00%
Police and Crime Commissioner	171.37	174.78	1.99%
Devon and Somerset Fire Authority	76.89	78.42	1.99%
<b>Sub-Total</b>	<b>1,413.44</b>	<b>1,418.38</b>	<b>0.35%</b>
Town and Parish Council (average)	14.49	14.98	3.41%
<b>Total</b>	<b>1,427.93</b>	<b>1,433.36</b>	<b>0.38%</b>

The details of the recorded vote was as follows:-

Yes	No	Abstain
Councillor Mrs Adkins	Councillor Gaines	Councillor Horsley
Councillor Mrs Allgrove	Councillor A Govier	Councillor Ms Lisgo
Councillor Beaven	Councillor Mrs Messenger	Councillor Mrs Smith
Councillor Bowrah	Councillor Prior-Sankey	Councillor A Wedderkopp
Councillor Coles	Councillor Ross	
Councillor Denington	Councillor Miss Smith	
Councillor D Durdan	Councillor Swaine	
Councillor Miss Durdan	Councillor D Wedderkopp	
Councillor Edwards		
Councillor Farbahi		
Councillor Hall		
Councillor Hayward		
Councillor Mrs Herbert		
Councillor Mrs Hill		
Councillor Hunt		
Councillor Miss James		
Councillor R Lees		
Councillor Mrs Lees		
Councillor Meikle		

Councillor Morrell  
Councillor Mrs Reed  
Councillor T Slattery  
Councillor Mrs Stock-  
Williams  
Councillor Mrs Warmington  
Councillor Watson  
Councillor Mrs Waymouth  
Councillor Williams  
Councillor Wren





## APPENDIX A

<b>Valuation Bands</b>								
<b>Council Tax Schedule 2015/16</b>	<b>Band A £</b>	<b>Band B £</b>	<b>Band C £</b>	<b>Band D £</b>	<b>Band E £</b>	<b>Band F £</b>	<b>Band G £</b>	<b>Band H £</b>
Taunton Deane Borough Council	91.92	107.24	122.56	137.88	168.52	199.16	229.80	275.76
Somerset County Council	684.87	799.01	913.16	1,027.30	1,255.59	1,483.88	1,712.17	2,054.60
Police and Crime Commissioner	116.52	135.94	155.36	174.78	213.62	252.46	291.30	349.56
Devon & Somerset Fire & Rescue Authority	52.28	60.99	69.71	78.42	95.85	113.27	130.70	156.84
Parish / Town only (a)	9.99	11.65	13.32	14.98	18.31	21.64	24.97	29.97
Parish / Town & District (b)	101.91	118.89	135.88	152.86	186.83	220.80	254.77	305.73
<b>Total (c)</b>	<b>955.58</b>	<b>1,114.84</b>	<b>1,274.10</b>	<b>1,433.36</b>	<b>1,751.89</b>	<b>2,070.41</b>	<b>2,388.94</b>	<b>2,866.73</b>
<b><u>Parish: **</u></b>								
Ash Priors	945.59	1,103.18	1,260.79	1,418.38	1,733.58	2,048.77	2,363.97	2,836.76
Ashbrittle	959.54	1,119.45	1,279.39	1,439.30	1,759.15	2,078.99	2,398.84	2,878.60
Bathealton	949.43	1,107.66	1,265.91	1,424.14	1,740.62	2,057.09	2,373.57	2,848.28

Bishops Hull	958.34	1,118.05	1,277.79	1,437.50	1,756.95	2,076.39	2,395.84	2,875.00
Bishops Lydeard/Cothelstone	968.02	1,129.35	1,290.70	1,452.03	1,774.71	2,097.38	2,420.05	2,904.06
Bradford on Tone	960.24	1,120.27	1,280.32	1,440.35	1,760.43	2,080.50	2,400.59	2,880.70
Burrowbridge	961.94	1,122.25	1,282.59	1,442.90	1,763.55	2,084.19	2,404.84	2,885.80
Cheddon Fitzpaine	960.70	1,120.81	1,280.94	1,441.05	1,761.29	2,081.52	2,401.75	2,882.10
Chipstable	957.90	1,117.55	1,277.21	1,436.85	1,756.15	2,075.45	2,394.75	2,873.70
Churchstanton	962.51	1,122.92	1,283.35	1,443.76	1,764.60	2,085.43	2,406.27	2,887.52
Combe Florey	959.51	1,119.42	1,279.35	1,439.26	1,759.10	2,078.93	2,398.77	2,878.52
Comeytrowe	953.48	1,112.39	1,271.31	1,430.22	1,748.05	2,065.87	2,383.70	2,860.44
Corfe	955.93	1,115.24	1,274.58	1,433.89	1,752.54	2,071.17	2,389.82	2,867.78
Cotford St Luke	960.26	1,120.30	1,280.35	1,440.39	1,760.48	2,080.56	2,400.65	2,880.78
Creech St Michael	965.85	1,126.82	1,287.80	1,448.77	1,770.72	2,092.67	2,414.62	2,897.54
Durston	952.46	1,111.19	1,269.95	1,428.68	1,746.17	2,063.65	2,381.14	2,857.36
Fitzhead	962.68	1,123.11	1,283.57	1,444.01	1,764.91	2,085.79	2,406.69	2,888.02
Halse	954.92	1,114.06	1,273.23	1,432.37	1,750.68	2,068.98	2,387.29	2,864.74 2,867.88

Hatch Beauchamp	955.96	1,115.28	1,274.62	1,433.94	1,752.60	2,071.25	2,389.90	
Kingston St Mary	954.16	1,113.17	1,272.21	1,431.23	1,749.29	2,067.33	2,385.39	2,862.46
Langford Budville	958.71	1,118.49	1,278.28	1,438.06	1,757.63	2,077.20	2,396.77	2,876.12
Lydeard St Lawrence/Tolland	958.43	1,118.16	1,277.91	1,437.64	1,757.12	2,076.59	2,396.07	2,875.28
Milverton	961.84	1,122.13	1,282.45	1,442.75	1,763.37	2,083.97	2,404.59	2,885.50
Neroche	958.07	1,117.74	1,277.43	1,437.10	1,756.46	2,075.81	2,395.17	2,874.20
North Curry	961.13	1,121.31	1,281.51	1,441.69	1,762.07	2,082.44	2,402.82	2,883.38
Norton Fitzwarren	963.40	1,123.96	1,284.54	1,445.10	1,766.24	2,087.37	2,408.50	2,890.20
Nynehead	958.46	1,118.20	1,277.95	1,437.69	1,757.18	2,076.66	2,396.15	2,875.38
Oake	955.93	1,115.24	1,274.58	1,433.89	1,752.54	2,071.17	2,389.82	2,867.78
Otterford	945.59	1,103.18	1,260.79	1,418.38	1,733.58	2,048.77	2,363.97	2,836.76
Pitminster	957.77	1,117.39	1,277.03	1,436.65	1,755.91	2,075.16	2,394.42	2,873.30
Ruishton/Thornfalcon	961.75	1,122.03	1,282.34	1,442.62	1,763.21	2,083.78	2,404.37	2,885.24
Sampford Arundel	971.46	1,133.36	1,295.28	1,457.18	1,781.00	2,104.81	2,428.64	2,914.36
Staplegrove	953.62	1,112.55	1,271.50	1,430.43	1,748.31	2,066.18	2,384.05	2,860.86
Stawley	957.06	1,116.56	1,276.08	1,435.58	1,754.60	2,073.61	2,392.64	2,871.16

Stoke St Gregory	963.58	1,124.17	1,284.78	1,445.37	1,766.57	2,087.76	2,408.95	2,890.74
Stoke St Mary	956.41	1,115.80	1,275.22	1,434.61	1,753.42	2,072.21	2,391.02	2,869.22
Taunton	947.58	1,105.50	1,263.44	1,421.36	1,737.22	2,053.07	2,368.94	2,842.72
Trull	960.19	1,120.21	1,280.26	1,440.28	1,760.35	2,080.40	2,400.47	2,880.56
Wellington	963.86	1,124.49	1,285.15	1,445.78	1,767.07	2,088.35	2,409.64	2,891.56
Wellington Without	958.92	1,118.73	1,278.56	1,438.37	1,758.01	2,077.64	2,397.29	2,876.74
West Bagborough	960.42	1,120.48	1,280.56	1,440.62	1,760.76	2,080.89	2,401.04	2,881.24
West Buckland	957.48	1,117.06	1,276.65	1,436.22	1,755.38	2,074.54	2,393.70	2,872.44
West Hatch	957.33	1,116.88	1,276.44	1,435.99	1,755.10	2,074.21	2,393.32	2,871.98
West Monkton	960.41	1,120.47	1,280.55	1,440.61	1,760.75	2,080.88	2,401.02	2,881.22
Wiveliscombe	962.06	1,122.40	1,282.75	1,443.09	1,763.78	2,084.46	2,405.15	2,886.18

**APPENDIX  
B**

**TOWN AND PARISH COUNCIL PRECEPTS**

Parish/Town Council	2014/15			2015/16			Council Tax Increase
	Tax Base	Precept Levied	Council Tax Band D	Tax Base	Precept Levied	Council Tax Band D	
		£	£		£	£	
Ash Priors	77.15	-	-	80.62	-	-	0.00%
Ashbrittle	91.49	1,800	19.67	91.07	1,905	20.92	6.32%
Bathealton	85.52	500	5.85	86.75	500	5.76	-1.42%
Bishops Hull	1,066.11	21,000	19.70	1,098.26	21,000	19.12	-2.93%
Bishops Lydeard/Cothelstone	1,051.08	32,321	30.75	1,075.15	36,176	33.65	9.42%
Bradford on Tone	285.36	5,500	19.27	284.52	6,250	21.97	13.97%
Burrowbridge	200.22	4,900	24.47	203.92	5,000	24.52	0.19%
Cheddon Fitzpaine	612.72	13,900	22.69	611.88	13,874	22.67	-0.05%
Chipstable	130.11	2,223	17.09	127.21	2,350	18.47	8.12%
Churchstanton	348.93	8,681	24.88	353.59	8,974	25.38	2.01%

Combe Florey	120.42	2,250	18.68	119.75	2,500	20.88	11.73%
Comeytrowe	1,955.60	23,154	11.84	1,955.48	23,153	11.84	0.00%
Corfe	132.54	1,500	11.32	128.91	2,000	15.51	37.09%
Cotford St Luke	764.65	16,065	21.01	755.37	16,626	22.01	4.76%
Creech St Michael	952.22	26,948	28.30	957.82	29,111	30.39	7.40%
Durston	58.89	600	10.19	58.23	600	10.30	1.13%
Fitzhead	116.15	2,844	24.49	116.86	2,995	25.63	4.67%
Halse	139.93	2,000	14.29	143.01	2,000	13.99	-2.15%
Hatch Beauchamp	252.87	4,000	15.82	257.15	4,000	15.56	-1.66%
Kingston St Mary	425.85	5,508	12.93	428.70	5,508	12.85	-0.66%
Langford Budville	228.27	4,500	19.71	228.61	4,500	19.68	-0.15%
Lydeard St Lawrence/Tolland	204.14	3,938	19.29	207.41	3,995	19.26	-0.15%
Milverton	569.28	14,000	24.59	574.56	14,000	24.37	-0.92%
Neroche	245.73	4,484	18.25	237.51	4,446	18.72	2.58%
North Curry	692.49	15,342	22.15	706.54	16,469	23.31	5.21%
Norton Fitzwarren							-3.78%

	904.74	25,122	27.77	946.60	25,292	26.72	
Nynehead	162.35	4,250	26.18	165.76	3,200	19.31	-26.25%
Oake	320.09	5,000	15.62	322.36	5,000	15.51	-0.70%
Otterford	168.69	-	-	166.18	-	-	0.00%
Pitminster	451.84	8,899	19.70	459.77	8,400	18.27	-7.24%
Ruishton/Thornfalcon	576.15	14,000	24.30	577.61	14,000	24.24	-0.25%
Sampford Arundel	124.91	4,800	38.43	123.72	4,800	38.80	0.96%
Staplegrave	743.74	11,800	15.87	788.65	9,500	12.05	-24.08%
Stawley	133.37	2,400	18.00	139.56	2,400	17.20	-4.44%
Stoke St Gregory	352.08	9,000	25.56	355.72	9,600	26.99	5.58%
Stoke St Mary	198.81	3,236	16.28	199.43	3,236	16.23	-0.31%
Taunton	14,206.18	42,292	2.98	14,395.62	42,900	2.98	0.00%
Trull	994.65	18,000	18.10	1,004.56	22,000	21.90	21.02%
Wellington	4,355.37	108,666	24.95	4,482.33	122,816	27.40	9.82%
Wellington Without	292.04	5,640	19.31	300.18	6,000	19.99	3.50%
West Bagborough	163.53	2,500	15.29	157.40	3,500	22.24	45.45%

West Buckland	419.36	7,483	17.84	416.48	7,428	17.84	-0.05%
West Hatch	135.80	2,330	17.16	132.29	2,330	17.61	2.65%
West Monkton	1,105.07	27,379	24.78	1,276.68	28,379	22.23	-10.28%
Wiveliscombe	1,046.48	25,000	23.89	1,048.77	25,910	24.71	3.41%
Totals	37,662.97	545,755	14.49	38,348.55	574,623	14.98	3.41%





**(e) Housing Revenue Account Estimates 2015/2016**

The Executive had given consideration to the proposed Housing Revenue Account (HRA) estimates for the 2015/2016 Financial Year. It also included details of the proposed increase in Average Weekly Rent for the year where a 2.2% increase has been recommended.

2015/2016 would be the fourth year of operating the HRA under self-financing arrangements. The Council remained on course to repay the settlement debt of £85,200,000 by 2030.

The Proposed Budget was based on assumptions and estimates on expenditure requirements and income projections, in order to deliver the updated Business Plan.

Dwelling rents for approximately 5,800 properties provided annual income of over £24,000,000 for the HRA.

Local authorities had both the power and duty to set their own rent. However, in December 2000 Central Government had set out a policy for social rents in England to be fair, affordable and less confusing for tenants. Local Authorities and Housing Associations had been required to bring rents into line over several years, using a national formula to set a target rent (also called 'formula rent') based on property values and average manual earnings in each area.

The previous subsidy system required Local Authorities to raise their 'average weekly rent' to meet the 'target' or 'formula' rent by the convergence date of 2015/2016. However, the Government had recently amended its guidance in this respect and full convergence could not now be obtained.

2014/2015 was the final year that a convergence factor could be included in the rent calculation and the continuing budget impact of this change was that the Council would lose the potential to increase rent income by approximately £242,000 per year from 2015/2016 onwards.

From 2015/2016 the Government had altered the basis for calculation of guideline rent increases, from RPI plus ½%, to CPI plus 1%.

In line with the national rent guidance and the service need identified in the Business Plan, it was proposed that the average weekly rent for dwellings for 2015/2016 should be set at the guideline rent of £83.88, an increase of 2.2% or £1.82 per week.

The budget for non-dwelling rents and charges for services and facilities was based on a 2.3% increase.

On the motion of Councillor Mrs Adkins, it was

**Resolved** that:-

(1) The Average Weekly Rent increase of 2.2% be approved; and

(2) The Housing Revenue Account budget for 2015/2016 be agreed.

**(f) Support and Funding for the Arts and Creative Industries**

At its January meeting, the Executive considered requests for financial assistance from two organisations within the Arts and Creative Industry sector.

The applications were from:-

- **Arts Taunton** – This was the new umbrella organisation that sought to draw together Cultural and Arts organisations in Taunton Deane creating a vibrant, coordinated programme of activity.

The former Taunton Cultural Consortium had been rebranded to take on the new name Arts Taunton. The new brand had a strapline of “Driving prosperity through culture”. However the re-branding involved costs particularly around publicity materials which included a new website. These costs were estimated to be a maximum of £10,000 which the Council has been asked to consider funding; and

- **Hestercombe Gardens Trust**

The trust had applied for a grant of £10,000 for each of the next two financial years 2015/2016 and 2016/2017. This would enable continued delivery of the Contemporary Arts Gallery at Hestercombe House. This funding would create leverage for access to significant match funding.

On the motion of Councillor Williams, it was

**Resolved** that:-

- (i) A Supplementary Estimate of £10,000 for 2014/2015 from General Fund Reserves to enable a grant to be made to support Arts Taunton be approved; and
- (ii) A Supplementary Estimate of £20,000 from General Fund Reserves to enable a grant be made to the Hestercombe Gardens Trust be also approved. The funds would be held in an earmarked reserve with £10,000 available in both the 2015/2016 and 2016/2017 financial years.

(Councillor Mrs Hill (Deputy Mayor) declared a personal interest in the above recommendation as a Trustee of the Friends of Hestercombe.)

**9. Suspension of Standing Order**

**Resolved** that Standing Order 28, Time limits for all meetings be suspended to enable the meeting to continue for a further half an hour.

**(g) Movement of the Tourist Information Centre (TIC) to part of The Market House, Taunton – Request for funding**

The TIC had been located in Paul Street adjacent to Taunton Library since 1996.

The Taunton Rethink document had previously made reference to the relocation of the TIC possibly to the Coal Orchard site in conjunction with a regenerated Brewhouse Theatre or to a site in North Street.

As neither of these options were currently available, the possible use of part of The Market House in Fore Street, Taunton has been considered.

The proposed location of the TIC in the western end of the building would complement the letting of the ground floor and basement areas to a good quality restaurant chain. This was in part due to the quality of the proposed design incorporating a new glazed area within the arches of the Market House which will create a new entrance to this area of the building.

The final benefit of this proposed move would be the reduction of costs associated with the current lease at the Library. Overall savings should be in the region of £10,000 per annum.

The company JP Gainsford had been instructed to provide an initial design, provide indicative costings, secure necessary access permissions and project manage any agreed build.

The indicative costing for the work was £120,000 although this represented a maximum cost and included an appropriate contingency which linked to the age of the building.

On the motion of Councillor Williams, it was

**Resolved** that:-

- (1) The principle of moving the Tourist Information Centre to The Market House be agreed; and
- (2) The inclusion of a capital budget of £120,000 within the General Fund Capital Programme, to be funded from the Growth and Regeneration (New Homes Bonus) Reserve be also agreed.

(The Chief Executive (Penny James), the Section 151 Officer (Shirlene Adam) and the Assistant Chief Executive (Bruce Lang) all declared prejudicial interests in the following item and left the meeting during its consideration.)

**(h) Localism Act 2011 – Pay Policy Statement**

The Localism Act 2011 had made it a requirement for all Local Authorities to prepare a Pay Policy Statement each year for approval by Members.

The first Statement was prepared in 2012 and was considered by Scrutiny and the Executive before approval by Full Council. However, due to the fact that the document was largely unchanged for the third year, the 2014/2015 Statement had again been reported directly to Full Council.

The 2015/2016 Statement covered the 'joint working' arrangements with West Somerset Council and the approvals made by Council on 12 November 2013.

The Statement had to include policies on which remuneration of its Chief Officers and its lowest paid employees (and the relationship between them) were based.

The Statement was also required to:-

- Set out arrangements for the remuneration of Chief Officers on appointment;
- Set out arrangements for payments on termination of employment for Chief Officers even if covered by other approved policies;
- Set out arrangements for the re-employment of Chief Officers; and
- Be published on the Council's website.

On the motion of Councillor Mrs Stock-Williams, it was

**Resolved** that the Pay Policy Statement for 2015/2016 be approved.

## 10. **Reports of the Leader of the Council and Executive Councillors**

Due to the lateness of the hour, the Mayor suggested that responses to questions asked of the Executive Councillors should be made in writing outside of the meeting and circulated to all Members. This was agreed.

### (i) **Leader of the Council (Councillor Williams)**

Councillor Williams's report covered the following topics:-

- Budget Setting;
- New Homes Bonus;
- Swimming Pool;
- Firepool, Taunton;
- The Market House, Taunton;
- Investment in Taunton Deane;
- Broadband;
- A358 and Business Park; and
- Archie Project.

### (ii) **Sport, Parks and Leisure (Councillor Mrs Herbert)**

The report from Councillor Mrs Herbert dealt with activities taking place in the following areas:-

- Parks;
- Community Leisure and Play; and
- Tone Leisure (Taunton Deane) Limited Activities.

(iii) **Housing Services (Councillor Mrs Adkins)**

Councillor Mrs Adkins submitted her report which drew attention to the following:-

- Deane Housing Development;
- Welfare Reform;
- Anti-Social Behaviour;
- Affordable Housing;
- Pathways for Adults (P4A); and
- Deane Helpline – New Contract with Aster Property.

(iv) **Corporate Resources (Councillor Mrs Stock-Williams)**

The report from Councillor Mrs Stock-Williams provided information on the following areas within her portfolio:-

- Corporate and Client Services;
- Corporate Health and Safety;
- Customer Contact Centre;
- Health and Wellbeing;
- Legal and Democratic Services;
- Resources; and
- Revenues and Benefits.

(v) **Planning, Transportation and Communications (Councillor Edwards)**

The report from Councillor Edwards provided information on the following areas within his portfolio:-

- Monkton Heathfield Governance Board;
- Comytrowe Urban Extension;
- Joint Management and Shared Services (JMASS) Project;
- Car Parks; and
- Communications.

(vi) **Community Leadership (Councillor Mrs Jane Warmington)**

Councillor Mrs Warmington presented the Community Leadership report which focused on the following areas within that portfolio:-

- Taunton Deane Strategic Partnership;

- New One Teams;
- New Psychoactive Substances (Legal Highs);
- Town Centre Wardens; and
- Children's Centres.

(vii) **Economic Development, Asset Management, Arts and Tourism (Councillor Cavill)**

The report from Councillor Cavill covered:-

- Business Support;
- Support for Inward Investors;
- Refurbishment of The Market House;
- Town Centre Events;
- Additional Growth Deal Funding;
- Firepool – The Emerging Plan; and
- Marketing and Tourist Information Centre (TIC)

(viii) **Environmental Services and Climate Change (Councillor Hunt)**

The report from Councillor Hunt drew attention to developments in the following areas:-

- Environmental Health / Licensing;
- Somerset Waste Partnership
- Climate Change; and
- Crematorium.

(Councillors Ross, P Smith and Tooze left the meeting at 8.51 p.m. Councillor Gill Slattery left at 9.06 p.m. Councillor D Reed left at 9.10 p.m. Councillor Ross left at 9.25 p.m. Councillors D Wedderkopp and A Govier left the meeting at 9.40 p.m. Councillors Mrs Messenger and Swaine left at 9.42 p.m.)

(The meeting ended at 10.00 pm.)





## **Usual Declarations of Interest by Councillors**

### **Full Council**

- **Members of Somerset County Council – Councillors Mrs Baker, Coles, A Govier, Henley, Hunt, Prior-Sankey, A Wedderkopp and D Wedderkopp**
- **Employee of Somerset County Council – Councillor Mrs Hill**
- **Employee of Job Centre Plus – Councillor Henley**
- **Employee of the Department of Work and Pensions – Councillor Mrs Herbert**
- **Employee of UK Hydrographic Office – Councillor Tooze**
- **Vice-Chairman of the North Taunton Partnership – Councillor Tooze**
- **Clerk to Milverton Parish Council – Councillor Wren**
- **Somerset Waste Board representatives – Councillors Hunt and Ross**
- **Director of Southwest One – Councillor Nottrodt**
- **Alternate Director of Southwest One – Councillor Ross**
- **Tone Leisure Board representatives – Councillors D Durdan and Stone**
- **Part-time Swimming Instructor – Councillor Swaine**
- **Member of the Board of Governors at Somerset College – Councillor Gill Slattery**
- **Member of Steering Group relating to the National Study of the impact of Flooding on Health and Wellbeing – Councillor Gill Slattery**

- **Representative on the Parrett Internal Drainage Board – Councillor Gill Slattery**
- **Director of Tone FM – Councillor Ms Lisgo**
- **Owner of land in Taunton Deane – Councillor Farbahi**

# Taunton Deane Borough Council

## Full Council – 31 March 2015

### Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy 2015/2016

#### Report of the Finance Manager

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

#### 1. Executive Summary

- 1.1 The purpose of this report is to explain and obtain approval of the recommended strategy for managing the Council's cash resources including the approach to borrowing and investments. It also seeks the formal approval of the Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy which must be approved by Full Council by 31 March each year in line with regulations.
- 1.2 The strategy has been prepared taking into account professional advice and information from the Council's treasury management advisor Arlingclose.
- 1.3 The strategy continues to prioritise security and liquidity of cash over investment returns. This year the strategy has been updated to reflect increasing treasury risks due to impact of the global economy on the financial sector and changes in regulations in respect of 'bail in' by UK banks, as failing banks will no longer be 'bailed out' by Government. In short, our approach in response to this increased risk is to spread surplus funds through a wider range of investments and deposits and reduce the limits for amounts held with each institution.
- 1.4 The Council currently has external borrowing of £92.2m, which is all attributable to the Housing Revenue Account.
- 1.5 The Council's investment balances fluctuate and currently range between £29m and £40m.
- 1.6 The Bank Base Rate has remained at 0.5% for several years and is currently forecast to remain at this level until mid-2015.

#### 2. Background Information

- 2.1 The full Treasury Management Strategy Statement (TMSS), Annual Investment Strategy (AIS) and Minimum Revenue Provision (MRP) Policy are attached to this

report. Due to the nature of the subject, and also in order to comply with both legislative and policy requirements, the documents contain a significant amount of technical detail and data.

2.2 The TMSS and related policies have been prepared taking into account the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the Code”) and CLG Guidance on Local Government Investments (“the Guidance”). The TMSS for 2015/16 financial year must be approved by 31 March 2015.

2.3 The key principles of the Code are as follows:

- Ensuring that public bodies put in place the necessary framework to ensure the effective management and control of treasury management activities;
- That the framework clearly states that responsibility for treasury management lies clearly within the organisation and that the strategy clearly states the appetite for risk;
- That value for money and suitable performance measures should be reflected in the framework.

2.4 The Code also identifies four clauses to be adopted and these are as follows:

- The creation and maintenance of a policy statement and suitable treasury management practices which set out the means of achieving the policies and ensuring management and control.
- The minimum reports (to the body that approves the budget) should be an annual strategy and plan prior to the start of the financial year, a mid-year review and an annual report after its close. A local authority should ensure that its’ reporting enables those responsible for treasury management to effectively discharge their duties.
- Details of delegated responsibility for implementation and monitoring of policies and for the execution and administration of treasury management decisions. For this Council the delegated person is the Section 151 Officer.
- Details of the body responsible for the scrutiny of treasury management strategy and policies. For this Council the delegated body is the Audit Committee.

2.5 The Council’s finance officers have worked closely with Arlingclose, our treasury advisor, to consider the requirements of the Code and Guidance and determine the proposed TMSS, AIS and MRP Policy that ensure compliance and provide a set of ‘rules’ for the Council to following in dealing with investments, borrowing and cash flow management.

- 2.6 The current core principles remain in place within the proposed TMSS for 2015/16, which is to prioritise security (avoiding loss of council funds) and liquidity (quick access to cash) over return (interest costs and income).
- 2.7 However the TMSS for 2015/16 also recognises the increasing risks due to the new regulations in respect of 'bail in' for banks – explained in the TMSS. In response to this risk and the wider ongoing risks in the financial sector the treasury strategy has been updated to build in greater “diversification” – so that we will hold surplus funds in a wider range of investments/accounts i.e. we are spreading the risk. Table 2 within the TMSS sets this out in a useful summary.

### **3. Treasury Management Strategy Statement**

- 3.1 Council approves the strategy in advance of the new financial year (this was introduced in 2010) and receives annual and mid-year reports, in accordance with the code.
- 3.2 This strategy is written in continuing challenging and uncertain economic times. The current economic outlook has several key treasury management implications
- Investment returns are likely to remain relatively low during 2015/16
  - Borrowing interest rates are currently attractive but are likely to remain low for some time
  - The timing of any borrowing will need to be monitored carefully; there will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.
- 3.3 This strategy looks to reduce exposure to risk and volatility at this time of significant economic uncertainty by
- Considering security, liquidity and yield, in that order
  - Considering alternative assessments of credit strength
  - Spreading investments over a range of approved counterparties
  - Only investing for longer periods to gain higher rates of return where there are acceptable levels of counterparty risk.
- 3.4 The historically low interest rate situation has led to significant reductions in investment income in the past years which impacts directly on the Council's budget.
- 3.5 The Council's general fund capital financing requirement (CFR) for 2015/16 is £9.243m which is currently funded through internal borrowing. The council is able to borrow funds in excess of the current CFR up to the projected level in 2015/16 of £8.904m. The timing of any borrowing must be considered as mentioned in 3.1 above.
- 3.6 The Council's Housing Revenue Account (HRA) CFR for 2015/16 is £108,251m which is currently funded through external borrowing of £92.198m plus internal borrowing of

£16,053m. The Government sets a debt cap for the HRA which currently limits borrowing to £115.8m.

- 3.7 Attached to this report is the recommended full Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy.

### **Scrutiny Comments**

- 3.8 The content of this report has been presented to Corporate Scrutiny Committee on 26 March 2015. As the papers for this Council meeting are issued in advance of the Scrutiny meeting, a verbal update will be provided at Council in respect of any comments and/or recommendations from the Committee.

### **4. Finance Comments**

- 4.1 This is a finance report and there are no further comments to make.

### **5. Legal Comments**

- 5.1 There are no legal implications of this report.

### **6. Links to Corporate Aims**

- 6.1 The TMSS supports the funding of projects as well as the general fund, which in turn support the Corporate Aims.

### **7. Environmental Implications**

- 7.1 No environmental implications have been identified.

### **8. Community Safety Implications**

- 8.1 No community safety implications have been identified.

### **9. Equalities Impact**

- 9.1 After initial screening no Equality Impacts were identified for any specific group.

### **10. Risk Management**

- 10.1 There are both credit and liquidity risk surrounding treasury activities. This strategy looks to minimise the Council's exposure to these risks.

### **11. Partnership Implications**

- 11.1 No partnership implications have been identified.

### **12. Recommendations**

12.1 That Full Council approves the 2015/16 Treasury Management Strategy Statement (TMSS) incorporating the Annual Investment Strategy, MRP Policy and Prudential Indicators.

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# Taunton Deane Borough Council Treasury Management Strategy Statement and Annual Investment Strategy 2015/2016

## Introduction

In February 2011 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services Code of Practice 2011 Edition (the "CIPFA Code") which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.

The Council has borrowed and invested substantial sums of money and is, therefore, exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

## External Context

**Economic background:** There is momentum in the UK economy, with a continued period of growth through domestically-driven activity and strong household consumption. There are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP. However, inflationary pressure is currently extremely benign and is likely to remain low in the short-term. There have been large falls in unemployment but levels of part-time working, self-employment and underemployment are significant and nominal earnings growth remains weak and below inflation.

The Monetary Policy Committee (MPC)'s focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee. Despite two MPC members having voted for a 0.25% increase in rates at each of the meetings between August and December 2014, the minutes of the January meeting showed unanimity in maintaining the Bank Rate at 0.5% as there was sufficient risk that low inflation could become entrenched and the MPC became more concerned about the economic outlook.

**Credit outlook:** The transposition of two European Union directives into UK legislation in the coming months will place the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors. The *Bank Recovery and Resolution Directive* promotes the interests of individual and small businesses covered by the Financial Services Compensation Scheme and similar European schemes, while the recast *Deposit Guarantee Schemes Directive* includes large companies into these schemes. The combined effect of these two changes is to



leave public authorities and financial organisations (including pension funds) as the only senior creditors likely to incur losses in a failing bank after July 2015.

The continued global economic recovery has led to a general improvement in credit conditions since last year. This is evidenced by a fall in the credit default swap spreads of banks and companies around the world. However, due to the above legislative changes, **the credit risk associated with making unsecured bank deposits will increase** relative to the risk of other investment options available to the Council.

**Interest rate forecast:** The Council's treasury management advisor Arlingclose forecasts the first rise in official interest rates in mid-2016 and a gradual pace of increases thereafter. The average for 2015/16 being around 0.50%. Arlingclose believes the normalised level of the Bank Rate post-crisis to range between 2.0% and 3.5%. Arlingclose projects gilt yields on a modest upward path in the medium term, taking the forecast average 10 year PWLB loan rate for 2015/16 to 2.7%.

A more detailed economic and interest rate forecast provided by the Arlingclose is attached at **Appendix A**.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.84%, and that new long-term loans will be borrowed at an average rate of 2.87%.

### **Local Context**

The Council currently has £92.198m of borrowing and £34.935m of investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

**Table 1: Balance Sheet Summary and Forecast**

	<b>31.3.14 Actual £'000</b>	<b>31.3.15 Estimate £'000</b>	<b>31.3.16 Estimate £'000</b>	<b>31.3.17 Estimate £'000</b>	<b>31.3.18 Estimate £'000</b>
General Fund CFR	5,592	5,224	9,243	8,726	8,208
HRA CFR	97,798	97,287	108,521	107,514	105,086
<b>Total CFR</b>	<b>103,390</b>	<b>102,511</b>	<b>117,764</b>	<b>116,240</b>	<b>113,294</b>
Less: External borrowing	(94,198)	(92,198)	(108,860)	(106,162)	(102,162)
<b>Internal borrowing</b>	<b>9,192</b>	<b>10,313</b>	<b>8,904</b>	<b>10,078</b>	<b>11,132</b>
Less: Usable reserves	(28,366)	(25,546)	(28,451)	(32,653)	(36,319)
<b>(Investments) or New borrowing</b>	<b>(19,174)</b>	<b>(15,233)</b>	<b>(19,547)</b>	<b>(22,575)</b>	<b>(25,187)</b>

\* shows only loans to which the Council is committed and excludes optional refinancing

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to

maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2015/16.

### **Borrowing Strategy**

The Council currently holds £92.198m million of loans, as part of its strategy for funding previous years' capital programmes. This sum increased significantly in March 2012 when the Council took on £82m of loans through the introduction of HRA Self Financing and the abolition of the old Housing Subsidy system. The balance sheet forecast in table 1 shows that the Council expects to borrow up to £16.662m in 2015/16. The Council may, however, borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £210 million.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2015/16 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and its successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except Somerset Pension Fund)
- capital market bond investors
- special purpose companies created to enable joint local authority bond issues
- UK local authorities

The Council has previously raised the majority of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

**LGA Bond Agency:** Local Capital Finance Company was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for three reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans; there will be a lead time of several months between committing to borrow and knowing the interest rate payable; and up to 5% of the loan proceeds will be withheld from the Council and used to bolster the Agency's capital strength instead. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

The Council holds £3m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The LOBO has an option during 2015/16, and although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

Short-term and variable rate loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

**Debt Rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **Investment Strategy**

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's average investment balance has ranged between £29 million and £41million, this is expected to reduce in 2015/16 as more of the Capital Programme is delivered.

Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the

risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and/or higher yielding asset classes during 2015/16. This is especially the case for the estimated £13m that is available for longer-term investment. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits, certificates of deposit and money market funds. This diversification will therefore represent a substantial change in strategy over the coming year.

The Council may invest its surplus funds with any of the counterparties in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

**Table 2: Approved Investment Counterparties and Limits**

<b>Credit Rating</b>	<b>Banks Unsecured</b>	<b>Banks Secured</b>	<b>Government</b>	<b>Corporates</b>	<b>Registered Providers</b>
UK Govt	n/a	n/a	£ unlimited 50 years	n/a	n/a
AAA	£2m 5 years	£4m 20 years	£4m 50 years	£2m 20 years	£1m 20 years
AA+	£2m 5 years	£4m 10 years	£4m 25 years	£2m 10 years	£1m 10 years
AA	£2m 4 years	£4m 5 years	£4m 15 years	£2m 5 years	£1m 10 years
AA-	£2m 3 years	£4m 4 years	£4m 10 years	£2m 4 years	£1m 10 years
A+	£2m 2 years	£4m 2 years	£2m 10 years	£2m 3 years	£1m 5 years
A	£2m 13 months	£4m 13 months	£2m 10 years	£2m 2 years	£1m 5 years
A-	£2m 6 months	£4m 6 months	£2m 10 years	£2m 13 months	£1m 5 years
BBB+	£500k 100 days	£1m 100 days	£1m 2 years	£1m 6 months	£500k 2 years
BBB or BBB-	£1m Next day only	£500k 100 days	n/a	n/a	n/a
Unrated			£4m 25 Years	£2m 10 Years	£1m 5 Years
Pooled funds	Up to 50% of total investments limited to £4m each fund				

This table must be read in conjunction with the notes below

Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standards and Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

In addition, the Council may invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Council's treasury management advisor.

**Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB or BBB- are restricted to overnight deposits at the Council's current account bank Nat West.

**Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

**Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

**Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed. The Council will consider investing with unrated Registered Providers with adequate credit safeguards, subject to receiving independent advice.

**Pooled Funds:** Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a fund manager in return for a fee. Money market funds offer same-day liquidity and aim for a constant net asset value, and will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

**Other Organisations:** The Council may also invest cash with other organisations, for example by making loans to small businesses. Because of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management advisor.

**Segregated Fund Manager:** The Council could choose to use external fund managers. The manager has scope to add value through the use of the investments listed in table 2 and must operate within the same limits. Performance is monitored and measured against the benchmark set for the fund, prevailing economic conditions and investment opportunities.

**Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Council's treasury advisors, who will notify changes in ratings as they occur. When an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other Information on the Security of Investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office for example, or with other local authorities. This will cause a

reduction in the level of investment income earned, but will protect the principal sum invested.

**Specified Investments:** The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

**Non-specified Investments:** Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. The Council does, on occasion, grant loans to small organisations for the purpose of furthering service provision within the Council’s area but these loans fall outside of the scope of the Council’s treasury management activities. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

**Table 3: Non-Specified Investment Limits**

	<b>Cash limit</b>
Total long-term investments	£20m
Total investments without credit ratings or rated below BBB+	£10m
Total non-specified investments	£30m

**Investment Limits:** The Council’s revenue reserves available to cover investment losses are forecast to be £25.546 million on 31st March 2015. In order that no more than 25% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £6.5 million. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers’ nominee accounts (*e.g. King & Shaxson*), foreign countries and industry sectors as below:

**Table 4: Investment Limits**

	<b>Cash limit</b>
Any single organisation, including Supranational and Sovereign Agencies, except the UK Central Government and UK Local Authorities	£4m each

UK Central Government and UK Local Authorities	unlimited
Any group of organisations under the same ownership (Except UK Government)	£4m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£20m per broker
Foreign Banks (Excluding Supranational Organisations)	£4m per country
Registered Providers	£4m in total
Loans to unrated corporates	£2m in total
Money Market Funds	£20m in total

**Approved Instruments:** The Council may lend or invest money using any of the following instruments:

- interest-bearing bank accounts,
- fixed term deposits and loans,
- callable deposits and loans where the Council may demand repayment at any time (with or without notice),
- callable deposits and loans where the borrower may repay before maturity, but subject to a maximum of £4 million in total,
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments, and
- shares in money market funds and other pooled funds.

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

**Liquidity management:** The Council uses a spreadsheet which details the Council's cash flow on a daily basis to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

### **Treasury Management Indicators**

The Council measures and manages its exposures to treasury management risks using the following indicators.

**Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	<b>Target</b>
Portfolio average credit rating	A-



**Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	<b>Target</b>
Total cash available within 3 months	£6m

**Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	100%	100%	100%

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

**Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	<b>Upper</b>	<b>Lower</b>
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and within 20 years	100%	0%
20 years and within 30 years	100%	0%
30 years and within 40 years	100%	0%
40 years and within 50 years	100%	0%
50 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Limit on principal invested beyond year end	£30m	£30m	£30m

## **Other Items**

There are a number of additional items that the Council is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

**Policy on Use of Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

**Policy on Apportioning Interest to the HRA:** On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured at the end of the year and interest transferred between the General Fund and HRA at the Council's average interest rate on investments, adjusted for credit risk.

**Investment Training:** The needs of the Council's treasury management staff for training in investment management are assessed every six months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

**Investment Advisors:** The Council has appointed Arlingclose Limited as treasury management advisors and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by holding quarterly meetings and tendering periodically. The last tender was completed in March 2013.

**Investment of Money Borrowed in Advance of Need:** The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £220 million. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure.

### **Financial Implications**

The budget for investment income in 2015/16 is £366,800 (General Fund = £314,000, HRA = £52,800), based on an average investment portfolio of £25 million at an interest rate of 1.351%. The budget for debt interest paid in 2015/16 is £2.831 million (All HRA), based on an average debt portfolio of £96.3 million at an average interest rate of 2.80%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

### **Other Options Considered**

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Operations (S151 Officer), believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Reduced risk of losses from credit related defaults but any such losses will be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults but any such losses will be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however, long-term interest costs will be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment

		income in the medium term but long term costs will be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however, long-term interest costs will be less certain

### Arlingclose Economic & Interest Rate Forecast February 2015

#### Underlying assumptions

- The UK economic recovery slowed towards the end of 2014 as economic and political uncertainty weighed on business investment. The Q4 growth rate of 0.5% was a little below the long run average, but more recent data suggests the recovery remains on track.
- Fiscal austerity and weak global growth are likely to weigh on the GDP growth contributions from government spending and net trade. With the UK General Election and possible EU referendum as major events in 2015 and (possibly) 2016, political uncertainty may continue to dampen business investment.
- Household consumption is therefore key to the recovery in 2015. The rise in employment, recovery in real wage growth, low interest rates and increase in disposable income should support spending at relatively robust levels.
- Inflationary pressure is currently low (annual CPI is currently 0.5%) and is likely to remain so in the short-term; we expect the CPI rate to fall further. Weak global growth expectations are likely to weigh on commodity price growth throughout this year, although there may be some recovery in the oil price over the forecast period.
- The MPC's focus is both the degree and rate of use of spare capacity in the economy, and the possibility of earnings-led inflationary pressure. The Committee will look through the effects of the fall in oil prices on inflation, as long as these are deemed temporary. A key measure is therefore the core CPI rate, which excludes food and energy, to establish the effect of domestic activity on inflationary pressure.
- Nominal earnings growth is strengthening, but remains relatively weak despite large falls in unemployment. Our view is that spare capacity remains extensive, allowing more rapid economic growth without an upward impact on inflation.
- In addition to the current lack of wage and inflationary pressures, policymakers are evidently concerned about the bleak prospects for the Eurozone (and the wider global environment). The ECB has introduced outright QE. While this may alleviate some of the anxiety about the economic potential of the Eurozone, political risk remains significant. These factors will maintain the dovish stance of the MPC in the medium term.
- The appropriate level for Bank Rate for the post-crisis UK economy is likely to be lower than the previous norm. We would suggest this is between 2.0 and 3.0%.

## Forecast

- Due to the outlook for lower inflation, we have pushed back our expectation for the first rise in official interest rates to Q2 2016. The risks to this forecast remain weighted to the downside; in particular, signs of more widespread deflation could prompt a further downward revision to our forecast.
- We project a slow rise in Bank Rate. The pace of interest rate rises will be gradual and the extent of rises limited.
- We project gilt yields on a shallow upward path in the medium term, with continuing concerns about the Eurozone.

	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
<b>Official Bank Rate</b>													
Upside risk				0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50
Downside risk			0.25	0.25	0.25	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25
<b>3-month LIBID rate</b>													
Upside risk	0.10	0.20	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.40	0.55	0.55
Arlingclose Central Case	0.55	0.55	0.55	0.55	0.60	0.80	0.95	1.05	1.15	1.30	1.40	1.55	1.60
Downside risk	0.15	0.20	0.30	0.40	0.55	0.65	0.75	0.85	1.05	1.10	1.25	1.35	1.35
<b>1-yr LIBID rate</b>													
Upside risk	0.10	0.25	0.25	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.45	0.60	0.60
Arlingclose Central Case	0.95	0.90	0.95	1.00	1.05	1.25	1.40	1.50	1.60	1.75	1.85	2.00	2.05
Downside risk	0.15	0.15	0.25	0.35	0.50	0.60	0.70	0.80	1.00	1.05	1.20	1.30	1.30
<b>5-yr gilt yield</b>													
Upside risk	0.25	0.40	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.75	0.75
Arlingclose Central Case	1.10	1.15	1.20	1.25	1.30	1.45	1.55	1.65	1.75	1.90	2.00	2.10	2.20
Downside risk	0.25	0.35	0.45	0.55	0.70	0.80	0.90	1.00	1.00	1.10	1.15	1.25	1.30
<b>10-yr gilt yield</b>													
Upside risk	0.25	0.40	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.75	0.75
Arlingclose Central Case	1.65	1.70	1.75	1.80	1.85	2.00	2.10	2.20	2.30	2.45	2.55	2.65	2.75
Downside risk	0.25	0.35	0.45	0.55	0.70	0.80	0.90	1.00	1.00	1.10	1.15	1.25	1.30
<b>20-yr gilt yield</b>													
Upside risk	0.25	0.40	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.75	0.75
Arlingclose Central Case	2.25	2.25	2.25	2.35	2.40	2.45	2.50	2.60	2.70	2.80	2.90	3.00	3.10
Downside risk	0.25	0.30	0.40	0.50	0.65	0.75	0.85	0.95	0.95	1.05	1.10	1.20	1.25
<b>50-yr gilt yield</b>													
Upside risk	0.25	0.40	0.40	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.75	0.75
Arlingclose Central Case	2.35	2.35	2.35	2.45	2.50	2.55	2.60	2.70	2.80	2.90	3.00	3.10	3.20
Downside risk	0.25	0.25	0.35	0.45	0.60	0.70	0.80	0.90	0.90	1.00	1.05	1.15	1.20

## Existing Investment and Debt Portfolio Position

	31/12/2015 Actual Portfolio £m	31/12/2015 Average Rate %
<b>External Borrowing:</b>		
PWLB - Fixed Rate	84,198	3.03%
PWLB – Variable Rate	5,000	0.54%
LOBO Loans	3,000	4.25%
<b>Total External Borrowing</b>	<b>92,198</b>	<b>2.80%</b>
<b>Investments</b>		
Short Term	32,820	0.78%
<b>Net Debt</b>	<b>59,378</b>	

## Prudential Indicators 2015/16

### 1. Background

- 1.1 The Local Government Act 2003 requires the Council to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

### 2. Estimates of Capital Expenditure

- 2.1 The Council's planned capital expenditure and financing may be summarised as follows:

<b>Capital Expenditure</b>	<b>2014/15 Revised £'000</b>	<b>2015/16 Estimate £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
Non-HRA	3,814	1,012	1,232	230
HRA	16,147	8,665	8,715	8,869
<b>Total</b>	<b>19,961</b>	<b>9,677</b>	<b>9,947</b>	<b>9,099</b>

- 2.2 Capital expenditure will be financed as follows:

<b>Capital Financing</b>	<b>2014/15 Revised £'000</b>	<b>2015/16 Revised £'000</b>	<b>2015/16 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
Capital Receipts	1,656	1,012	975	205
Government Grants	610	0	0	0
Revenue Contributions	17,190	8,665	8,972	8,894
Unsupported borrowing	505	0	0	0
<b>Total</b>	<b>19,961</b>	<b>9,677</b>	<b>9,947</b>	<b>9,099</b>

### 3. Capital Financing Requirement

- 3.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.



<b>Capital Financing Requirement</b>	<b>31.03.15 Revised £'000</b>	<b>31.03.16 Estimate £'000</b>	<b>31.03.17 Estimate £'000</b>	<b>31.03.18 Estimate £'000</b>
General Fund	5,224	9,243	8,726	8,208
HRA	97,287	108,521	107,514	105,086
<b>Total CFR</b>	<b>102,511</b>	<b>117,764</b>	<b>116,240</b>	<b>113,294</b>

- 3.2 The CFR is forecast to increase during 2015/16 as the council supports significant capital investment in both the General Fund and HRA, and then to fall by £4,470m over the following two years as capital expenditure financed by debt is outweighed by resources put aside for debt repayment.

#### **4. Gross Debt and the Capital Financing Requirement**

- 4.1 This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

- 4.2 The S151 officer reports that the Council had no difficulty meeting this requirement in 2014/15, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

<b>Debt</b>	<b>31.03.15 Revised £'000</b>	<b>31.03.16 Estimate £'000</b>	<b>31.03.17 Estimate £'000</b>	<b>31.03.18 Estimate £'000</b>
Borrowing	92,198	108,860	106,162	102,162

- 4.3 Total debt is expected to remain below the CFR during the forecast period.

#### **5. Operational Boundary for External Debt**

- 5.1 The Operational Boundary is based on the Council's estimate of the most likely, i.e. prudent but not worst case scenario for external debt. The Operational Boundary links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring.

	<b>2014/15 Revised £'000</b>	<b>2015/16 Estimate £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
Operational Boundary for External Debt	200,000	200,000	200,000	200,000

## 6. Authorised Limit for External Debt

- 6.1 The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements. The HRA has a debt cap of £115.8m which is a figure set by Central Government.

	<b>2014/15 Revised £'000</b>	<b>2015/16 Estimate £'000</b>	<b>2016/17 Estimate £'000</b>	<b>2017/18 Estimate £'000</b>
Authorised Limit for External Debt	220,000	220,000	220,000	220,000

## 7. Ratio of Financing Costs to Net Revenue Stream

- 7.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2014/15 Revised %</b>	<b>2015/16 Estimate %</b>	<b>2016/17 Estimate %</b>	<b>2017/18 Estimate %</b>
General Fund	(2.49)	(2.38)	(2.35)	(2.38)
HRA	10.58	10.80	11.51	11.09
<b>Total</b>	<b>8.09</b>	<b>8.42</b>	<b>9.16</b>	<b>8.70</b>

## 8. Incremental Impact of Capital Investment Decisions

- 8.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2015/16 Estimate £</b>	<b>2016/17 Estimate £</b>	<b>2017/18 Estimate £</b>
Increase in Band D Council Tax	0.84	1.01	0.19
Increase in Average Weekly Housing Rents	0.92	0.93	0.89

## 9. Adoption of the CIPFA Treasury Management Code:

- 9.1 This indicator demonstrates that the Council has adopted the principles of best practice. The Council adopted the CIPFA Treasury Management in the Public Services: Code of Practice 2011 Edition in February 2011. The Council

has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

## Appendix D

### Annual Minimum Revenue Provision (MRP) Statement 2015/16

1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP) although there has been no statutory minimum set aside since 2008. The Local Government act 2003 requires the Council to have regard to the Department for Communities and Local Government Guidance on Minimum Revenue Provision (the DCLG guidance most recently issued in 2012).
2. The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
3. The CLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods.
4. For the financial year 2014/15, the Council determined to calculate MRP as follows:-
  - for supported borrowing, 4% on outstanding debt;
  - for unsupported borrowing based on asset life\*;
  - for capital grants and contributions to third parties, 4% (or 1/25<sup>th</sup>) per year on a straight line basis.

*\* The basis of calculating MRP on unsupported borrowing has been amended slightly to provide greater flexibility whilst adopting the same principle: to say that this will be "based on asset life" rather than "debt associated with asset divided by the estimated useful life of the asset".*

5. It is proposed the above policy, as amended in 4 above, remains for 2015/16.

# Taunton Deane Borough Council

## Council Meeting – 31 March 2015

### Centre for Outdoor Activities and Community Hub (C.O.A.C.H)

#### Report of the Community Leisure Manager

(This matter is the responsibility of Executive Councillor Catherine Herbert and Councillor Norman Cavill)

#### 1 Executive Summary

1.1 The Council has been supporting the COACH project since 2011. In August 2014 Full Council approved the granting of a 125 year lease at peppercorn rent of land at French Weir for the construction of a centre for Outdoor Activities and Community Hub.

1.2 Full Council also approved the assignment of funds on the land sale of Castle Street, Tangier site (Former Taunton Youth & Community Centre) of £200,000 to support a bid for Sport England funding.

1.3 Funding was granted by Sport England which enabled COACH to go out to tender for a contractor for the scheme. Tenders received were significantly above budget. Work has been done to redesign the building within the affordability envelope however market conditions are such that the Project requires additional funding.

#### 2. Background

2.1 The proposed COACH facility is both a building, including a floodable boat store and a community facility. The intention is to provide a sustainable and functional permanent home for a wide variety of clubs and Community Groups as detailed in the business plan as produced by the COACH the detail of which Members reviewed in August 2014. The COACH facility would provide public access toilets to replace the existing providing a saving to the Council circa £8,000 p.a The toilets will be operated at similar times as at present and available for use by the public when the COACH facility is open.

2.2 One of the criteria for granting the long the lease was the approval of planning permission. The project was granted full permission on the 18<sup>th</sup> November 2013 (Certificate No. 38/13/0348)

### 3. Costs

3.1 Following Full Councils approval to earmark £200,000 from the Trustees proceeds of the TYCC land sale Sport England confirmed their award of grant funding of £454,000. Along with funding from some additional sources provided the project with a total of £730,000 secured funding.

3.2 The project went on to tender the scheme for a contractor. They received five tenders all of which came back a significant amount over the cost plan – the lowest tender was £1,300,000

3.3 The Cost Plan immediately prior to the tender had predicted a total project of £860,000 which equated to a per square metre cost of £1790/sq metre. The level of tenders was examined in detail and can be attributed in part to the following factors;

- Higher than normal overheads due to site location
- Requirement for temporary haul road across the park and fencing to the route
- Provision of temporary public WCs for the duration of the works
- Increased cost of piling (extra depth) following receipt of the soils investigation report
- Steelwork price increases
- Abnormal materials and general labour prices increases
- Exceptionally high cost of the zinc cladding system specified in the tender
- The cost of the green roof (omitted from cost plan) was reintroduced at tender stage
- Mechanical and electrical services were not designed at tender stage. A provisional sum of £80,000 was included however once proposals were received costs rose to £51,000 for mechanical and £57,000 for electrical
- The structural glass balustrade to the terraces was priced at £56,000
- The cost of the specialist electrically operated boat house door came out at £18,000
- The cost of the spiral staircase specified came out at £19,000

3.4 During the tender period it became apparent that Western Power Distribution had high voltage cables running right through the middle of French weir Park under the river and across Long run Meadow. The depth of these cable meant that WPD would not allow a building structure over them.

3.5 This forced the trustees to rethink the design and provided a significant opportunity for value engineering. The current design has been arrived at in close co-operation with Sport England and their technical advisers.

3.6 The new design has been worked up in collaboration with SWH Build who were the lowest tendering contractor for the original scheme. The current cost forecast by the contractor is £840,000 and this represents a specification that the Trustees are happy with and includes all the abnormal costs associated with the location of the site.

3.7

## **4. Project Design**

4.1 The project discovered three major power cables below the proposed build location which for affordability reasons required a redesign of the scheme

4.2 The project have revised the designs (appendix A) to take into account the power cables and value engineer the construction to bring it in line with the available funding. The project have selected a contractor and they have been working with them closely to produce a cost plan that provides realistic cost confidence.

4.3 COACH have ensured that the revised design still has the ability to meet the approved business case and deliver the overall vision of the facility. Sport England have also been consulted on the revised plans which they have endorsed subject to adequate provision for changing rooms fit out.

4.4 A revised planning application has been submitted for decision on the 16<sup>th</sup> March 2015

## **5. Funding**

5.1 The revised plans have been costed by COACH's preferred contractor including a specification for the changing rooms to meet Sport England criteria.

5.2 Sport England have confirmed additional funds of £30,000 taking their total grant funding to £484,000

5.3. The current cost plan is £840,000 based on current market conditions. To enable the project to maintain Sport England standards, the business case objectives cannot be value engineered any further. Therefore the project COACH require an additional £80,000 of funding and are seeking an additional £50,000 from the Council. The Trustees are confident that they will be able to attract match funding got the reminding £30,000

## **6. Link to Corporate Aims**

The Councils Business Plan 2013-14 has a key aim of 'A Vibrant Social, Cultural and Leisure Environment' with a key objective of 'Facilitate and support cultural and leisure opportunities' The Council has already provided significant support for this COACH as the projects vision aligns well with the Councils aims and objectives

## **7. Financial Implications**

Members will be assured that any funds will only be released once the TYCC land sale is full complete and funds transferred to the Council.

## **8. Environmental & Community Safety Implications**

Planning Permission has been granted on the condition the development is carried out in strict accordance with the design details set out in section 4 of the approved Flood Risk Assessment (prepared by Hydrock dated September 2013). The development must also not commence until a strategy to protect and enhance the development of wildlife has been submitted and approved as per the advice of the projects ecological assessment appraisal report of October 2012

## **9. Equalities Impact**

No adverse impacts anticipated, based on facility being open to all as per COACH'S Equality statements and policy attached to the Business Case (Appendix C)

## **10. Risk Management**

10.1 COACH have provided a risk management plan as per attached appendix of business plan (Appendix B)

10.2 Councillors should note that this project is the responsibility of COACH as an organisation and there is no legal responsibility for the Council to underwrite any losses or failure of the project

10.3 Whilst the facility is not a Council asset it will sit on TDBC land. Should the project fail to be sustainable there may be public expectations on the Council to continue to run the facility. The business plan currently evidences a sustainable model.

## **11. Partnership Implications**

Not applicable

## **12. Recommendations**

12.1 Following review of this report Community Scrutiny committee wished for an understanding of the process that will be applied for the allocation of the remaining funds. The intention is that a report detailing a proposal for the process is brought through committee starting with Community Scrutiny for Members input and approval. The proposal being brought to Members will be that that the existing Youth Initiatives Grants Panel is utilised to review projects submitted from the community ensuring that the TYCC trustee's wishes are met. Some projects have already expressed an interest however as with the existing process there will be a period of advertisement to allow opportunity for any suitable projects who do not yet know of the funding to apply. This will only be done once the land sale is fully complete.

12.2 Community Scrutiny also requested an understanding of the TYCC land sale deal which is submitted in Confidential Appendix D

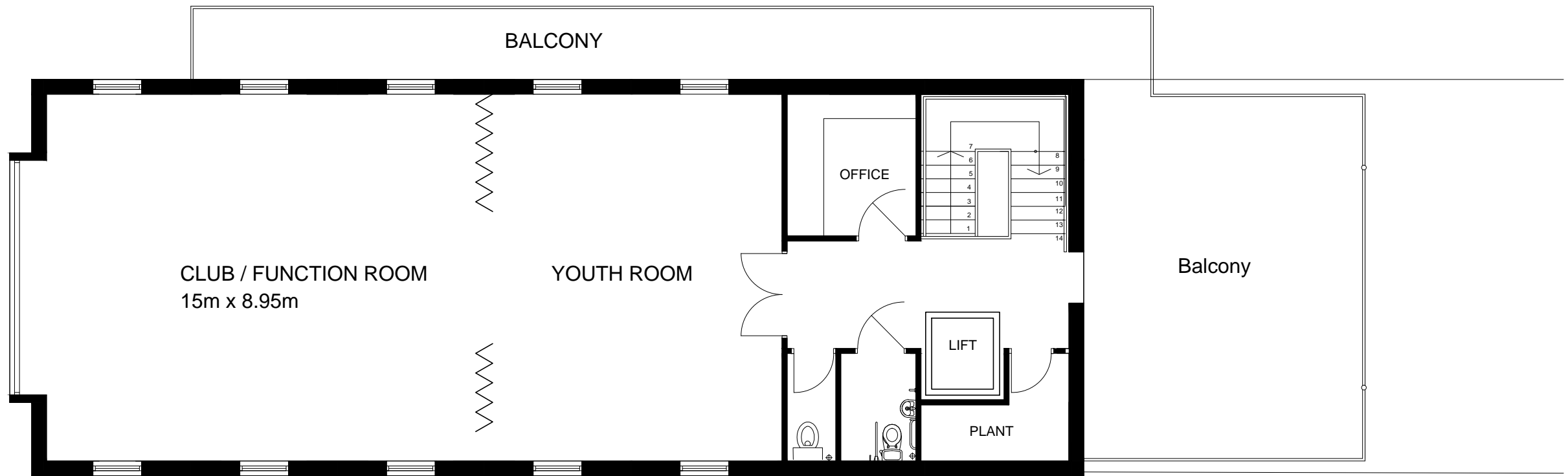
12.3 It is recommended that Full Council endorse the contents of this report and approves an additional proportion of the funds, £50,000 from the TYCC land sale are assigned as funding for the COACH project

**Appendix:**

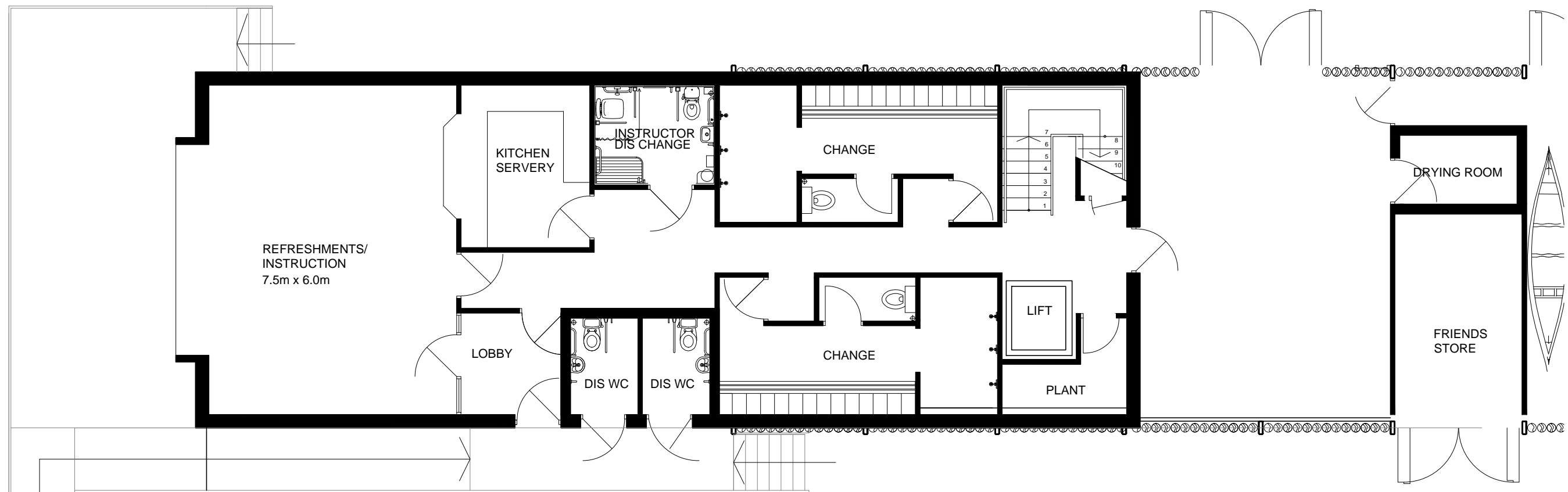
- A Revised Plans
- B Risk Assessment
- C Equalities Impact Assessment
- D Confidential Appendix



# Appendix A



PROPOSED FIRST FLOOR PLAN  
Scale 1:100



PROPOSED GROUND FLOOR PLAN  
Scale 1:100

Architect:



Reed Holland Associates Ltd ©  
Chartered Architects  
Somerset House, Middle St, Taunton  
Somerset, TA1 1SH (01823) 336479

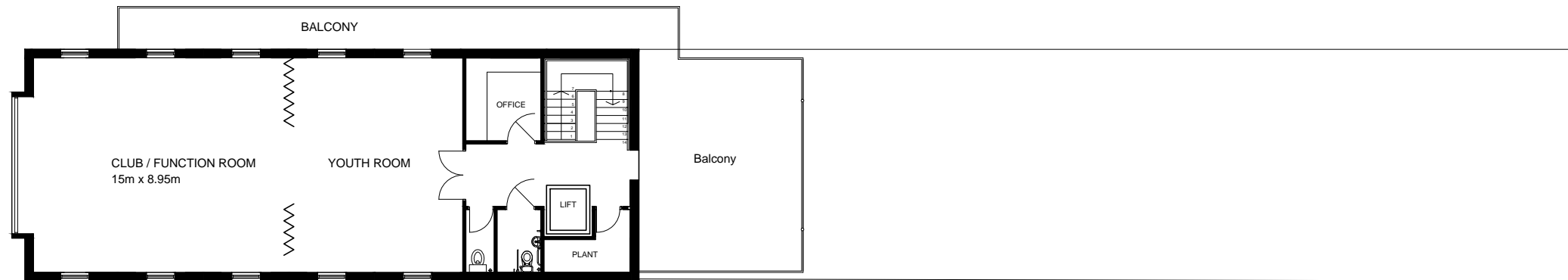
Revision	Description	Date

Applicant  
C.O.A.C.H

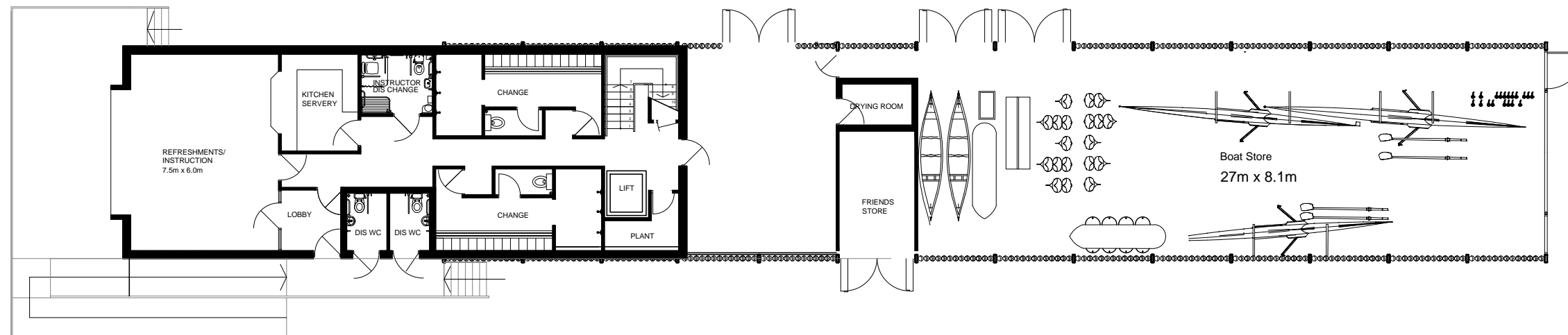
Project:  
Proposed BOATHOUSE and works at French Weir, Taunton

Title: Floor Plan


Drawn by PAB	Checked JS	File 14.53.D
Drawing Number 14-53-FL2		Revision Scale 1:100@A3
		Date AUG201

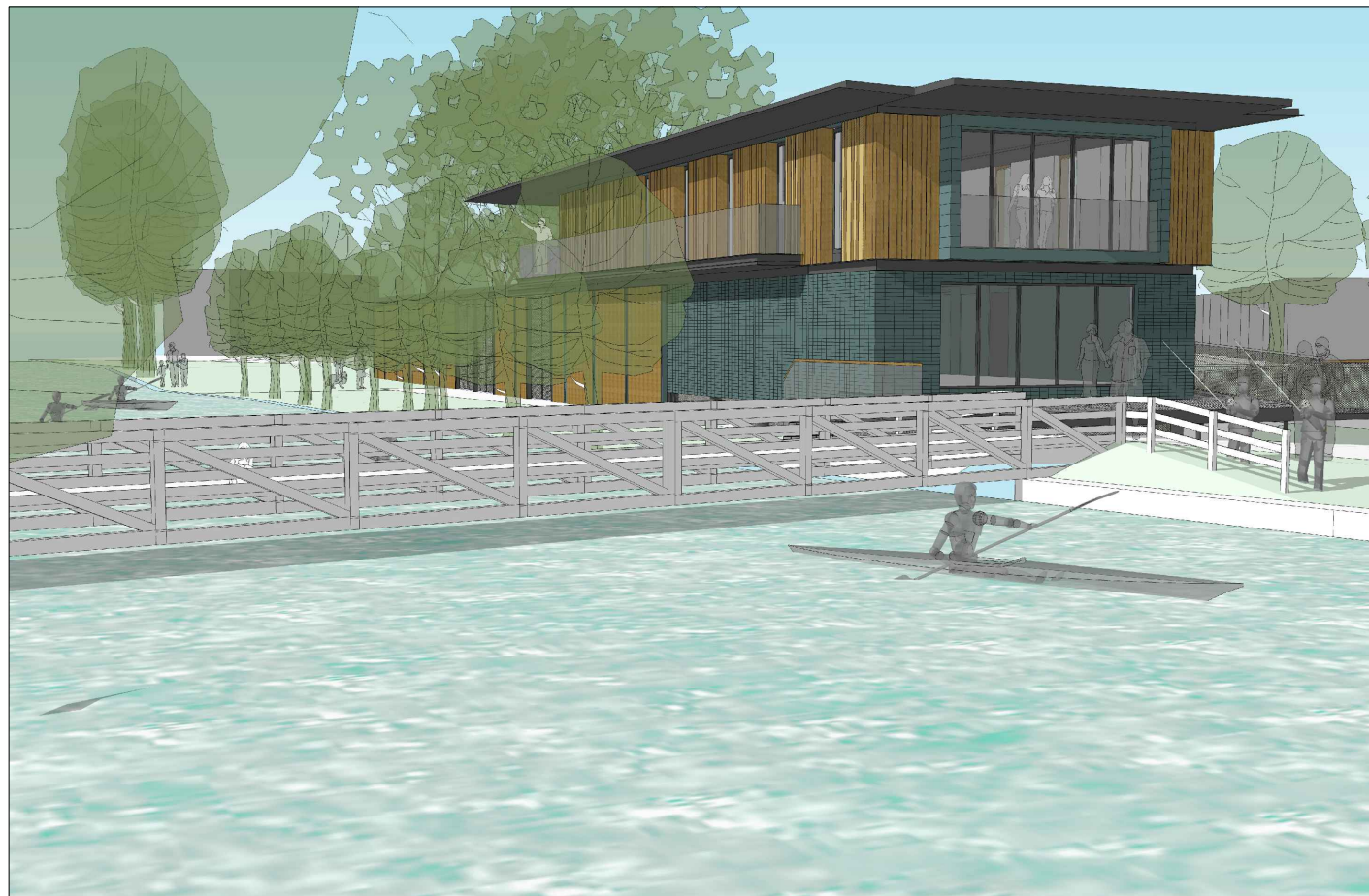


PROPOSED FIRST FLOOR PLAN  
Scale 1:200



PROPOSED GROUND FLOOR PLAN  
Scale 1:200

Architect: <b>RHA</b>  <small>THIS DRAWING IS THE COPYRIGHT OF REED HOLLAND ASSOCIATES LTD AND MUST NOT BE COPIED OR REPRODUCED IN ANY FORM WITHOUT THEIR PERMISSION.</small>	Reed Holland Associates Ltd © Chartered Architects Somerset House, Middle St, Taunton Somerset, TA1 1SH (01823) 336479	Revision	Description	Date	Applicant C.O.A.C.H	Project: Proposed BOATHOUSE and works at French Weir, Taunton	Drawn by PAB	Checked JS	File 14.53.D
Title: Floor Plan							14-53-FL1	Date AUG2014	



Revision	Description	Date

Applicant	C.O.A.C.H
-----------	-----------

Project:	Proposed BOATHOUSE and works at French Weir, Taunton
Title:	Perspectives of Boathouse

Drawn by	Checked	File
PAB	JS	14.53.D
Drawing Number	Revision	Scale
14-53-P1		NTS@A3
		Date
		AUG20



Scale 1:500

Architect:



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 Chartered Architects  
 Somerset House, Middle St, Taunton  
 Somerset, TA1 1SH (01823) 336479

Revision	Description	Date

Applicant	C.O.A.C.H
-----------	-----------

Project:	Proposed BOATHOUSE and works at French Weir, Taunton
Title:	Perspectives of Boathouse

Drawn by	Checked	File
PAB	JS	14.53.D
Drawing Number	Revision	Scale
14-53-P2		NTS@/
		Date
		AUG20

<b>Project name</b>		
<b>Project number</b>		
<b>Risk number</b>	<b>Date logged</b>	<b>Risk</b>
<b>Personnel Risk</b>		
1		Clubs disengaging from COACH and withdrawing their commitment
2		Somerset College ceases to be an active partner,
3		Link with COACH reliant on key club member
4		Success / income generation limited to only a few clubs
<b>Financial Risk</b>		
5		Partner clubs cease to become financially viable, key users not affording affiliation costs
6		Infrastructure costs of COACH underestimated
7		Budget availability / TDBC decision not to support COACH with TYCC funding
8		Project scope creeps / stakeholder changes
9		Cost estimates rise above capital project budget

10		Final account rises above set budget for the scheme.
11		Key User clubs have poor financial management
<b>Environmental Risk</b>		
12		No or inadequate insurance cover due to flood risk
13		Protected species prohibit proposed works.
14		Flash flooding - no early warning signs of flooding
<b>Transport Risk</b>		
15		Parking/drop off becomes an issue for local residents, park users
16		Lack of daytime parking
<b>Political Risk</b>		
17		Support for the COACH project becomes a political matter

18		River Tone regeneration and community health and wellbeing ceases to become Borough Council objectives
<b>Building Risk</b>		
19		Vandalism to site due to isolated location
20		Vandalism to site due to isolated location
21		Failure to secure competent lead PM / Advisor
22		Unforeseen ground conditions
23		Conditions to planning consent not met
24		Exceptionally inclement weather
25		Delay to Building Control sign off
26		Contractor insolvency
27		Problems with essential services supply to new building
28		Contractors fail to perform satisfactorily
<b>Organisational Risk</b>		
30		Insufficient trustees participation to allow the board to be quorate



31		COACH is in breach of its statutory duties as a charity
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	3-4= Medium Risk
	6-9 = High Risk
	Changes highlighted in pink
	Risks mitigated

# Centre for Outdoor Activity & Community Hub

Consequence	Cost impact	Likelihood (3 / 2 / 1)	Consequence (3 / 2 / 1)
COACH not accruing enough user fees to cover the cost of maintenance		1	3
Logistic support could be jeopardised and funding from key user lost.		1	3
Loss of key users will affect COACH not accruing enough money to cover the cost of maintenance		1	3
COACH not accruing enough user fees to cover the cost of maintenance		1	3
COACH not accruing enough user fees to cover the cost of maintenance		1	3
COACH structure / building folds		1	3
Delay to project until further funding secured.		2	3
Potential for cost increase; potential for delay to programme; potential for misalignment with signed-off scheme		2	3
Severe budget short fall as funding finite.		1	3

Cost increased above available budget – may not be able to complete project, damage to reputation of COACH and Borough Council.		2	2
Key user Clubs not raising agreed annual user costs		1	3
Building & equipment not insured, this placing COACH in financial difficulty to replace / repair		1	2
Building works delayed.		1	1
Users being placed at risk of injury		1	3
COACH loses vital local community support.		1	1
COACH and affiliated club membership negatively affected		1	2
Inability to access TYCC funding which would halt project		1	2

Inability to access TYCC funding which would halt project		2	1
Damage to property incurring higher maintenance costs		1	2
Damage to property incurring higher maintenance costs		2	2
Delay/ cost increase / project programme slip		1	3
Delay - Increased project cost		1	3
Delay to works programme and possible cost increase.		1	1
Delays to works to external fabric - potential to delay the scheme/ increased cost		2	2
Delays to scheme completion & opening		1	2
Delays to the works and cost increases		1	3
Increased cost / delay		1	3
Poor quality of workmanship or failure to complete on time		1	2
COACH fails to operate efficiently		1	1

Inability to access future funding; credibility adversely affected; project ends; facility closes		1	1
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## (COACH) Appendix B

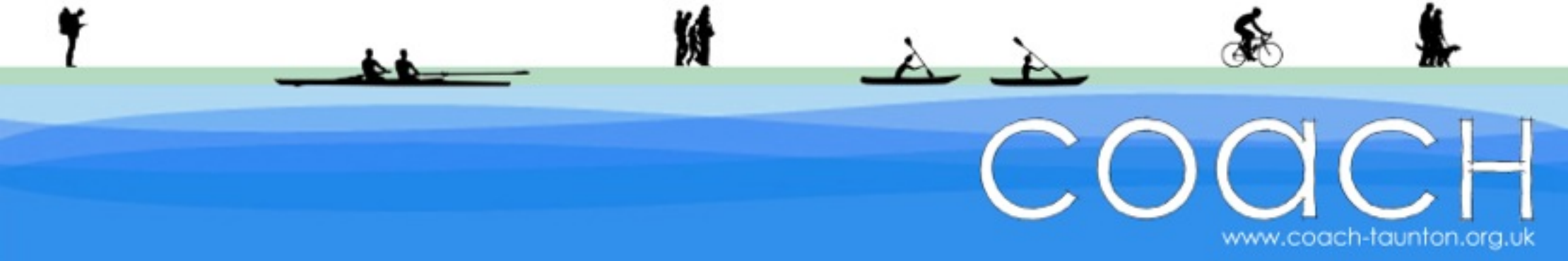
Mitigation	Owner	Risk score	Ratio	Cost impact	Risk Allowance	Risk Status
Ensure that the commitment from clubs/groups is made by committee of the club/group with binding contract for a fixed term, reviewable by either party with sufficient term of notice		3	This is?	Cost of error?	Probability?	Product of RS, Cost, RA??
College Principal is a trustee Actively look for other partners e.g. local schools, charities who may, for public benefit support COACH with resources (including financial). Spread the delegated tasks throughout a network of supporting organisations.		3				
Create formal strategic partnerships with organisations. Individual membership to clubs/organisations and COACH to be managed separately.		3				
Strategic marketing/promotion/links not left to chance but built into business plan.		3				
Baseline case of “no users other than the key regular users” has demonstrated maintenance costs can be met. COACH will implement regular, rigorous reviews of financial and personnel performance as an ongoing procedure to ensure new opportunities are developed, consistent with the vision. Attract other interested in utilising the centre eg school groups, outdoor activity coordinators, statutory bodies eg English Nature		3				
COACH can be maintained by affiliation of 3 key users. Most clubs of this type maintained by 1 user.		3				
Canoe England grant for £50K achieved. Applications in with Sport England and British Rowing. Professional fundraiser researching other sources of funding.		6				
Accurate costs obtained by QS		6				
Accurate costs obtained by QS		3				

Project cost (including contingency) to be fixed as per QS report. Fund raise to fixed limit. Professional fundraiser appointed, fee (to be included in budget) contingent on raising the amount required. Review build structure to ensure modularity of the build be used to assist the build costs. Ensure phasing to allow the project to run in modules?		4				
Key Clubs have managed a good income stream in recession with shrewd financial management to ensure a secure footing Key users to provide regular financial reports (via formal agreements) to the Trustees.		3				
Build design limits flooding damage as ground floor designed to enable flood water to flow in and out without restriction. Similar facilities sited on floodplains throughout the UK have secured adequate insurance cover.		2				
Full environmental surveys completed Works to designated trees to take place Dec 2013		1				
Agree with clubs / EA and implement early warning systems via text etc for members		3				
Transport plan has been commissioned Majority of current members walk or cycle At present, parents of members drop off and pick up later. Information and promotional materials and website will advise users of nearest drop-off and parking opportunities.		1				
Agreements in writing with Somerset College for daytime use by schools; disability access agreed at Tesco; evening and weekend use agreed at Castle School; SCC car parking within 10 minute walk of facility; limited on-road car parking in the locality		2				
Emphasise the community and youth aspect, independent of any political initiative, COACH is a community driven project, independent of political affiliation		2				

Demonstrate community support for COACH eg. via online survey results. Make a clear business case for COACH, independent of any public benefit.		2				
Use of CC tv, Negotiate with Tesco possible extension of their security patrol Involve neighbourhood watch in vigilance on building, with links to PCSO Use of intruder lights/burglar alarms; Acquire adequate insurance cover. Engage local community, particularly the potential vandals via COACH youth club Current experience on the Firepool site would indicate the risk could be low with the perceived risk higher than the reality		2				
Design of building is specific to allow repair without significant cost to COACH with low cost renewables		4	0.44	£0	£0	
Appoint professional project manager to oversee the build, regularly reporting to the trustees. A sufficient contingency will be built into the build costs.		3				
Ground conditions and other essential survey reports obtained		3				
Planning consent obtained with work on few anticipated conditions underway		1				
Project build planned during driest months of year.		4				
Regular project management meetings will provide early warning.		2				
Contractor credentials esp. financial, essential to selection process.		3				
Services already present at building		3				
Contractor credentials esp. financial, essential to selection process. Due diligence in appointing Contractors, overseen by Project Manager, reporting to Trustees		2				
New trustees to be identified and trained; expansion of trustee committee to include parties engaged with COACH; ensure trustees are committed interested parties and seek trustee rep from neighbouring Friends' Groups		1				



<p>Ensure trustees share the COACH values and mission; ensure trustees are supported, trained when necessary understand their statutory responsibilities. An Officer is appointed to the Board with specific expertise with regard to Charity Compliance, called a Compliance Officer?</p>		1				



## Centre for Outdoor Activities & Community Hub (COACH) - Equality Impact Assessment

<b>Responsible person</b>		
<b>Why are you completing the Equality Impact Assessment? (Please mark as appropriate)</b>	<i>Introduction of Equality Statement and Equal Opportunities &amp; Diversity Policy relating to The Centre for Outdoor Activities and Community Hub, Taunton (COACH)</i>	
<b>What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)</b>	<i>COACH Equality Statement and COACH Equal Opportunities &amp; Diversity Policy</i>	
<b>Section One - Scope of the assessment</b>		
<b>What are the main purposes/ aims of the policy?</b>	<i>To ensure all parties working for or with, accessing or seeking to access COACH are treated equally in accordance with The Equality Act 2010.</i>	
<b>Which protected groups are targeted by the policy?</b>	<i>All ages, disabled, gender reassignment, people married or in civil partnerships, pregnant and maternity, race, religion or belief, sex and sexual orientation</i>	

<p>What evidence has been used in the assessment - data, engagement undertaken - please list each source that has been used</p> <p>The information can be found on....</p>	<p><i>Assessment of current activities/clubs forming the basis of COACH.</i>  <i>Market research: Survey Monkey</i></p>
<p><b>Section two - Conclusion drawn</b> about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality</p>	
<p><i>The following statement is true for all protected groups:</i></p> <p><i>The COACH trustees are fully committed to the principles of equality of opportunity and are responsible for ensuring that no job applicants, employees, workers, office holders, volunteers, participants or members are unlawfully discriminated against.</i></p> <p><i>The COACH trustees endeavour to ensure that all stakeholders are given the same opportunities regardless of their socio-economic background and will encourage partner organisations, including member clubs, affiliated associations, suppliers, sponsors and customers, to adopt and demonstrate their commitment to the principles and practice of equality as set out in its Equality and Diversity Policy.</i></p> <p><i>The COACH trustees will monitor and review the policy's effectiveness and deal with any challenges or complaints as a priority in accordance with legislation.</i></p>	
<p><b>I have concluded that:</b></p> <p style="padding-left: 40px;"><i>Continue with the policy - monitor and review annually or more frequently as required.</i></p>	
<p>Reasons and documentation to support conclusions  <i>Statement and Policy agreed by trustees and newly implemented to coincide with confirmation of Charitable Trust status.</i></p>	
<p><b>Section four - Implementation</b> - timescale for implementation</p>	

*Adoption of Equality Statement and Equal Opportunities and Diversity Policy - November 2013*

**Section Five - Sign off**

**Section six - Publication and monitoring**

*Equality Statement and Equal Opportunities and Diversity Policy to be available for download on the website [www.coach-taunton.org.uk](http://www.coach-taunton.org.uk)*

Next review date:  
*Nov 2014 or before if necessary*

Date

**Action Planning**

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

Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions	

# Taunton Deane Borough Council

## Full Council – 31 March 2015

### Southwest One Succession Planning

#### Report of the Assistant Director Corporate Services, Richard Sealy

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

#### 1. Executive Summary

The Southwest One (SWO) contract is a ten year contract, which will expire on 1st November 2017.

In advance of the expiry date, the Council needs to assess its options in relation to its future aspirations, manage stakeholder expectations and decide how it intends to deliver the services post SWO. The Council also needs to decide its future technology requirements and specifically whether the SAP system continues to meet these needs.

This report provides details of the work involved in SWO succession planning and recommends that officers undertake a detailed options review for consideration by Members in September 2015.

Members are requested to note the position with regard to the expiry of the SWO contract and approve a budget to enable officers to undertake the necessary work in recommending future options in delivering the SWO services and its position on SAP.

#### 2. Introduction

2.1 The Southwest One (SWO) contract is a ten year contract, for the delivery of transformation and support services which expires on 1st November 2017.

2.2 This milestone means that we need to make decisions in the near future in regard to the future service delivery and ICT system arrangements for the SWO services post November 2017. The significantly changed financial position of the Council, our MTFP and service transformation challenges, together with the decreased scope of the SWO contract indicate that we need to undertake a fundamental strategic review of future service delivery options to inform decisions about future service delivery. In addition we also need to consider these options in the light of the direction of travel of the various SWO partners.

- 2.3 When TDBC entered the SWO contract in 2007 it was prior to the financial markets collapse and government spending austerity measures. Whilst savings were still required these were in the order of 2.5%, as per Gershon targets, rather than the 40% funding reductions we are now seeing as a result of the global financial crisis and resulting contraction in public spending. This has fundamentally changed the landscape of local government and consequently our approach to and requirements from service delivery and in particular the support services provided by Southwest One.
- 2.4 TDBC's MTFP shows a significant future budget gap. The implementation of the Joint Management and Shared Service (JMASS) project with West Somerset Council and consequent staff reorganisation has made a significant impact, but there is more to do. We now need to implement a major Transformation Programme in order to achieve financial sustainability. Viewed against this backdrop the annual savings on the SWO contract (2.5%) are now out of alignment with our new financial circumstances and savings requirements.
- 2.5 The direction of travel and key objectives of the original partners has also altered. The Avon and Somerset Police (ASP) have recently announced they are exploring the feasibility of a potential strategic alliance with the Wiltshire Police Force including back office functions. TDBC have entered into a Joint Management arrangement with West Somerset. Somerset County Council (SCC) are creating Alternative Service Delivery units for significant elements of their workforce. SWO has not attracted new partner authorities to the extent originally envisaged and has not grown as a business. The private sector partner, IBM, has in recent years disposed of much of the non-ICT element of its business and appears to be now focussing globally on its core ICT business.
- 2.6 The needs of our community have also changed. The public interacts with Local Government differently, transacting electronically to a far greater extent than could reasonably been envisaged in 2007. Computer data centres are being replaced by Cloud solutions and mobile technologies have become the norm in many business environments. ICT and improved access to electronic service delivery will be key components in supporting the delivery of our Transformation Programme. Services such as Customer Contact and ICT will be critical in helping us to deliver significant service transformation for the Council in the coming few years. Consequently it is vitally important that we have the right future delivery arrangements in place for these services that are affordable and meet our Council's ambitions.
- 2.7 We also need to take into account current recommended best practice in relation to the future procurement of services. Whilst central government once heralded large scale, multi agency and multi service partnerships with the private sector as the future their advice now appears to be changing. The recently published Government ICT Strategy includes a set

of commercial principles that should inform technology procurement in the future. These include sustained competition, disaggregated services, small short contracts, transparency and diverse supply. ICT is the highest value service still provided via SWO and these principles also seem sensible and relevant for the remaining SWO services.

- 2.8 In planning the succession of SWO, the lessons, current circumstances and future direction of the Council needs to be considered.

### **3. SWO Contract Background**

- 3.1 Taunton Deane Borough Council (TDBC) entered into a 10 year transformation and support services contract with Southwest One (SWO) in 2007. Two other public sector bodies, Avon and Somerset Police (ASP) and Somerset County Council (SCC) also entered into contracts with SWO.

- 3.2 SWO is a company, governed by the terms of a Joint Venture Agreement, of which IBM is the majority shareholder. IBM provides financing under this Agreement. Each of the public authorities nominates a director who sits on the SWO Board. The authorities as shareholders maintain a veto on certain 'reserved matters'.

- 3.2 The objectives of SWO in 2007, were agreed by the partners as follows:

- To improve access to and delivery of customer-facing services
- To modernise, reduce cost and improve corporate, transactional and support services
- To help modernise and transform the overall workings of Taunton Deane Borough Council and the County Council
- To invest in new world class technologies to improve productivity
- To create an excellent working environment and a more sustainable employment future for staff
- To generate economic development by attracting a partner willing to invest in Somerset

- 3.3 SWO provides vital operational support services to TDBC and the other public authorities. These services and any associated financial liabilities are subject to a Parent Company Guarantee between IBM and each of the public authorities, which effectively protects service delivery in the event of SWO failing.

- 3.4 Originally in 2007 TDBC put eleven services into SWO. In recent years a number of whole and part services have been taken back in-house. Since 1st February 2014 the following are the only TDBC services which remain delivered by SWO:

- Customer Services
- ICT (excluding ICT Strategy)

- Finance Transactional Services
  - Accounts Payable
  - Accounts Receivable
  - Master Data for SAP
  - Cashiers and Control Team
- HR Admin & Payroll
- Procurement

The full list of original and current services is detailed at Appendix A.

- 3.5 These remaining services are largely structured as genuinely shared services with at least one of the other authorities (e.g. Customer Services between SCC/TDBC; and Procurement between TDBC/ASP).
- 3.6 The annual contract price (the Unitary Charge), which we pay SWO for providing the remaining services is approximately £1.6m pa. This has reduced by approximately two thirds from 2007 levels, mainly as a result of the services we have taken back in-house.
- 3.7 The services are delivered by a mix of staff comprising: SWO employees (also known as Direct Hires); temporary agency staff; IBM staff and local authority staff who were seconded into SWO in 2007 for the full ten years. Their Secondment Agreement provides for “assured employment” for the contract term.
- 3.8 The contract has two distinct elements both of which are intended to provide financial benefits. The first relates to the Operational Services for which TDBC achieves an annual reduction (2.5%, but which is subject to inflationary uplift) in the Unitary Charge payments to SWO. The second are the Transformation projects, including Procurement, designed to generate additional benefits and savings over the term of the contract. The original target for procurement savings was £10m, but SWO have revised this to circa £5m. In practice only circa £3m savings have been identified to date.
- 3.9 In addition the contract contains provisions for continuous improvement in service delivery, although in practice this getting harder to measure and enforce.

#### **4. Contract End Exit Provisions**

- 4.1 The SWO contract ends on 1 November 2017, with the authorities contractually required to notify SWO of their intentions at least 18 months in advance by May 2016. (NB. The contract does contain provisions that allow for a contract extension for a further five years).
- 4.2 SWO is obligated to produce an Exit Management Plan to ensure the smooth transfer of the staff and transition of service delivery at contract end, in the event that the option to extend is not exercised.



4.3 Due to the scale of the task and complexity of issues to resolve, we have already started planning with the partners, including SWO, by identifying the exit actions which in summary are:

- Contracted Exit Requirements
- Staffing Implications
- Premises & Accommodation
- Asset & third Party Contract Transfers
- Communications
- Logistics, Technical Infrastructure and System Security & Access
- Intellectual Property & Authority Data
- Work in Progress Transfer
- Service Transition & Knowledge Transfer
- Company Dissolution

4.4 Preparing for and implementing contract end and potentially exit from SWO will require a significant amount of time and effort from the authorities due to the volume of work required, some of which is contractual and cannot be avoided. Contract end will require robust project governance and the appointment of an authority exit management team including work-streams around: exit management, HR, legal/contract representation, commercial, project management, communications, finance, technology and procurement. The resource requirement will be similar whichever future delivery option is selected.

4.5 We have analysed the contract terms and detailed the requirements and issues faced at contract expiry. We have had this work independently reviewed and verified by external specialist contract advisors in order to assist us in identifying and understanding all the contractual exit provisions.

## **5. Contract End Planning and Service Delivery Options**

5.1 The implementation of contract end needs to take place in three broad phases which are outlined below:

### **Phase 1 – Detailed Options Appraisal**

The purpose of this phase is to undertake a detailed appraisal of the various options for future service delivery and to understand in detail the costs and implications of these options. The output will be a detailed and costed options appraisal which make recommendations to Members. In summary this phase will cover the following areas:

- Project commencement, resource assignment & agreement of deliverables
- Stakeholder engagement & communications including staff & partners
- Detailed appraisal of the future service delivery options
- Costed Business Case and recommendations
- Understanding the staffing implications, risks & HR advice

- Contractual implications & legal advice
- Financial implications
- Exploratory negotiations with SWO and discussions with the public partners
- Detailed review to identify the options and costs for potential replacement systems for the SAP system

### **Phase 2 – Implementation of Chosen Option**

This phase will involve the completion of commercial negotiations with SWO and agreement with the public partners to implement the option(s) agreed by Members. This phase will complete with the transfer of staff and services to any agreed new service delivery option. In summary it will cover the following areas:

- Post Member decision
- Project Implementation
- SWO formal engagement & negotiation/commercial discussions
- Service transfer including IT infrastructure, systems, data
- Staff transfer
- Contractual changes

### **Phase 3 – Service Stabilisation**

Phase 3 recognises that, following any transfer of service delivery, there will need to be a service stabilisation period to allow services to 'bed in' to any new arrangements. Any SAP replacement to be reviewed and issues resolved; and staff induction and training undertaken.

5.2 There are a number of service delivery options available on expiry of the SWO contract, for example:

- Continuing SWO – various options
- Outsource
- Shared Services
- In House
- Alternative Delivery Models

5.3 Each of these options needs to be evaluated in detail so that we can understand their respective advantages, disadvantages, costs, deliverability and how they fit with our transformation objectives. The intention is to undertake this assessment over the next few months and bring back a detailed options report with recommendations to Members in the autumn for a decision.

5.4 Although November 2017 seems distant it is important that the planning commences now and that decisions around service provision are made this year, in order that all service delivery options remain open.

## **6. SAP ICT System**

- 6.1 The SAP system was implemented by SWO in 2009 and is the Council's main platform for the delivery of its back office functions. The provision of SAP across the partnership is also key to SWO's ability to deliver shared services to all of the partners and to large organisations such as ASP and SCC.
- 6.2 The SAP system comprises two main elements – SAP Back Office and SAP CRM (Customer Relationship Management). In addition our website is linked to the SAP CRM module.
- 6.2 SWO use the SAP technology platform to provide the following services to the partner organisations:

<b>Service</b>	<b>ASP</b>	<b>SCC</b>	<b>SWO</b>	<b>TDBC</b>
Human Resource Management	Y	Y	Y	Y
Payroll	Y	Y	Y	Y
General Ledger	Y	Y	Y	Y
Finance	Y	Y	Y	Y
Procurement	Y	Y	Y	Y
Customer Relationship Management	N	Y	N	Y
Citizen Portal (Web Site)	N	N	N	Y

- 6.3 We have recently reviewed the SAP system to evaluate whether it continues to be the right ICT platform to support TDBC's emerging strategic agenda. This review has been independently verified.
- 6.4 The review identified a number of key themes that suggest SAP is no longer the right platform for delivery of TDBC services. These are:
- SAP platform support is costly, complex, resource intensive and not responsive to TDBC requirements
  - It is a barrier to sharing services with other district councils
  - It does not support the customer access agenda in respect of channel shift as the SAP Citizen Portal (website) is inadequate
  - The system is overly complex and users find the processes inefficient
- 6.5 In view of these findings the Council needs to assess its technology options in respect of SAP, cost potential replacement systems and the impact on the SWO contract and its partners. This work informs the contract end options and consequently needs to be undertaken in conjunction with the review of those options.

## **7. Financial Implications**

### Contract Value

7.1 The value of the SWO contract is reducing significantly. On inception, TDBC were paying an annual Unitary Charge (UC) of just over £5m for the original services. As a result of contract revisions and the transfer back of various services (Revenues and Benefits, ICT Strategy, H&S, Property, Facilities Management, HR Advisory and Finance Advisory) the UC has reduced to £1.6m and provides the following services:

- ICT
- Customer Services
- Finance Transactional including Cashiers and Accounts Payable & Receivable
- HR Admin & Payroll
- Procurement

7.2 The Phase 1 report will provide details of the estimated costs for future service delivery for the various services delivery options and services. Undertaking this modelling is likely to require significant resource.

Exit Costs

7.3 At contract expiry, the costs of exiting from SWO are likely to be significant. In addition to the ongoing service delivery costs there are a number of one-off exit costs. Any disaggregation from the shared service model will be complex and resource intensive and will also be challenging for SWO as it attempts to satisfy the requirements of three partners whilst protecting and maximising its own financial position.

Funding Requirements for Phase 1

7.4 The work required to plan for and implement succession planning is significant and needs to be managed as a separate project from phase 1 onwards. This project cannot be delivered from existing resources. Set out below is the additional resource and funding required for phase 1:

Project Management and specialist commercial support: report production, contractual exit arrangements, future service delivery options and business case
Specialist external legal advice: staffing implications, commercial legal advice on exit issues
HR support: managing communications with UNISON & staff, identifying staffing implications, agreeing the approach to staffing issues
Finance support: detailed financial modelling of potential future options
SAP system replacement: project manager to lead identification &

evaluation of potential replacement options
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- 7.5 An element of this additional resource can be funded from an existing reserve. However, an additional £47k will be required from the General Fund Reserve.

## **8. Staffing Implications**

- 8.1 There are currently just under 50 TDBC secondees still in SWO.
- 8.2 The staffing implications of all the options will need to be assessed. Any exit from the SWO contract and the shared service arrangement will need to reallocate staff between the authorities, which will be complex.
- 8.3 The Authority will need to seek legal advice in respect of the application of TUPE and the Staffing Agreement for staff transfers at contract end and agree a protocol with all the partners.
- 8.4 There will be the usual legal requirement to consult with staff and UNISON at the appropriate times. Unison have been consulted in respect of this report.

## **9. Finance Comments**

- 9.1 The identification of the most suitable service delivery option post the SWO contract is a critical and significant project which will have significant implications for the delivery of the Council's transformation objectives and future financial sustainability. Consequently it is essential that we invest resource and additional funding into this project now.
- 9.2 The requested allocation of £47k from General Reserves is affordable with the residual reserves balance remaining comfortably above the minimum recommended. The current reserves balance is £1,782,000 (rounded) not including this supplementary budget request or any under/overspend in 2014/15. The Q3 forecast underspend is £102,000, and the final variance to budget at year end would increase/decrease available reserves accordingly.

## **10. Legal Comments**

- 10.1 The SWO contract is one of the Council's largest and most complex contracts. Planning for contract end will require legal support under a number of headings, including (i) employment (ii) contract (iii) corporate and procedural, and there will be a requirement for specialist legal support in some if not all of these areas.

## **11. Links to Corporate Aims**

11.1 SWO provides support services to the Council which assist services in the delivery of corporate aims and objectives. In addition a number of the services currently provided by SWO will be key to supporting the delivery of the Council's Transformation Programme.

## **12. Environmental Implications**

12.1 There are no environmental implications

## **13. Community Safety Implications**

13.1 There are no community safety implications.

## **14. Equalities Impact**

14.1 Equalities have been considered and no specific impacts have been identified at this stage. However, detailed equalities impact assessments will be undertaken, as relevant, where further reports are brought to members.

## **15. Risk Management.**

15.1 SWO end of contract planning is already recognised as being a key corporate risk. A detailed risk analysis will be undertaken as part of Phase 1 and a project risk register will be created and monitored.

## **16. Partnership Implications**

16.1 Succession Planning has an impact on all the SWO partners and officers with consult with them at the appropriate times.

## **17. Recommendations**

17.1 Full Council is asked to consider the report and support the recommendations which are set out below:-

i) To note the position with regard to the expiry of the SWO contract, system replacement challenges, and work needed to prepare TDBC for contract end; and

ii) To approve a supplementary budget of £47,000, funded from General Fund Reserves, to enable officers to undertake the necessary work in Phase 1 to produce a detailed options appraisal and recommendations for decision"

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	E-mail address	<a href="mailto:r.sealy@tauntondeane.gov.uk">r.sealy@tauntondeane.gov.uk</a>

APPENDICES:

- A. List of Services

**Appendix A****List of Services**

<b>Service</b>	<b>Returned</b>
Benefits	April 2013
Revenues	April 2013
ICT Strategy	April 2013
Health & Safety (HR)	July 2013
Corporate Administration	Feb 2014
Design & Print	Feb 2014
Facilities Management	Feb 2014
Finance Advisory	Feb 2014
HR Advisory	Feb 2014
Property Services	Feb 2014
Customer Services	Remains within SWO
Finance Transactional ○ Accounts Payable ○ Accounts Receivable ○ Master Data for SAP ○ Cashiers and Control Team	Remains within SWO
HR ○ Admin & Payroll	Remains within SWO
ICT ○ Support and Development	Remains within SWO
Procurement	Remains within SWO



# Taunton Deane Borough Council

## Full Council – 31 March 2015

### NEW NUCLEAR PROGRAMME MANAGER – UPGRADE OF POST TO ASSISTANT DIRECTOR

#### Report of the Director - Growth

(This matter is the responsibility of The Leader of the Council – Cllr John Williams)

#### 1. Executive Summary

The purpose of this report is to recommend that Taunton Deane Borough Council, as employing authority within the joint management and shared service arrangement with West Somerset Council, approves a proposal to upgrade the post of New Nuclear Programme Manager to that of an Assistant Director.

West Somerset Council approved the proposal on 18 March 2015. This approval was set in the context of the latest position on the Hinkley Point C project and related staff resources. This position is summarised in the appended background paper.

Although the new Assistant Director post will serve on the Joint Management Team of the two authorities, it will have no financial impact on Taunton Deane Borough Council, being wholly funded by West Somerset Council through financial contributions from EDF Energy.

#### 2. Background

- 2.1 The post of New Nuclear Programme Manager (NNPM) was created at the request of West Somerset Council, when the new shared service structure for Taunton Deane and West Somerset was established in January 2014. This reflected the continuing importance attached by West Somerset Council to its corporate priority of securing maximum benefit and lasting legacy from the new nuclear development at Hinkley Point.
- 2.2 With the current arrangement having now run for over a year, members are advised that a number of key developments which, collectively, raise the need to review the NNPM post and its remuneration within the joint management

structure of West Somerset and Taunton Deane Borough Councils. Key developments have included:

- The NNPM post joining the Management Team of the two councils. This reflects the corporate importance attached to the role and the need for 'whole authority' awareness and response to the opportunities and issues related to the nuclear new build programme.
- The post becoming increasingly the first point of contact with Government and the Local Enterprise Partnership for all matters relating to new nuclear programme.
- The larger team that the NNPM post will now be responsible for, as summarised in the appended background paper.

2.3 West Somerset Council approved the proposal (on 18 March 2015) that the NNPM post be upgraded and renamed as **Assistant Director – Energy Infrastructure**, with effect from 1 April 2015. The title of the proposed Assistant Director post is designed to encompass the primary role of the new nuclear programme, as well as wider energy infrastructure projects such as the National Grid Connection Project and potential tidal lagoon power in the Bristol Channel.

2.4 A staffing structure reflecting the above is appended to this report.

2.5 The Assistant Director – Energy Infrastructure will be remunerated on the same basis as other Assistant Director posts. The financial implications of this are outlined in the next section.

### **3. Finance Comments**

3.1 The proposed post will be 100% funded by West Somerset Council, through its financial contributions from EDF Energy.

Further finance comments are provided in the appended background paper. The financial implications of the proposed upgrade are built in to the financial information provided in the background paper.

### **4. Legal Comments**

4.1 The various legal implications and decisions required to ensure legal compliance are set out in the appended background report.

### **5. Links to Corporate Aims**

5.1 This proposal makes an important contribution to the Council's priority for

economic development and growth. As a wholly West Somerset Council funded post (via contributions from EDF Energy), members are also advised that the post plays a critical role in advancing West Somerset Council's priority to secure maximum economic benefit and lasting legacy from the Hinkley Point C New Build project.

## **6. Environmental and Community Safety Implications**

- 6.1 A number of the schedules within the Hinkley Point C section 106 agreement deal with the various environmental impact implications of the proposed development. The contributions themselves are part of a comprehensive range of measures set out in the Environmental Statement which accompanied the Development Consent Order application.
- 6.2 Members will note the considerable support to the community safety area (both internally and with other emergency services and partner Councils) which will ensure that any crime and disorder implications of the Site Preparation Works application are minimised.

## **7. Equalities Impact**

- 7.1 A comprehensive Equalities Impact Assessment has been carried out on this proposal. Details are referred to in the appended papers.

## **8. Risk Management**

- 8.1 A risk assessment has been carried out and is referred to in the appended background paper.

## **9. Partnership Implications**

- 9.1 The Hinkley Point project has a wide range of collaborative partnerships that operate within different work streams and are attended by West Somerset Council, Sedgemoor District Council, Somerset County Council, EDF Energy and other partners as appropriate. The proposed post and supporting team is intended to service these partnerships and enable West Somerset Council to continue to influence and participate in joint working and decision making.

## **10. Recommendation**

- 10.1 Full Council is **recommended** to approve the proposal to upgrade the post of New Nuclear Programme Manager to that of Assistant Director – Energy Infrastructure, with effect from 1 April 2015.

**Appendices:**

- A Reporting arrangements for Assistant Director – Energy Infrastructure
- B Background Paper on New Nuclear Programme Team
- C Structure of New Nuclear Programme Team
- D Equalities Impact Assessment

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# Growth & Development



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Business  
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Ian Timms



**AD -  
Energy &  
Infrastructure**  
Andrew Goodchild





## Appendix B

# West Somerset and Taunton Deane Joint Management and Shared Services Project

## Background Paper (For Information)

### Management and Shared Services Structure for the New Nuclear Programme Team

#### Executive Summary

This report outlines proposals for the structure for the complete New Nuclear Programme Team which is being developed independent of the JMASS Project, as the structure is funded solely from staff payments secured by the Hinkley Point C Section 106 agreements – payable to West Somerset Council. West Somerset Council's Full Council on 18<sup>th</sup> March 2015 approved the allocation of Section 106 agreement income to create the financial envelope to deliver the New Nuclear Programme Team.

The report proposes a new structure for the Hinkley Point funded posts which have historically been 'dispersed' within the existing WSC structures. None of the posts set out in this report, other than the New Nuclear Programme Manager which is part of the Joint Management Team, feature in any other Joint Management and Shared Services Structure.

As the structure set out in this report is funded solely from the Hinkley Point C Section 106 agreements, rather than deliver savings to the Councils, the main objective is to demonstrate that the New Nuclear Programme Team is self-financing and does not rely on financial support from the either WSC or TDBC General Fund Reserve or their respective budget positions. The proposed structure achieves this and, as agreed with EDF Energy, a review of funding position and workload will be undertaken in April 2017 when approximately £1.6m of income from the Section 106 agreements will remain.

Due to the profile of activity which is anticipated now, rather than that predicted at the time when the Section 106 agreements were negotiated, some changes to the structure and focus of roles as they existed historically are proposed. EDF Energy have agreed to this change in approach which reflects the needs of the project at this time. Importantly the obligations placed on West Somerset Council within the Section 106 agreements can all be met by the proposed structure.

As employing authority within the joint management and shared service arrangement, TDBC members are advised that the posts identified within this report will be added to the 'One Team' staffing structure.

## **1. The New Nuclear Project Team Staffing Structure**

### **1.1. Overview**

The structure is intended to deliver West Somerset Council's obligations set out in the Hinkley Point C Section 106 agreements while delivering the New Nuclear related Corporate Objectives set out within WSC's Corporate Plan and the tasks within the New Nuclear Programme Team's Service Plan.

The structure has been designed to ensure that an appropriate balance is struck between maximising the opportunities for local people and businesses, protecting key industries including tourism, supporting affected communities, discharging planning functions and ensuring that local people continue to have access to housing whilst the construction of Hinkley Point C takes place.

The structure will see 12 FTE's / 13 Posts (including the New Nuclear Programme Manager) funded until at least April 2017 when a review with EDF Energy will be undertaken to assess remaining finances and the workload remaining. The majority of the posts, subject to the review, will be funded until the financial year 2019/20.

### **1.1 Affordability**

Indicatively, the total income from the Section 106 agreements totals £2,812,572 while predicted expenditure without the review with EDF Energy would be £2,782,842. The review with EDF Energy will take place while £1,600,000 remains. Members will note that any unspent monies would have to be returned to EDF Energy in accordance with the Section 106 agreements so it is appropriate for predicted expenditure to closely match predicted income. Members will recall that the Council is obliged to spend this money only on employing staff in accordance with the Section 106 agreement and cannot use the money for any other purpose.

The income sums are not fixed as they are affected by Indexation which is applied as and when payments are due to be made, a precautionary approach has been taken to calculate predicted income.

Predicted expenditure has been calculated anticipating salary payments, national insurance and pension contributions. Anticipated wages increases and redundancy costs have also been built into ensure that the New Nuclear Programme Team is not reliant on the General Fund at any stage. Finally mileage costs have been factored in and an appropriate contribution towards the corporate core (running costs) of the Council and central services (such as IT and HR) has also been built in.

The Council's Leadership Team (JMT) has considered two issues which would affect affordability. Firstly in the area of customer services. Whilst the legal agreement does provide a contribution towards a customer services post, in reality this is unlikely to be area that experiences pressure and it would be very difficult to separate out contacts that were made purely as a result of the Hinkley Point C development. Overall, it was agreed by the Leadership Team that an additional customer services post is not required. In response to consultation, a one-off contribution will be made to the customer services team to assist with creating capacity.

In a similar light, there will be occasional instances when support to register planning submissions will be needed. This area is one where the delay in the project has provided some benefits as the workload has been spread out and it is anticipated that occasional support from the Growth and Development Business Support team could be provided without the need to create a specific post in that area.

## **1.2 Constraints**

The Site Preparation Works Section 106 agreement stipulates that West Somerset Council will use reasonable endeavours to determine applications to discharge planning conditions within 5 weeks of details being submitted. Whilst the majority of the conditions on the planning permission have been discharged some remain and this obligation still applies.

In a similar light, the Development Consent Order provides that the determination time for Minor requirements will be no more than 5 weeks and the determination time for Major requirements will be no more than 8 weeks. The proposed structure includes both a Planning Officer and a Planning Lead to ensure that these targets are met.

The Section 106 agreements also place requirements on the Council to report a wide range of information to various decision making meetings with EDF Energy and the other Councils involved in the project. In addition an obligation requiring the Council to submit both periodic and annual financial reports detailing what has been spent and what remains of the contributions that have been paid.

## **1.3 Overall Programme Management**

The New Nuclear Programme Manager role was incorporated into the Joint Management Team structure as part of the JMASS project. Reporting to the Joint Chief Executive and working alongside the Director of Growth and Development as part of the Growth and Development Management Team, the New Nuclear Programme Manager is part of the Leadership Team (JMT) for both Councils and remains the key point of contact with senior personnel at EDF Energy and other Councils.

Functions and staffing arrangements of the wider programme team are set out below, for information only. TDBC members are advised that recruitment to all posts detailed below is now under way.

## **1.4 Planning Service**

The Hinkley Point C project remains grounded within the planning process, the power station received Development Consent in March 2013 which followed the grant of planning permission for Site Preparation Works in 2012. The development remains subject to the consideration of a wide range of Requirements (planning conditions) which have yet to be considered and there will undoubtedly be the need to consider on a regular basis proposals for relatively minor changes to aspects of the project and planning expertise will be needed to assess and agree the best way of handling those changes.

As the project develops and more communities are affected there will be an increasing need for monitoring to take place to ensure that the development continues to accord with the approved plans and strategies. The level of explanation and interpretation required to explain aspects of the project to the community should not be underestimated and this will largely fall on the planning service.

2 FTEs will be created, namely a Planning Lead role and a Planning Officer role. The Planning Lead will line manage the Planning Officer, the EHO and the CIM Fund Manager.

## **1.5 Environmental Health Service**



As activity on the Main Site at Hinkley Point continues to increase environmental monitoring and liaison between EDF Energy and the local communities will become more important. A focus for this role will be to ensure that best practice continues to be employed on the Main Site to minimise light, noise and dust impacts.

Since 2012 the existing Environmental Health team has absorbed the work associated with Hinkley Point and an Environmental Health Officer has been paid an honorarium to acknowledge the increased workload associated with supporting this unique development. The Environmental Health Team as part of One Team does not have capacity within existing resources to take on the increased activity that is required in this key area.

A new part time 0.6 FTE EHO post will be created within the NNPT which will be dedicated to the Hinkley Point project.

## **1.6 Community Safety Service**

In a similar context as activity on the Hinkley Point project builds there will be an increasing need to work closely with other agencies on community safety and cohesion initiatives. The community safety team as part of the One Team does not have capacity within existing resources to take on the increased activity that is required in this area.

A new part time 0.4 FTE Community Safety Officer post will be created within the NNPT which will be dedicated to the Hinkley Point project.

## **1.7 Community Funding Service**

The Council performs a very important role in administering the Community Impact Mitigation Fund on behalf of all the Local Authorities and EDF Energy. The combination of the Section 106 agreement and the Councils own internal processes for releasing funds results in a constant cycle of meetings and reports to support those meetings. As money is released the need to liaise with and monitor spend given to 3<sup>rd</sup> parties will increase.

Until October 2014 the CIM Fund work was managed by the former Major Projects Manager who balanced this with overseeing the planning service described above. Since October 2014 a dedicated CIM Fund Manager has been in post which has enabled the post holder to focus solely on managing the CIM Fund process without needing to manage competing priorities.

A CIM Fund Manager post (1 FTE) will be created within the NNPT.

At present a member of staff is seconded into the CIM Fund Manager role, given that this role will continue for a much longer period of time than originally intended the role will be advertised.

## **1.8 Economic Development Service**

There are 3 FTE posts performing Hinkley Point related activity which have in place since 2012. A renamed Economic Development Project Lead, a Tourism Officer and a Skills and Training Outreach Officer.

The work within these areas continues and evolves as the Hinkley Point C project is delivered, although the work will in essence be very similar. All three existing post holders will be slotted into these roles.

The income from the Section 106 agreements allows for the renamed Economic Development and Tourism Manager post to be funded as part of the NNPT. The work of the post holder has

been very focused on the Hinkley Point project over the last five years and the contribution of the post holder is recognised by both the Council and more particularly by EDF Energy who value the results which the post holder and the 3 FTEs have been delivering over the last 3 years.

The Economic Development and Tourism Manager post will not be funded from the Hinkley Point C project during 2015/16 as the current post holder is seconded to the Local Enterprise Partnership and will continue to be paid from the Working Neighbourhoods Fund until 31<sup>st</sup> March 2016 once the secondment period ends.

## **1.9 Housing Service**

The current Housing Initiatives Implementation Officer post will be slotted in as the work of this role continues and continues to be required to ensure that there is minimal adverse effect on the Housing market in West Somerset.

The current Housing Options Advice Officer will be slotted in for the same reasons. This post is part funded by the Hinkley Project 0.4 FTE and part funded by the General Fund 0.6 FTE. This funding model will continue.

## **1.10 Finance Service**

The current Hinkley Finance Officer will be slotted in as the work of this role continues and is fundamental to the safe management of the project which sees over £20million paid to WSC.

## **2 Consultation**

2.1 The New Nuclear Programme Manager has undertaken consultation with relevant West Somerset Council Portfolio Holders, affected staff and UNISON in drawing up this structure, as well as having discussions with EDF Energy.

2.2 The New Nuclear Programme Team structure was approved by West Somerset Council on 18 March 2015 and is attached as Appendix C, for information.

## **3 HR comments**

3.1 The New Nuclear Programme Manager has discussed the proposals with HR to seek advice on the structure, job evaluation and ring fence arrangements. In drawing up these plans he has sought to create an effective structure with no redundancies in accordance with the requirements placed on the authorities.

## **4 Financial comments**

4.1 The Nuclear Programme Team will be funded by EDF under the s106 agreement. Under the revised agreement, EDF has agreed under the Development Consent Order (DCO) to pay the Council a total of £2,603,502 for staff resources to deal with the workload generated by the project. In addition, it has been agreed with EDF to add the remaining £209,000 from the Site Preparation Work to the DCO funding. This means that the total income and therefore the total cost envelope for the Nuclear Programme Team is £2,812,572.

- 4.2 The indicative total expenditure of this proposal is £2,782,842. This figures include the cost of the following:
- i. Salary, National Insurance and Pension Contributions;
  - ii. Anticipated wages increases;
  - iii. Mileage costs
  - iv. Redundancy costs;
  - v. Contribution to the Corporate Core Costs of the councils
- 4.3 This approved proposals show that the fund will have £29.9k remaining at the end of the project. Any unused funding will be paid back to EDF. There will be a review, as agreed with EDF, in April 2017 to consider the workload, staff resources and ensuring that the funding is being used effectively.
- 4.4 There is no impact on either Councils' General Fund Reserve or their budget position as a result of this proposal.

## 5 Equalities Impact Assessment

Under the Public Sector Equality Duty, there is a requirement to carry out an analysis of the effects on equality of existing and new policies and practices. This includes the effect on employees as well as the community

Please see Appendix D for Equalities Impact Assessment.

## 6 Risk management

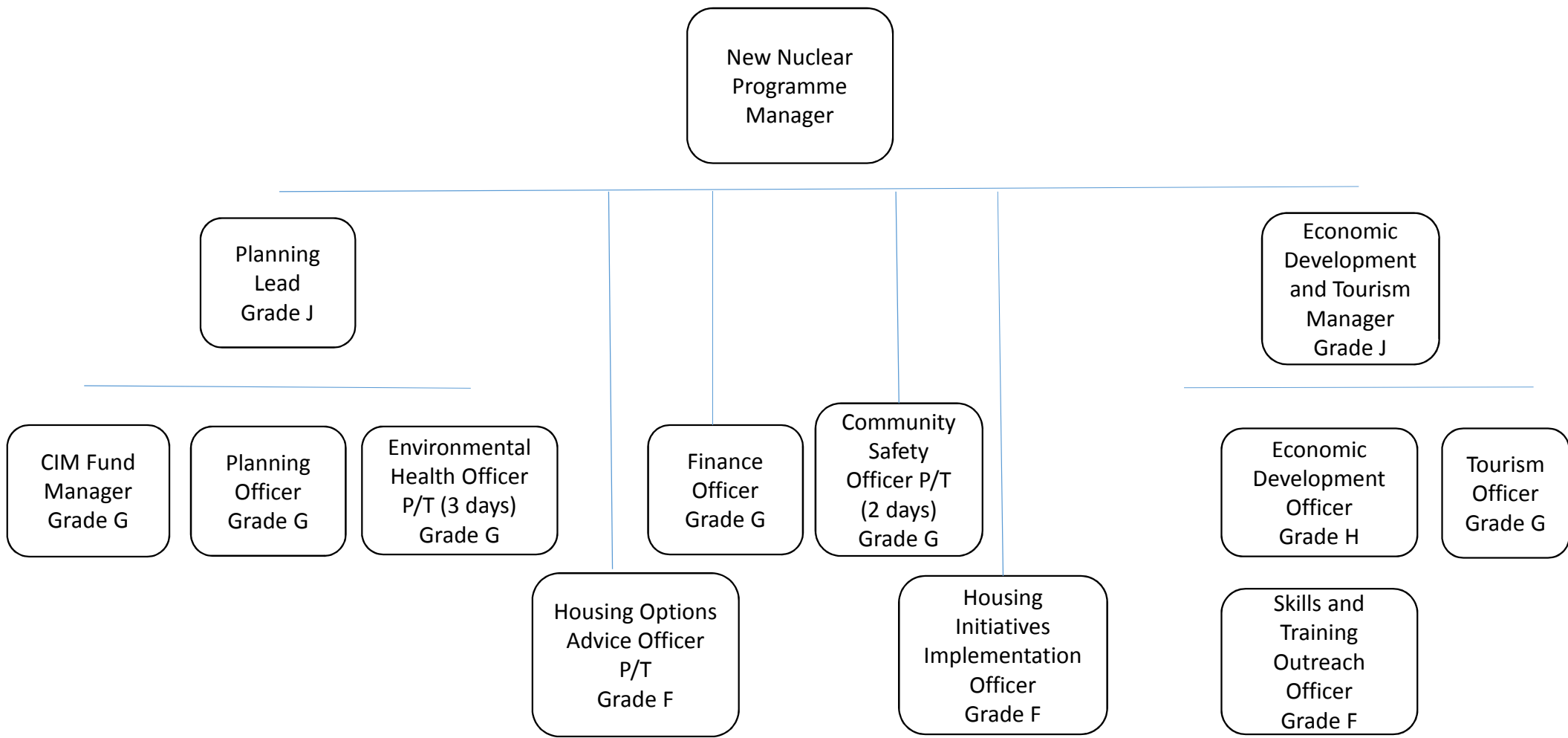
The key risks identified for the proposals within this report are as follows:

Description	Likelihood	Impact	Overall
That the Council does not have the necessary staff resources to fulfil the requirements placed upon it within the Section 106 agreement generally	3	4	12
<i>The proposed structure provides stability over the coming years in order that the Council achieves its Corporate Objectives relating to the development at Hinkley Point C</i>	1	4	4
That the staff resources are not used effectively and do not deliver the right balance between maximising the opportunities of local people and businesses and protecting and enhancing the most affected communities	3	4	12
<i>The structure has been designed to ensure that an appropriate balance is struck between maximising the opportunities for local people and businesses, protecting key industries including tourism, supporting affected communities, discharging planning functions and ensuring that local people continue to have access to housing whilst the construction of Hinkley Point C takes place.</i>	1	4	4
That the staff resources are used to employ staff at the wrong time i.e. before the work to construct the power station are confirmed following the Final Investment Decision	4	4	16
<i>That the Council remains vigilant and tracks progress on the project at regular intervals to ensure that resources are deployed at the right time, recognising that in most areas delivery of mitigation 'early' is a positive outcome but also recognising that in some areas staff will be needed to oversee the project between now and the 'peak' when activity on site and the workforce are greatest</i>	3	4	12

Each of these risks needs to be actively managed. On the whole, the risks have been assessed as acceptable and through mitigation can be further managed to reduce the likelihood and impact.

## **7 Partnership Implications**

The Hinkley Point project has a wide range of collaborative partnerships that operate within different work streams and are attended by WSC, Sedgemoor District Council, Somerset County Council, EDF Energy and other partners as appropriate. The structure proposed is intended to service these partnerships and enable the Council to continue to influence and participate in joint working and decision making.



**Equality Impact Assessment – pro-forma**

**Appendix D**

<b>Responsible person</b>	Andrew Goodchild	<b>Job Title</b>	New Nuclear Programme Manager
<b>Why are you completing the Equality Impact Assessment? (Please mark as appropriate)</b>	Proposed new policy/service		
	Change to Policy/service		Y
	Budget/Financial decision – MTFP		Y
	Part of timetable		
<b>What are you completing the Equality Impact Assessment on (which, service, MTFP proposal)</b>	Structure of New Nuclear Programme Team		
<b>Section One – Scope of the assessment</b>			
What are the main purposes/aims of the policy/decision/service?	The aim is to create a fit for purpose structure for the New Nuclear Programme Team to deliver the Councils obligations within the S106 agreements, deliver on Corporate and Service Plan objectives and to be affordable within the monies available		
Which protected groups are targeted by the policy/decision/service?	<i>None</i>		
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....	<p>Data – what does this tell you</p> <p>1. Characteristics of the affected staff group – clear numbers involved for each category</p> <p>Engagement undertaken that has been used to support data and identify impacts:</p> <p>1. Consultation with UNISON on development of proposals and plans for implementation</p> <p>2. Consultation with affected staff group</p> <p>3. Consultation with the Portfolio Holders responsible for these service areas.</p> <p>Data available within HR systems and with Project Team</p>		
<b>Section two – Conclusion drawn</b> about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality			

The proposals may have the following impact:

**Women**

Of the 7 staff affected, 4 are women. All existing staff are proposed to be slot-ins so there are unlikely to be any unequal outcomes. There are a range of vacant posts, none of these would be in any way restricted.

**Mobility Impairment**

The proposals will require staff to be capable of working in different locations. No mobility impairment issues have been identified for those affected; however reasonable workplace adjustments would be considered if required in line with Council policies.

**I have concluded that there is/should be:**

No major change - no adverse equality impact identified	Yes
Adjust the policy/decision/service	No
Continue with the policy/decision/service	But ensure that final outcomes are monitored and that if external adverts are required, they are placed in media which will ensure that female, ethnic minority and candidates with a disability are reached. Ensure HR policies and procedures are adhered to.
Stop and remove the policy/decision/service	No

**Reasons and documentation to support conclusions**

The negative impacts will be mitigated by the actions set out above whilst ensuring HR policies are adhered to.

**Section four – Implementation – timescale for implementation**

The proposed structure would go live on 1<sup>st</sup> April 2015, the vacant posts would be filled as required.

**Section Five – Sign off**

Responsible officer: Andrew Goodchild

Date: 10.3.2015

Management Team

Date

<b>Section six – Publication and monitoring</b>	
Published on: 11.3.2015	
Next review date	Date logged on Covalent

### Action Planning

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

Actions table						
Service area				Date		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions	



# Taunton Deane Borough Council

## Full Council – 31 March 2015

### Report of the Joint Independent Members Remuneration Panel

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

#### 1. Background

- 1.1 The attached report has been submitted by the Joint Independent Members Remuneration Panel.
- 1.2 It set out the conclusions and recommendations from the early stages of a fundamental review of the Taunton Deane Scheme of Members' Allowances being carried out them.

#### 2. Finance Comments

- 2.1 None at this stage. The Panel is aware that it is not obliged to have regard to the overall budgetary impact of its recommendations when making recommendations to the Council.
- 2.2 However, the Panel is aware of the financial restraints facing local authorities currently and into the future and the public perception of elected Members awarding themselves increases in allowances. The Panel will therefore have regard to these issues when bringing forward recommendations for consideration.

#### 3. Legal Comments

- 3.1 Provisions in relation to Members' Allowances are set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) and subsequent amendments to the regulations (SI 2003/1022 an. Under the Regulations the Council has to appoint an Independent Panel to make recommendations on its Scheme of Members' Allowances, for consideration by the Council. The Council may accept, reject, or amend any of the Panel's recommendations. The Regulations provide for a single panel to advise more than one Council.
- 3.2 The Council has joined the Joint Independent Members' Remuneration Panel alongside Somerset County Council, Mendip District Council and West Somerset Council.
- 3.3 All Members have a personal and a prejudicial interest in this item

through receipt of allowances. The Council's Code of Conduct includes a dispensation allowing all Members to attend and vote on Members' Allowance issues in spite of their prejudicial interest as long as the interest is declared at the relevant meeting. This paragraph has the effect of taking these declarations as having been made by all Members. Members do not therefore need to make a verbal declaration at the Council meeting.

#### **4. Equalities Impact**

- 4.1 Provision in the scheme for dependants' Carers Allowances will assist Members with such responsibilities in carrying out Council duties. A robust allowance regime can play an important role in attracting people from all sections of the community to stand as Councillor.

#### **5. Risk Management**

- 5.1 There are no risks associated with this report and any recommendations as the Council is not required to agree them but simply to have regard to them when making decisions in respect of Members' Allowances.

#### **6. Recommendations**

- 6.1 The Council is **recommended**:-

- To endorse the approach being taken by the Panel to undertake a fundamental review of the Taunton Deane Scheme and the plan for continuing reviews of the scheme – paragraph 3.4.6 refers;
- To agree the principles recommended to underpin the setting of the Basic Allowance for the new Council - paragraph 3.6.10 refers;
- To approve the principles recommended to underpin the payment of Special Responsibility Allowances in the new Council - paragraph 3.7.3 refers; and
- To approve the list of approved duties attached as Appendix C to this report to be applied as part of a new Members' Allowances Scheme – paragraph 3.8.4 refers.

- 6.2 If these recommendations are approved, they will form the basis for a new Members' Allowances Scheme for the Council to be brought forward for consideration in September 2015 following agreement of new democratic arrangements for the Council in May 2015.

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# **Report of the Joint Independent Panel on Members' Remuneration**

Lead Officer and Author: Julian Gale, Strategic Manager – Community Governance & Monitoring Officer, Somerset County Council

Contact Details: 01823 359047

## **1. Summary**

- 1.1. This report set out the conclusions and recommendations from the early stages of a fundamental review of the Taunton Deane Scheme of Members' Allowances being carried out by the Joint Independent Members' Remuneration Panel.

## **2. Recommendations**

### **2.1. The Council is recommended:**

- **To endorse the approach being taken by the Panel to undertake a fundamental review of the Taunton Deane scheme and the plan for on-going reviews of the scheme – paragraph 3.4.6 refers**
- **To agree the principles recommended to underpin the setting of the Basic Allowance for the new council - paragraph 3.6.10 refers**
- **To approve the principles recommended to underpin the payment of Special Responsibility Allowances in the new Council - paragraph 3.7.3 refers**
- **To approve the list of approved duties attached as Appendix C to this report to be applied as part of a new Members' Allowances Scheme – paragraph 3.8.2 refers.**

**If these recommendations are approved, they will form the basis for a new Members' Allowances Scheme for the Council to be brought forward for consideration later in 2015 following agreement of new democratic arrangements for the Council in May 2015.**

## **3. Background**

### **3.1 Panel Chairman and Membership**

#### **3.1.1 The independent Panel membership that produced this report was as follows:**

Somerset County Council representatives:

- Rob Culligan
- Eelke Zoestbergen
- Paul Partington
- Ian Fellingham
- 1 vacancy

Mendip District Council representative:

- Graham Russell

Taunton Deane Borough Council representative:

- Keith Bevan (sub Tony Brown)

West Somerset Council:

- Robert Govier.

**3.1.2** Since this report was written the Panel's membership has changed as a result of the County Council reducing its representation on the Panel from 5 members to 3 members to provide a better balance to the overall membership. Two of the County Council's representatives (Rob Culligan and Eelke Zoestbergen) have now retired from the Panel having reached the end of their term of office. Jason Woods has been appointed by the County Council as a new Panel representative to bring the County Council's representation back up to 3 members.

A summary of Mr Woods' background is set out below.

**Jason Woods** was raised and educated in Taunton and now lives with his wife and 2 children in Wembdon where he is a Parish Councillor. He has over 25 years of experience as an Engineer in the Royal Navy, rising through the ranks to become a Commissioned Officer. During a rich and varied career he has seen active service around the world and carried out a multitude of roles encompassing; aviation front line and support engineering roles, as well as training, project and change management.

A Science, Engineering and MBA graduate he is now working in Human Resource Management and reading for an MSc in Training, & Acquisition Consultancy with the University of Portsmouth. In July he will be returning to Somerset to take up an appointment as the Education Officer at RNAS Yeovilton where he will be responsible for upwards of 3000 personnel from all 3 services. He will then be moving into an acquisition role at MOD Abbey Wood in Bristol.

Outside of these professional roles Jason is an avid supporter of Somerset Cricket and runs with the Quantock Harriers. He is hoping to stay fit to compete in this year's London Marathon in April.

**3.1.3** Pending the appointment of Mr Woods the first three meetings of the expanded Panel that resulted in this report were Chaired by the Chair of the former Panel, Rob Culligan.

## **3.2 Background to the work of the Panel**

**3.2.1** Provisions in relation to members' allowances are set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) and subsequent amendments to the regulations (SI 2003/1022 and SI 2003/1692) ["the Regulations"]. Under the Regulations the Council has to appoint an Independent Panel to make recommendations on its Scheme of Members' Allowances. The Council must have due regard to the recommendations of the Panel before it makes any changes to its Members' Allowances Scheme but it may accept, reject, or amend any of the Panel's recommendations. The Regulations provide for a single panel to advise more than one Council.

The Council has joined the Joint Independent Members' Remuneration Panel alongside Somerset County Council, West Somerset Council and Mendip

District Council.

### **3.3 The fundamental review of the district council schemes**

#### **3.3.1** So far the work of the Panel has focused on:

- Learning about the three district council schemes within its remit including the history and culture behind the schemes, where known, and any particular issues which need to be addressed when reviewing each Scheme. The Panel decided from the outset that where possible it would try and establish some general principles across all three schemes where this makes sense but that each scheme would continue to be individual to each council.
- Agreeing a timetable and process for each review which in summary means that the Panel's early considerations focus on establishing key principles to underpin each district scheme. Full scheme recommendations including actual amounts of allowances will follow to the July 2015 Council meeting following the adoption of new democratic arrangements after the district council elections.
- Undertaking a survey of the members of each council for views on the current scheme to inform future Panel considerations. This information will be complemented by extensive benchmarking information inside and outside of Somerset. Any Panel recommendations must be inter alia supported by the evidence, based on reasonable assumptions, be relevant to the needs of the Council and its members and must be flexible enough to cope with future changes.
- Reviewing the principles underpinning the current Basic Allowance and Special Responsibility Allowances for each council.
- Establishing a single list of 'approved duties' for the three councils.

### **3.4 Background to the fundamental review of the Taunton Deane Scheme**

#### **3.4.1** The timing was considered right for a fundamental review of each of the district schemes because:

- Of the widening of the Panel's remit to encompass three councils to enable effective benchmarking within Somerset as well as wider comparisons outside of Somerset
- The timing of this work which will lead to recommendations for the adoption of a new Members' Allowances Scheme following the elections in May and once any revised democratic arrangements have been agreed.
- Of a general wish to see if there was scope to remove financial and other barriers to potential candidates for election.

#### **3.4.2** The intention is not to produce the same scheme for all three councils. Where it makes sense to do so the Panel will recommend some common principles and content but each Council's individual circumstances will be respected in the schemes that are recommended for approval after the district council elections. The new scheme to be recommended will be based on sound evidence and principles and should compare well with other councils' schemes both within and outside of Somerset.

- 3.4.3** The regulations define a number of basic requirements for allowances' schemes alongside which considerable scope is given to a council to adopt local provisions according to their circumstances. The only mandatory element provided for in the Regulations is the payment of a Basic Allowance to all members of a Council. All of the other elements that are currently paid under the scheme, ie, Special Responsibility, Travel, Subsistence and Carers' allowances are discretionary.
- 3.4.4** The basic principles on which Remuneration Panels work are not legislative but there are national operational standards. In summary they include:
- The 50% rule (no more than 50% of Members of any individual Council should receive an SRA)
  - Any Member should only receive one SRA at any one time.
  - Basic Allowance payments should be based on a voluntary time contribution of 30% or 33% to underpin the difference between a salary and an allowance.
  - When considering the payment of Special Responsibility Allowances clarity is needed when considering each specific position and whether it qualifies – is it a supporting one, requiring time and effort or is it a leadership role requiring judgement and responsibility.
- 3.4.5** The Panel is aware that it is not obliged to have regard to the overall budgetary impact of its recommendations when making recommendations to a Council. However, the Panel is aware of the financial restraints facing local authorities currently and into the future and the public perception of elected Members awarding themselves increases in allowances. The Panel will therefore have regard to these issues when bringing forward recommendations for consideration.
- 3.4.6** The Council is **invited to endorse** the approach that the Panel intends to take to the reviews of the district councils' schemes. To replicate the approach that the Panel took to the County Council scheme, the Panel will undertake a fundamental review of each scheme in the lead up to the district council elections. Panel recommendations in advance of the elections will focus on principles. Recommendations on the detail of each scheme will then follow after the election once the Panel has assessed any changes to the democratic arrangements of the Council. Any changes agreed by the Council at that stage can then be backdated by the Council to a relevant date. After this the Panel will maintain a light touch review of the scheme on at least an annual basis and will bring a brief report to the Council in the spring of each year with recommendations for changes if considered necessary. This process will continue until the next fundamental review.

## **3.5 Results of the Members' Survey**

- 3.5.1** Appendix A attached to this report sets out the results of the members' survey carried out recently to assess the views of current elected members on the members' allowances schemes currently in place for each of the district councils. The actual number of returns from each council was low but does allow some comparison across councils and enables some accumulation of the data whilst not presenting a statistically representative picture. This has given

the Panel some indications of where it might develop its thinking.

- 3.5.2** The conclusions from the Taunton Deane responses to the survey suggest:
- A split of views in support of maintaining the BA at its current level and increasing the BA
  - Those in favour of increasing the BA make reference to the fact that in recent years the BA has not kept pace with inflation; that it may act as a disincentive to those wishing to stand for election; and the need for it to adequately reflect the commitment and time that elected members give to their local community.

Individual comments on other aspects of the Scheme will be picked up by the Panel in its considerations at the relevant time.

## **3.6 Basic Allowance (BA) considerations**

- 3.6.1** There is one issue that the Panel would like to provide clarity on from the outset and that is the issue of linking allowances to members' performance. This was raised as an issue in the member surveys. The Panel would ask the Council to note that it is not the Panel's function to consider the performance of members either individually or collectively and there is no scope within the regulations as they apply to the BA to pay differential rates of allowance according to performance or activity levels.

- 3.6.2** **By way of a reminder to the Council, the statutory guidance in relation to BA states that it is intended to recognise the time commitment of Members, including on constituency matters and attendance at political group meetings. It also provides for the coverage of incidental costs such as the use of their homes. The guidance goes on to indicate that having established what the members do and the hours which are devoted to these tasks, the Council must then agree a rate at which and the number of hours for which Members ought to be remunerated through the BA.**

- 3.6.3** Appendices A and B cover the issue of the number of hours a week worked by councillors on Council business and includes the figures that emerged through the member surveys. Appendix B details the background to a proposal that 20 hours a week is used as the basis for the BA calculation. This is very much in line with figures used nationally as the basis for BA calculations.

- 3.6.4** The second key assumption in respect of the Basic Allowance is the element of voluntary service. The assumption traditionally is that 30% or 33% should not be recompensed. This helps to achieve a clear split between a salary and an allowance. The Panel's view is that the voluntary element should be retained at a level of 33%.

- 3.6.5** Traditionally many councils used figures produced by the Local Government Association (LGA) for calculating allowances based on a recommended figure per day, based on a benchmark of a median white-collar wage and adjusted as necessary to meet local circumstances. This figure is no longer published and therefore councils must find a new methodology for the calculation of BA. Such an approach and methodology has much to commend it and although the LGA figure is no longer published it is likely that the Office of National Statistics

provides data that may be used in establishing a new basis and principles on which to base BA payments. What is apparent from looking at what other councils are doing including the County Council is that increasingly BA schemes are being linked to officer pay scales. This has the advantage of building in an automatic indexing facility by then linking any increases in allowances to increases in officer pay awards. Given the advantages of this approach the Panel will be using this as the recommended basis for a new BA calculation.

- 3.6.6** Examples of possible ways of using hours worked to base a calculation on are set out in Appendix B including basing the calculation on a multiplier of the national minimum wage. Whatever basis is used by the Panel for making this calculation there will then be a need to link this to an appropriate point in the officer pay scale to arrive at a recommended figure for the Basic Allowance and as the basis for future indexation.
- 3.6.7** In terms of setting a level of Basic Allowance for the new Council, the Panel will benchmark against comparable councils as well as having regard to the current level of the BA and the specific circumstances of the Council.
- 3.6.8** Of the three district councils covered by the Panel, the Basic Allowance at Taunton Deane is the one that is closest to the average and closest by reference to a 'payment per hour' figure based on the national minimum wage. However having said that, the current figure of £4,344 is still below the regional average figure of £4,534 and the figure of £4,606 if it had been fully indexed against earnings since 2009. The former would require a 4.4% increase, while the latter would equate to a 6.0% increase.
- 3.6.9** The Panel is aware that the Council has updated the scheme by applying the indexing of the BA to officer pay awards and this is a sound basis for an indexing arrangement. This is picked up in the Panel recommendations.
- 3.6.10** At this stage the Panel is **recommending** the Council to agree the following principles in respect of the Basic Allowance to apply post-election in 2015:-
1. That the BA should be based on a calculation based on an average number of hours worked by a councillor
  2. That 20 hours per week should be the basis for this calculation and reduced by a third to reflect the voluntary element
  3. That a mechanism is found to base the level of BA on an appropriate spinal point in the officers grading structure
  4. That future changes in the level of BA paid should be indexed to officer pay awards. This arrangement to last for the duration of the quadrennium and reviewed as part of the next fundamental review of the scheme in advance of the 2019 district elections.

### **3.7 Special Responsibility Allowance considerations**

**3.7.1** The Panel has started a review of the Special Responsibility Allowance provisions of all three councils.

**3.7.2** The Panel will pick up and respond to matters of detail raised in the member



surveys about SRAs in due course. At this stage the Panel reviewed the basis on which the current SRA schemes were based.

**3.7.3** The Panel's **recommendations** picking up good practice are:

- To link SRA scheme payments to multiples of BA to provide a sound base for calculation of the SRA bands and individual payments. It also has the advantage of creating an automatic indexing provision as increases in the BA will be reflected in increases in SRAs.
- To minimise the number of SRA bands and provide consistent bands across the three councils where it makes sense to do so but to also allow provision for individual council requirements to reflect their culture and their democratic arrangements.
- To invite the Panel to bring forward recommendations for a banding structure and calculations to the July 2015 meeting of the Council based on comprehensive benchmarking evidence and having developed and considered broad assumptions about the main responsibilities of key posts. This will require the Panel to agree headline responsibilities for key posts.

### **3.8 List of Approved Duties**

**3.8.1** The list of approved duties is essential to provide clarity to members and officers alike about the council duties undertaken and which can and cannot be claimed for. A clear list is essential in the light of the problem with MPs' expenses and in order to provide an audit trail in the event of challenge.

**3.8.2** The approved duties lists of the three councils are very different. Taunton Deane's current list is the most comprehensive of the three councils and the Panel have decided to use it as the base (assimilated with the list of approved duties used by the County Council) for a common list of approved duties to be recommended for agreement by the three councils.

**3.8.3** The one anomaly in the Taunton Deane list is the provision to pay travel for a range of constituency duties. It is unique to find this provision in a list of approved duties as such expenses are usually expected to be covered by the Basic Allowance. The Panel were informed that few members claim for constituency duties and the Panel has therefore removed it from the list in front of the Council for approval today.

**3.8.4** The proposed list is attached as Appendix C to this report and is **recommended** for approval as part of a new Members' Allowances Scheme for implementation post the district council elections. Mendip District Council has already approved this list of approved duties.

## APPENDIX A

### TAUNTON DEANE BOROUGH COUNCIL

#### IMRP SURVEY OF MEMBERS

Of the 56 Members, 16 completed questionnaires were returned, giving an overall response rate of 29%.

#### Basic Allowance

**Question 1:** *Should the Basic Allowance be kept at its current level of £4,344 for 2015/16?*

**Question 2:** *If you answered 'NO' to Question 1, should the Basic Allowance:*

*Be increased. If so, to what level?*

*Be reduced. If so, to what Level?*

	Number of responses	% of responses	Number of members	% of members
'YES'	7	43.8%	7	12.5%
'NO' – Increase the Basic Allowance	8	50.0%	8	14.3%
'NO' – Reduce the Basic Allowance	1	6.2%	1	1.8%
No answer on returned survey	-	-	-	-
Survey not returned			40	71.4%
	16	100.0%	56	100.0%

Suggested figures for an increased Basic Allowance: “*same increase as staff*”; “Increase by 1%” (equates to £4,387); “Increase by 1%” (equates to £4,387) “+1-2%”; “+5%” (equates to £4,561); “+5%” (equates to £4,561); £5,200 (+19.7%).

Suggested figure for a reduced Basic Allowance: £4,000 (-7.9%).

**Question 3:** *Are there any comments that you wish to make about the Basic Allowance?*

Comments in support of increased rate:

Views were expressed that the BA:

- *Had slipped backwards in recent years and may discourage people standing for election.*
- *Should be increased in line with staff pay increases.*

- *Should be increased to reflect that the BA had not kept pace with inflation and the time and energy that councillors put in to the role as a valuable but often not recognised resource for the community.*

#### Other comments

There was one comment in favour of reducing the BA in line with budget reductions.

#### **Other Aspects of the Allowance Scheme**

**Question 4: *Do you have any comments on the wider Scheme and/or are there any specific issues that you would like the Panel to consider in its review?***

#### General comments

*Generally speaking the comments received ranged from being in favour of leaving the remaining allowances unchanged to ensuring that they were sufficient to ensuring that councillors were not having to subsidise the carrying out of their official duties.*

#### General Comments on Special Responsibility Allowance:

*There was recognition of the additional work and responsibility that is provided for by SRAs and that these should stay the same or increase with staff pay increases .*

*Comments made about specific SRAs were received and will be picked up in the Panel's detailed proposals for a SRA scheme for the new council.*

#### Comments on Travel and Subsistence:

*There was support for overnight stays in hotels being paid at the same rate as senior officers.*

#### Comments on Approved Duties:

*A specific point was made in support of remuneration of costs for attendance at Political Group meetings attendance.*

#### **Time Spent on District Council Duties**

**Question 5: *On average, over the course of a year, how many hours per week do you spend on District Council duties? (This includes meetings, travel, dealing with constituent problems, etc.)***

The hours reported by survey respondents ranged from 4 to 45 hours with the median point being 18 hours a week.

The consolidated figures from the 3 councils suggest a median figure of 20 hours a week as the basis for calculating a Basic Allowance on the basis of a payment per hour – see Appendix B for further detail.

Julian Gale

20.03.15

## APPENDIX B

### TAUNTON DEANE BOROUGH COUNCIL

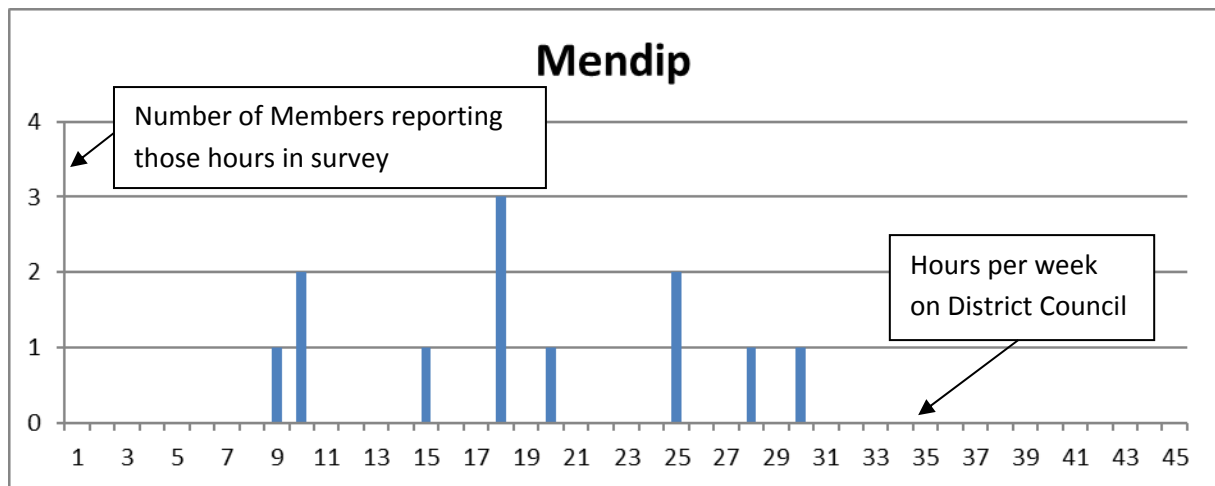
#### CALCULATION OF A BASIC ALLOWANCE BASED ON EARNINGS

## 1. INTRODUCTION

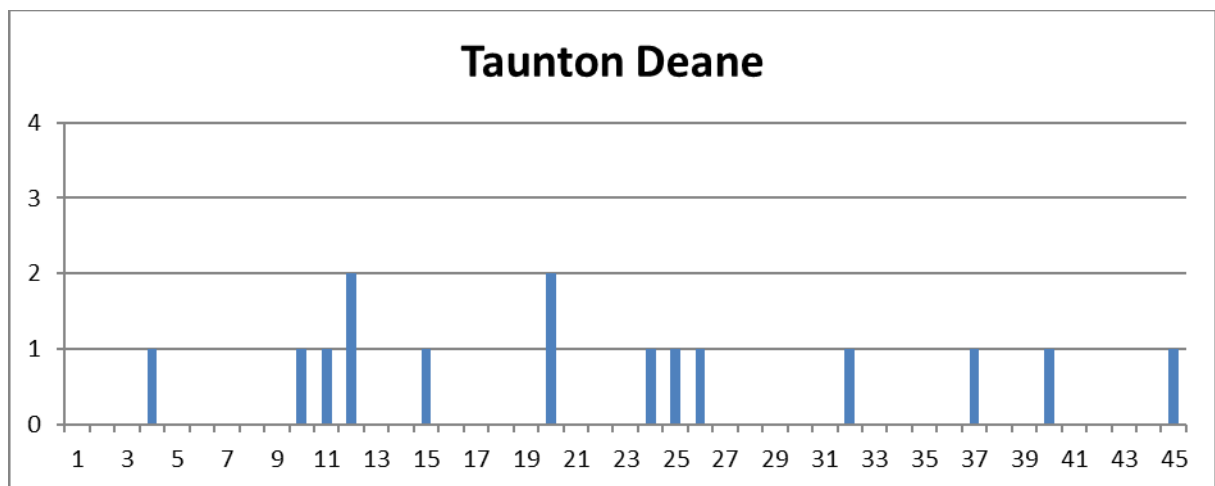
1.1 This paper explains the calculation of an annual Basic Allowance figure on the basis of 'payment per hour spent on District Council duties'. The broad approach is a standard one used by IMRPs and was the basis upon which Somerset County Council's Basic allowance was established in its last full review, with subsequent annual indexation then being linked to officer pay increases.

## 2. HOURS SPENT ON DISTRICT COUNCIL DUTIES

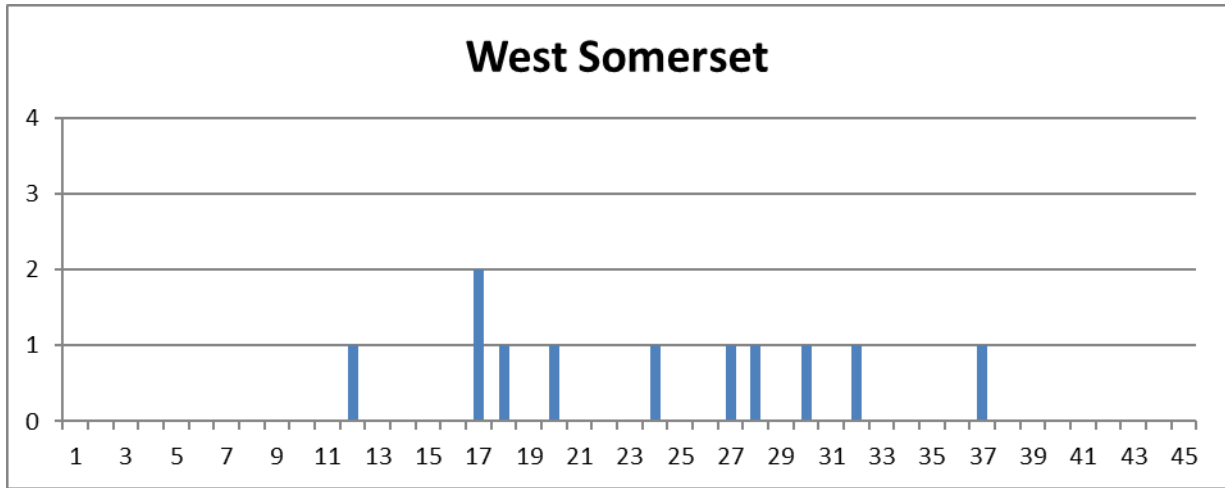
2.1 The recent survey of all Members provides valuable data on the amount of time that Members spend on District Council duties. The following three charts show the results per Council, followed by a final chart that combines the data.



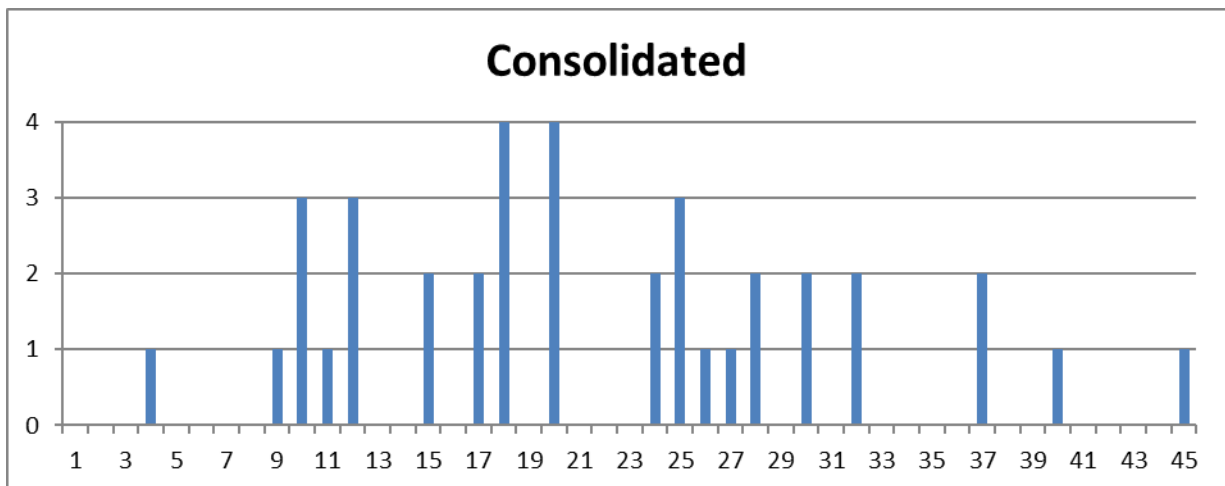
Mendip: Average = 19 hours per week      Median (mid-point) = 18 hours per week



Taunton Deane: Average = 22 hours per week      Median (mid-point) = 20 hours per week



West Somerset: Average = 24 hours per week      Median (mid-point) = 24 hours per week



Consolidated: Average = 22 hours per week      Median (mid-point) = 20 hours per week

2.2 Two measures are shown – the average and the median (the mid-point in a data series). The average is often used to come up with a single “typical” figure for a data series. However in this instance the median is considered the better indicator. This is because for Members who receive a Special Responsibility Allowance they will be working extra hours to undertake their extra duties and this is reflected in their receipt of an SRA. In this calculation we are interested in only those hours spent on the general duties undertaken by all Members for which they receive the Basic Allowance. Because a significant proportion of survey responses were anonymous, we are unable to identify individual responses from recipients of SRAs. However we can make the assumption that those Members reporting high weekly hours are likely to be SRA recipients (which is supported by the comments made in individual survey responses) plus some very active non-SRA recipients. The median point is the mid-point in the data series and helps to mitigate against any skew that will exist in the average figure due to the inclusion of weekly hours used to undertake SRA duties in the calculation of the average.

2.3 The survey response rates for the three districts were each around 30%, giving relatively low absolute numbers of responses for each district. For this reason the consolidated data set is recommended as the best basis for determining a typical figure for hours spent per week on general District Council duties.

2.4 In this calculation it is therefore assumed that over a typical year a District Councillor typically **spends 20 hours per week** on activities relating to the general duties of a Member for which the Basic Allowance applies.

### 3. CALCULATION OF BASIC ALLOWANCE FIGURES

3.1 The Panel has applied the common assumption that a proportion of the time spent by Councillors is voluntary (one-third) meaning that the hours per week assumed to merit payment reduces from 20 hours per week to **13.3 hours per week**.

3.1 Based on these assumptions two possible methods of calculation could be:

#### Minimum wage:

The minimum wage for persons aged 21 and over is currently £6.50 per hour. For 13.3 hours this comes to £86.45 per week or £4,495 per annum.

#### Average Earnings:

The latest figure for average hourly earnings in the South West is £12.07 per hour (2013, Office of National Statistics). For 13.3 hours work per week this results in a payment of £160.53 per week or £8,348 per annum.

By comparison regional benchmarking data attached shows the 2013 regional average Basic Allowance as £4,534, which is very much in line with the above minimum wage calculation.

### 4. CONCLUSIONS

4.1 The benchmarking data set out below indicates that Taunton Deane's BA is a little below the average for district councils across the South West.

### 5. BENCHMARKING DATA

5.1 Information on Basic Allowances for South West Local Authorities' Members Schemes is shown in the following table.

Authority	Basic Allowance, 2013/14	Population
South Somerset	£6,163	155,000
Gloucester City	£5,250	101,890
Cheltenham	£5,066	111,700

Stroud	£5,000	110,000
Teignbridge	£4,969	126,800
West Dorset	£4,938	92,360
South Hams	£4,836	82,400
North Devon	£4,570	88,000
<b>AVERAGE</b>	<b>£4,534</b>	
Mid Devon	£4,500	76,465
Exeter	£4,430	117,600
North Dorset	£4,374	64,716
East Devon	£4,360	132,300
<b>Taunton Deane</b>	<b>£4,301</b>	<b>107,400</b>
Sedgemoor	£4,260	107,600
Forest of Dean	£4,250	81,342
Cotswold	£4,000	82,708
Mendip	£3,605	109,100
West Somerset	£2,733	32,228

## 6. INDEXATION ANALYSES (FOR ILLUSTRATIVE PURPOSES ONLY)

6.1 The following analysis outlines what the Basic Allowance would be if, following its last major review, it had been increased in line with the Consumer Price Index (CPI) or Average Earnings. (N.B. The Retail Price Index is no longer an Official Statistic and has therefore not been included in this analysis.)

6.2 In the case of Taunton Deane, the current Basic Allowance of £4,344 was set in December 2013 when a 1% increase was approved by council. Indexing against December 2013 is as follows.

Indexing Factor	December 2013 Index Figure	Latest Index Figure	% increase	Implied Basic Allowance
Consumer Price Index	127.5	128.2*	+0.5%	<b>£4,366</b>
Average Earnings	£478	£483**	+1.0%	<b>£4,387</b>

(\* November 2014)

(Source: Office of National Statistics)

(\*\*October 2014)

However, the increase agreed in December 2013 was the first increase since the previous Allowance level of £4,301 had been set in 2009. If the allowance was indexed against the 2009 date, the figures would be as follows.

Indexing Factor	December 2009 Index Figure	Latest Index Figure	% increase	Implied Basic Allowance
Consumer Price Index	112.6	128.2*	+13.9%	<b>£4,899</b>
Average Earnings	£451	£483**	+7.1%	<b>£4,606</b>

(\* November 2014)

(Source: Office of National Statistics)

(\*\*October 2014)

The Average Earnings index is arguably the more relevant indexing factor, given the general real reduction in earnings experienced by most households in recent years when increases in earnings have generally not kept in line with increases in prices.



## APPENDIX C

### LIST OF APPROVED DUTIES FOR TDBC/MDC/WSDC for purposes of Travel and Subsistence and Dependent Carers' claims

	<u>Attendance at:-</u>
1.	formal meetings of the Council, including Committees and Sub Committees and any other authorised meeting of these bodies or event organised by these bodies (including joint committees), where the councillor (a) has been appointed by [TDBC/MDC/WSDC] as a member, a substitute or representative or (b) is exercising a constitutional right to attend and /or to speak or (c) is attending in an observer capacity only;
2.	formal meetings of the [Executive/Cabinet], its sub committees and any other authorised meetings thereof where the councillor has (a) been appointed by the Leader/Council as a member or (b) is exercising a constitutional right to attend and/or to speak or (c) is attending in an observer capacity only;
3.	ad-hoc formally constituted working groups/panels (e.g. scrutiny task and finish groups) where the councillor is (a) a named member of the body or (b) is formally invited to participate;
4.	meetings of Somerset County Council committees/sub committees where the councillor has been appointed by [TDBC/MDC/WSDC] as a member or a representative;
5.	meetings of bodies to which the Council makes appointments except where the body itself pays allowances to the Council's representative ( <i>the approval relates to meetings of the body itself, its standing committees/sub committees but not to other activities of the body</i> )
6.	meetings of any local authority association of which the Council is a member where the councillor is the appointed representative or nominated substitute;
7.	any conference where attendance is authorised by the Council [and involves an overnight stay];
8.	any Council premises, or other agreed location, for a meeting agreed with either a member in receipt of an SRA or an Officer for the purpose of discussing matters relating to Council business in which it is reasonable to expect the councillor to have an interest;
9.	briefing meetings at the invitation of an Officer of the Council provided that the members of at least two political groups have been invited;

10.	an approved agenda setting meeting or member development/awareness raising/seminar activity organised by the Council;
11.	meetings of Parish/Town Councils or equivalent community associations where the councillor attends as the local district councillor or as a representative of the [TDBC/MDC/WSDC] Council and not as a member of the Parish/Town Council/Community Association itself;
12.	any civic or ceremonial event at the specific invitation of, or in support of, the Chair/Mayor of the Council;
13.	site visits by members of the Planning/Development Control Committee;
14.	any site visit or inspection visits undertaken by members approved by or on behalf of the Council;
15.	tender opening meetings where invited by an Officer to attend;
	<b><u>Performance of:-</u></b>
16.	duties carried out by a member holding an office for which a special responsibility allowance applies;
17.	any particular duty for which express authority is given by or on behalf of the Council in case of emergency;
18.	such other duty for which prior approval has been given by the Chief Executive or other authorised Officer, in consultation with the Leader.

# **Taunton Deane Borough Council**

## **Council Meeting – 31 March 2015**

### **Part I**

To deal with written questions to, and receive recommendations to the Council from, the Executive.

### **(i) Councillor Mark Edwards**

#### **Creation of the Somerset Building Control Partnership**

At its most recent meeting, the Executive considered a report seeking approval to create a Somerset Building Control Partnership comprising Mendip and Sedgemoor District Councils, Taunton Deane Borough Council and West Somerset Council.

The Building Control Service provided by Districts Councils is one of the Council functions that is in direct competition with the private sector (Approved Inspectors).

In recent years, services have found it more and more difficult to compete with the private sector providers of Building Control for the 'fee income' from Building Regulations applications. Local authorities also have to carry out other statutory Building Control responsibilities that the private sector is exempt from, and these do not bring in income to support them.

The reduction in income is leaving most individual local authority Building Control Services with a choice between having a very small team with little resilience, or operating the service at a financial loss which must then be subsidised by the General Fund of the authority. This picture is seen across the country and the Government has confirmed that its view is that the most effective way forward to alleviate this is for single local authority Building Control Teams to form partnerships.

A comprehensive Business Case has been developed by the four partner organisations having considered:-

- The prevailing economic and competition challenges facing Building Control;
- The requirement to maintain a resilient and competent service;
- The increasing move to form partnerships to deliver successful Building Control services;
- Options for governance of a partnership;

- Comparisons of workloads, application numbers, staffing numbers and income/budgets between the four partners;
- The ability to generate significant savings from forming a single business unit, by reducing management posts and staff numbers, and reducing office overheads and other support service charges; and
- Creation of a new partnership staffing structure, based on workloads and introducing new and more efficient ways of working.

The key business reasons for forming the partnership are:-

- (1) To secure a sustainable Building Control Service.
- (2) To reduce costs to each partner Council.
- (3) To improve competitiveness with the private (and public) sector providers of Building Control Services – to win more business and maximise income.
- (4) To increase resilience and customer service levels – a bigger core service team rather than four small teams.
- (5) To improve professional development opportunities, to make it easier to attract and retain good quality staff.

The Business Case projects a salary saving of £238,000 between the four partners in the first full year of the partnership, but redundancy costs will be incurred as part of the set-up. This scale of saving presents a sound financial business reason for pursuing the project, but significant further savings can be expected from:-

- Creation of a single IT system, rather than four separate systems.
- Rationalising support service charges from four organisations into one.
- Reducing the need for office space across four organisations.
- The reduced head count creates additional savings in terms of computer licences, equipment, travel and other overheads.
- Improved systems.
- Improved efficiency and deployment of staff from managing Building Control as a single team across four Districts.
- Expansion of the partnership to include other Councils and other ancillary services in the future to increase income.

The proposed governance will be through a 'Joint Committee' model as used for the Somerset Waste Partnership and the South West Audit Partnership. This involves pooling budgets and resources into a single service managed by a Joint Management Team with a Joint Steering Committee established under Section 101 of the Local Government Act 1972. The Joint Committee will oversee the performance, budgetary control and strategic direction of the partnership with a Portfolio Holder and senior manager from each partner organisation forming the Committee. A detailed Inter Authority Agreement will be agreed between the Councils.

Sedgemoor District Council is proposed to act as the host/administering authority for the Partnership. This means that the staff from the other Councils will transfer to Sedgemoor District Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Sedgemoor will be employing the staff, and progressively, will provide the majority of the support services such as HR, Payroll, office space, IT, financial management as part of the Sedgemoor District Council accounts, Audit and potentially Legal and Democratic Services.

The total Building Control fee income across the four Councils was £850,000 in 2013/2014, with approximately £200,000 in charges for statutory work.

The Corporate Scrutiny Committee considered this matter at its meeting on 19 February 2014. Members were supportive of the proposed Building Control Partnership.

In the circumstances, it is **recommended** that:-

- (a) The creation of a Somerset Building Control Partnership as outlined in the Business Case, and subject to the approval of the other proposed partner Councils, be approved;
- (b) The creation of a 'Joint Committee' to oversee the strategic direction, performance and budget of the partnership be approved;
- (c) The Portfolio Holder and Assistant Director -Operational Delivery be nominated to represent the Council on the Joint Committee; and
- (d) Authority be delegated to the Section 151 Officer, the Monitoring Officer and the Assistant Director - Operational Delivery, in consultation with the Portfolio Holder, to finalise legal agreements, partnership budgets and cost/income sharing arrangements, shared redundancy payments and detailed governance arrangements.

## **(ii) Councillor Norman Cavill**

### **Support and Funding for the Arts and Creative Industries**

At its March meeting, the Executive considered a further request for financial assistance from an organisation within the Arts and Creative Industry sector.

The application is from:-

- **The Creative Innovation Centre Community Interest Company (CICCIC)** - The CICCIC is a non-profit organisation that encourages the participation and development of businesses and the creative industries; for practitioners, groups, individuals, businesses, start-ups and the local community. Through knowledge exchange, music, art, heritage and performance its events and

workshops focus on the diversity and growth of enterprise, community and culture.

Therefore whilst currently based in Paul Street, Taunton the organisation itself provides wide support to the diverse businesses within the creative industries. This support is complemented by support for cultural activities both on site and across the community.

The funding request is for a total of £60,000 to support the CICCIC over a three year period. This is broken down into £20,000 per annum and will support a range of activities and projects in each of the financial years.

The Executive, whilst very supportive of CICCIC, is of the view that at this stage financial support should be limited to one year rather than the three years requested. It is noted that this investment, if approved, will enable CICCIC to 'lever in' further funds of over £250,000 into the local economy.

The application has previously also been considered by the Corporate Scrutiny Committee where Members were generally supportive as to providing a degree of funding subject to CICCIC supplying further financial information.

In the circumstances, it is **recommended** that:-

- (a) A grant of £20,000 be made to the Creative Innovation centre (CICCIC), Taunton, from General Reserves with the purpose of supporting the development of local businesses in the Creative Industries sector; and
- (b) The award of a grant to the company will be subject to the following conditions:-
  1. The Company enters a Service Level Agreement with the Council to deliver the outlined services for the year 2015/2016;
  2. The Company furnishes the Council with a report into the size and extent of the Creative Industries sector in Taunton Deane, and the support needs of that sector; and
  3. The Company's accounts are submitted on completion of the Service Level Agreement to a suitably qualified, independent advisor to validate the use of the funding.

### **(iii) Councillor Vivienne Stock-Williams**

#### **Discretionary Reduction in Council Tax Liability Policy and Discretionary Housing Payment Policy**

The Executive recently considered a report concerning the Council's approach to

awarding Discretionary Housing Payments (DHPs) and Discretionary Reductions in Council Tax Liability. Revised policies in respect of both topics are appended to these recommendations.

With regard to Discretionary Reduction in Council Tax Liability, the Local Government Act 2012 has created two new discounts:-

- Local Council Tax Support Schemes under Sections 13A(1) (a) and (b); and
- 13A (1) (c) which was effectively the original 13A discounts that Taunton Deane could use to increase reductions already given under our Local Council Tax Support Schemes.

The implications under 13A(1) (a) and (b) have already been considered and agreed by Full Council.

In March 2013, as a consequence of the Collection Fund (Council Tax Reductions) (England) Directions 2013, the Portfolio Holder agreed to amendments to the Councils procedures for discretionary discounts for Council Tax liability.

As a consequence of a decision made by the Valuation Tribunal for England (VTE) last year, it has been necessary to further amend Taunton Deane's policy to ensure it complies with the VTE judgment.

The regulations covering Discretionary Housing Payments (DHPs) are the Discretionary Financial Assistance Regulations 2001. This legislation has given the Council a very broad discretion. However, the Council has to make decisions in accordance with ordinary principles about good decision making and in particular Local Authorities have a duty to act fairly, reasonably and consistently.

Since April 2013, changes have been applied to Housing Benefit meaning that social sector accommodation has a size criteria applied, with any working age household deemed to be under occupying their home, receiving a reduced level of Housing Benefit. As a result of this and other changes, for example the Benefit Cap, the Government has increased its DHP funding to Local Authorities in anticipation of greater demand on their budgets.

The Government Guidance on DHPs has advised that the additional funding is intended to provide:-

- Short term, temporary relief to families.
- For those affected by social sector size criteria.
- Help for customers living in rural areas.
- Priority customers in the following two groups:-
  - Disabled people living in significantly adapted accommodation Including any adaptations made for disabled children; and
  - Foster carers whose housing benefit is reduced because of a bedroom being used by, or kept free for, foster children.
- Additional support to claimants impacted by the changes.

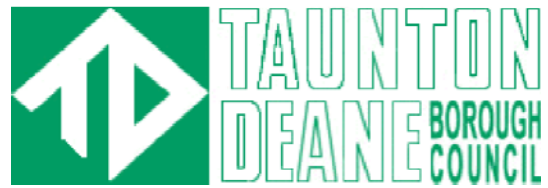
The Department for Work and Pensions had published a Discretionary Housing

Payments Guidance Manual, included a Local Authority Good Practice Guide and the Council had followed this in formulating a revised DHP Policy.

It is **recommended** that the attached revised policies for Discretionary Reduction in Council Tax Liability (Appendix 1) and Discretionary Housing Payments (Appendix 2) be applied from 1 April 2015.



**Appendix 1**



**COUNCIL TAX**

Council Tax  
Discretionary Reduction  
in Liability Policy

# Discretionary Reduction in Liability Policy

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## Revision history

Version number	Date	Summary of changes	Author
V1.0	16/11/2005	Initial creation of document for S13A Reductions	Heather Tiso
V1.1	03/02/2009	Refresh & updating policy	Heather Tiso
V1.2	16/06/2011	Updating policy	Heather Tiso
V1.3	11/09/2012	Inclusion of Council Tax Support provisions	Heather Tiso
V1.4	12/09/2012	Further refinement and updating of policy	Paul Harding
V1.5	22/03/2013	Inclusion of provisions for S.13A(1)(c) as a consequence of the Local Government Act 2012	Heather Tiso
V1.6	20/1/2015	Refresh & updating policy	Mark Antonelli

## Approvals

This document has been approved by the following people.

Name	Role
Councillor Vivienne Stock-Williams	Executive Portfolio Holder – Corporate Resources
Councillor Richard Lees	Shadow Portfolio Holder – Corporate Resources

## Policy

### Background

Under Section 13A of the Local Government Finance Act 1992 (as inserted by Section 76 of the Local Government Act 2003), the Council has the discretionary power to reduce the Council Tax liability where statutory discounts, exemptions and reductions do not apply.

These discretionary awards can be given to:

- Individual Council Taxpayers;
- Groups of Council Taxpayers defined by a common set of circumstances;
- Council Taxpayers within a defined area; or
- To all Council Taxpayers within the Council's area.

The legislation states the following:

*.....in any case, may be reduced to such extent or, if the amount has been reduced under S13a 1a (Council Tax Reduction Scheme) such further extent as the billing authority for the area in which the dwelling is situated thinks fit....."*

The provision allows the Council the discretion to provide assistance to taxpayers where either the existing legislation does not provide a discount, exemption or reduction or in such circumstances where the Council feels that the level of discount, exemption or reduction is insufficient given the circumstances.

### Purpose

This policy has been designed to ensure all Council Taxpayers making an application for relief are treated in a consistent and equitable manner

This policy has been written to:

- Set guidelines for the factors to be considered in determining an application
- Set out the delegated authority to award relief in appropriate circumstances
- Establish an appeals procedure for applicants dissatisfied with a decision
- Safeguard the interests of the local taxpayers to ensure awards of relief are used effectively and economically

## **Eligibility Guidelines**

We will treat each case strictly on its merits and all eligible customers will receive equal and fair treatment. Principles of reasonableness will apply in all cases with the authority deciding each case on relevant merits.

The Revenues and Benefits Service is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise claims for all available state benefits and will reflect this in operating running discretionary reductions in Council Tax liability.

When deciding on whether to grant a discretionary award, the Council will consider each application on its merits.

Any decision made will be without reference to any budgetary considerations notwithstanding the fact that any awards must be balanced against the needs of local taxpayers who will ultimately pay for a reduction in Council Tax income.

Likewise the period of any reduced liability will be considered in conjunction with the circumstances of the Council Taxpayer.

For the purposes of administration, the decision to grant any reduction in Council Tax liability shall be considered within the following categories:

### **Crisis – Flood, Fire etc.**

The Council will consider requests for assistance from Council Taxpayers who, through no fault of their own, have experienced a crisis or event that has made their property uninhabitable, e.g. due to fire or flooding, where they remain liable to pay Council Tax and for which they have no recourse for compensation nor have any recourse to any statutory exemptions or discounts.

All such requests must be made in writing detailing the exact circumstances of why reduction in the liability is required and specifying when the situation is expected to be resolved.

The Council will consider applications on a case-by-case basis in consultation with other organisations as appropriate. Any reduction will be applied where they remain liable to pay Council Tax and for which they have no recourse for compensation nor to any statutory exemptions or discounts or where the crisis or event is not covered by any insurance policy.

The Council will not consider requests from taxpayers where Government guidance or policy provides for a reduction in liability in specific circumstances, for example, flood relief schemes.

### **Exceptional Financial Hardship**

In accordance with Section 13A 1a of the Local Government Finance Act 1992, the Council has a Council Tax Support (CTS) Scheme, that provides support, through a discount, to those deemed to be in financial need. The CTS Scheme has been designed to take into account the financial and specific circumstances of individuals through the use of applicable amounts, premiums and income disregards.

Applications will be accepted under this part of the policy for people who have qualified for support under the CTS Scheme, but who are still experiencing severe financial hardship. Other taxpayers may also apply, however the Council would normally expect the taxpayer to apply for Council Tax Reduction in any case.

As part of the process for applying for additional support, all applicants must be willing to undertake all of the following:

- (a) Make a separate application for assistance;
- (b) The taxpayer must satisfy the Council they are not able to meet their full Council Tax liability or part of their liability;
- (c) Provide full details of their income and expenditure;
- (d) The taxpayer is able to demonstrate that all reasonable steps have been taken to meet their full Council Tax liability including applications for employment or additional employment, alternative lines of credit, and benefits, Council Tax Support, discounts and exemptions;
- (e) Accept assistance from either the Council or third parties such as the Citizens Advice Bureau (CAB) or similar organisation to enable them to manage their finances more effectively including the termination of non-essential expenditure; renegotiate priority and non-priority debts, provide an income and expenditure statement or Financial Statement and if needed allow the Authority to seek for the claimant by completing a Common Referral Statement
- (f) Assist the Council to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted;
- (g) The taxpayer has no access to assets that could be realised and used to pay the Council Tax;
- (h) Maximise their income through applying for other welfare benefits, cancellation of non-essential contract and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.
- (i) Work with the Council in identifying potential changes in payment methods and arrangements to assist in alleviating their current circumstances.

The Council will be responsible for assessing applications against this policy and an officer will consider the following factors in applying this policy:

- (a) Current household composition and specific circumstances including disability or caring responsibilities;
- (b) Current financial circumstances
- (c) Determine what action(s) the applicant has taken to alleviate the situation;
- (d) Consider alternative means of support may be available to the applicant by:
  - Re-profiling Council Tax debts or other debts;
  - Applying for a Discretionary Housing Payment for Housing Benefit (where applicable);
  - Maximising other benefits
  - Determining whether in the opinion of the decision maker, the spending priorities of the applicant should be re-arranged

### **Other Circumstances**

The Council will consider requests from Council Taxpayers for a reduction in their liability based on other circumstances, not specifically mentioned within this document. However, the Council must be of the opinion that the circumstances relating to the applications warrant further reduction in their liability for Council Tax having regard to the effect on other Council Taxpayers.

No reduction in liability will be granted where any statutory exemption or discount could be granted.

No reduction in liability will be granted where it would conflict with any resolution, core priority or objective of the Council.

## **Administration**

### **Duties of the Applicant and the Applicant's Household**

A claim for Discretionary Reduction in Council Tax Liability must be in writing and signed by the customer. A letter or signed statement received by the Council's Revenues and Benefits Service will be sufficient if the following conditions are met:

- On request the customer supplies any relevant supporting evidence.
- The Revenues and Benefits Service may ask for any (reasonable) evidence in support of an application. The Revenues and Benefits Service will make such requests in writing. The customer will provide the evidence within one month of our letter, although this can be extended in appropriate circumstances.
- If the customer is unable to or does not provide the evidence, the Council will still consider the application and take into account any other available evidence including that already held.
- The Council's Revenues and Benefits Service reserves the right to verify any information or evidence provided by the customer in appropriate circumstances.

A person claiming any discretionary reduction in liability must:

- Provide the Council with such information as it may require to make a decision;
- Tell the Council of any changes in circumstances that may be relevant to their on-going claim; and
- Provide the Council with such information as it may require in connection with their claim.

## **Decision making**

### **Procedure for determining specific classes of reduction in Council Tax Liability**

The power to consider and decline applications for the creation of specific classes of reduction is delegated to the Section 151 Officer and the Executive Portfolio holder for Resources.

Where both the Section 151 Officer and the Executive Portfolio holder for Resources decide that consideration should be given to creating a specific class of reduction a recommendation should be made to the Executive. The Executive should have the delegated power to create, amend or cancel any specific class of reduction.

Once a specific class of reduction has been agreed by the Executive, individual applications in respect of that class are to be considered by the Principal or Senior Revenues Officer.

### **Procedure for determining individual one-off applications for reductions**

The power to determine individual one-off applications (i.e. all applications other than those to create a specific class of reduction or for a reduction under a specific class) should be delegated to the Principal or Senior Revenues Officer.

### **Applications for Discretionary Reduction in Council Tax Liability**

For those people who have qualified for support under the CTS Scheme, but who are still experiencing severe financial hardship, initial applications will be considered by the Welfare Reform/DHP Officer adopting the principle outlined in the Discretionary Housing Payment Policy.

A claim for Discretionary Reduction in Council Tax Liability must be in writing and signed by the customer. Where a customer has difficulties in providing a written application we will signpost them where appropriate or arrange an alternative method of claiming.

For those people not qualifying for support under the CTS Scheme, initial applications will be considered by a Senior Revenues Officer.

Officers will consider the following factors in deciding a discretionary reduction in Council Tax liability:

- (a) Current household composition and specific circumstances including disability or caring responsibilities;
- (b) The income and expenses of the customer, their partner and any dependants or other occupants of the customer's home; any savings or capital that might be held by the customer or their family;
- (c) If the customer or anyone in the household has any unusual or unusually large expenses, that make it harder than normal for them to meet their Council Tax liability;
- (d) The indebtedness of the customer and their family;
- (e) The exceptional nature of the customer and their family's circumstances;
- (f) Any action(s) taken by the applicant to alleviate the situation;
- (g) If this is a repeat request for a discretionary reduction in Council Tax liability, what action has the customer taken to alleviate the problem since the last application?
- (h) Alternative means of support may be available to the applicant by:
  - Re-profiling debts;
  - Applying for a Discretionary Housing Payment (where applicable);
  - Maximising other benefits
  - Determining whether in the opinion of the decision maker, the spending priorities of the applicant should be re-arranged

The Senior Revenues Officer or the Welfare Reform/DHP Officer will consider the application within 14 days of receipt of a signed application and all supporting information.



The Senior Revenues Officer or the Welfare Reform/DHP Officer will record their findings, financial implications and initial recommendations and forward these to the Principal Revenues Officer or the Principal Benefits Officer who will make a final recommendation for the Revenues and Benefits Manager.

The Revenues and Benefits Manager will then approve/refuse the application within a further 7 days.

On awarding a Discretionary Reduction in Council Tax Liability we will determine if any ongoing costs are appropriate, review any special arrangements and consider spreading any remaining charge over the remainder of the financial year. We will also acknowledge the customer as a vulnerable person in line with our Vulnerability Policy.

### **Changes in Circumstances**

The Council may revise any discretionary reduction in liability where the applicant's circumstances or situation has changed.

The applicant agrees that he/she must inform the Council immediately either by phone or in writing about any change in their circumstances that might affect their claim under this policy. Failure to do so may result in the withdrawal of the reduction granted for the year and the requirement to repay any outstanding amount to the Council.

All changes in circumstances should be notified within 21 days in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 as amended.

### **The Award and Duration of a Reduction in Liability**

Both the amount and duration of the award are determined at the discretion of the Council and will be done so on the basis of the evidence supplied and the circumstances of the claim.

The start date of such a payment and the duration of the payment will be determined by the Council. In any event, the maximum length of the award will not exceed the financial year in which the award is given.

### **Payment**

In line with legislation, an award shall be granted as a reduction in liability of the Council Tax Payer therefore reducing the amount of Council Tax payable.

### **Reductions in Council Tax Liability Granted in Error or Incorrectly**

Where a reduction in liability has been granted incorrectly or in error either due to a failure to provide the correct or accurate information to the Council or some other circumstance, the Council will adjust the Council Taxpayer's account to ensure the correct Council Tax liability is payable.

### **Notification of a Reduction in Liability**

The Council will aim to write to the customer to tell them the outcome of their application within 14 days of receipt. Where an application is unsuccessful, the notification will include the reason for the decision and advise the applicant of their appeal rights.

### **Fraud**

The Council is committed to protecting public funds and ensuring public funds are awarded to people who are rightfully eligible to them.

Any applicant who tries to fraudulently claim a reduction in liability by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Fraud Act 2006.

Where the Council suspects that such a fraud may have been committed, this matter will be investigated as appropriate and may lead to criminal proceedings being instigated.

## **Publicity**

The Council will publicise this policy and will work with all interested parties to achieve this. A copy of this policy will be made available for inspection and will be posted on the Council's web site.

## **Policy Review**

The provision of Discretionary Reduction in Council Tax Liability will be reviewed regularly and updated as appropriate to ensure it remains fit for purpose. A review may take place sooner should there be any significant change in legislation.

## **Appeals**

Appeals against the Council's decision may be made in accordance with Section 16 of the Local Government Finance Act 1992.

The Council Taxpayer must in the first instance, write to the Council outlining the reason for their appeal. Once received, the Council will reconsider its decision and notify the taxpayer accordingly.

Where the Council Taxpayer remains aggrieved, a further appeal can then be made to the Valuation Tribunal. This further appeal should be made within 2 months of the decision of the Council not to grant any reduction. Full details can be obtained from the Council's website or from the Valuation Tribunal:

<http://www.valuationtribunal.gov.uk/Home.aspx>

## Appendix 2



## HOUSING BENEFIT

# Discretionary Housing Payment Policy

# Discretionary Housing Payment Policy

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## Revision history

Version number	Date	Summary of changes	Author
V1.0	26/02/2002	Initial creation of document	Heather Tiso
V1.1	22/09/2005	Refresh of policy	Heather Tiso
V1.2	03/02/2009	Refresh & updating policy	Heather Tiso
V1.3	16/06/2011	Updating policy	Heather Tiso
V1.4	11/09/2012	Inclusion of Council Tax Support provisions	Paul Harding
V1.5	12/09/2012	Further refinement and updating of policy	Heather Tiso
V1.6	20/1/2015	Removal of Council Tax Support provisions for inclusion in a separate policy and refresh & updating DHP policy	Mark Antonelli

## Approvals

This document has been approved by the following people.

Name	Role
Councillor Vivienne Stock-Williams	Executive Portfolio Holder – Corporate Resources
Councillor Richard Lees	Shadow Portfolio Holder – Corporate Resources

## Section

# 1

## **Policy Background**

From 2 July 2001, exceptional circumstances and hardship payments were abolished and replaced by the Discretionary Housing Payment (DHP) scheme. This gave Local Authorities new powers to top up Housing Benefit.

The legislation governing DHPs can be found in the Discretionary Financial Assistance Regulations 2001 (SI 2001/1167).

The DHP scheme provides discretionary support for shortfalls between eligible rental liability and Housing Benefit/Universal Credit and help towards housing costs. Housing costs can be interpreted more widely to include rent in advance, deposits or other lump sum costs associated with a housing need such as removal costs.

The overall spending on DHPs is cash-limited by the Secretary of State under a Permitted Totals Order.

The main features of the DHP scheme are:

- The scheme is discretionary - a claimant does not have a statutory right to a payment;
- The Revenues & Benefits Service decides how the scheme is administered;
- The overall outlay on DHPs is cash-limited by the Secretary of State;
- DHPs are not a payment of Housing Benefit. However, the claimant must be entitled to at least the minimum payment of Housing Benefit/Universal Credit in the benefit week for which it awards a DHP;
- DHPs should be seen as an emergency fund. They are not and should not be considered as a way round any current or future entitlement restrictions set out under Housing Benefit/Universal Credit legislation;
- DHPs cannot be used to offset overpayment recovery or to cover ineligible service charges

The Department for Work and Pensions provides us with a specified Discretionary Housing Payments allocation that can vary each year as it is partly based upon our previous Discretionary Housing Payments spending.

We must return any unspent funding to the Department for Work and Pensions. During the year in question, we can only award Discretionary Housing Payments up to a cash limit of two and a half times this annual allocation. Any spending we make above the allocation and up to the legal limit has to be funded by us from our budget (and so in turn from our Council Tax payers).

## **Purpose**

This policy has been designed to ensure all people making an application for a DHP are treated in a consistent and equitable manner. This policy has been written to:

- Set guidelines for the factors to be considered in determining an application
- Set out the delegated authority to award a DHP in appropriate circumstances
- Establish an appeals procedure for applicants dissatisfied with a decision
- Safeguard the interests of the local taxpayers to ensure DHP awards are used effectively and economically
- Specify how the Revenues & Benefits Service will manage the DHP scheme and to suggest some of the factors we will consider when deciding to award additional help.

We will treat each case strictly on its merits and all eligible customers will receive equal and fair treatment. Principles of reasonableness will apply in all cases with the Council deciding each case on relevant merits.

The Revenues & Benefits Service is committed to working with the local voluntary sector, social landlords and other interested parties in the Borough to maximise claims for all available state benefits and will reflect this in running the DHP scheme.

The Revenues & Benefits Service is committed to the equitable operation of the DHP scheme. Where the evidence provided shows the customer is not claiming another state benefit they may be entitled to, we will advise them to make such a claim and provide details of other agencies in the Borough who may be able to help. Similarly, if a customer is not claiming a Council Tax Discount to which they may be entitled we will advise them to firstly make such a claim.

## **Statement of Objectives**

The Revenues & Benefits Service will consider awarding a DHP to all customers who meet the qualifying criteria set out in this policy. We will treat all applications on their individual merits, and will seek through this policy to:

- Alleviate poverty;
- Allow a short period of time for someone to adjust to unforeseen short-term circumstances and by providing a DHP to enable them to “bridge the gap” during this time;
- Support domestic violence victims who are trying to move to a place of safety
- Help people who live near their jobs because they work unsocial hours/split shifts or where there is inadequate public transport;
- Help people who as a consequence of a move have extra travel to work costs;
- Sustain tenancies to prevent homelessness;
- Support vulnerable young people in the transition to adult life;
- Encourage residents to get and keep employment;
- Safeguard residents in their homes;
- Help those who are trying to help themselves;
- Keep families together;
- Assist those with medical or health problems where they need access to medical services or support that would not be available elsewhere
- Act as a tool in supporting vulnerable people in the local community;
- Help customers through personal crises and difficult events.

This list is not exhaustive and we will consider any other relevant factors or special circumstances that may apply.

A DHP can help meet shortfalls in areas such as:

- Restrictions in Housing Benefit entitlement because the rent payable is more than the rent used to work out Housing Benefit/Universal Credit;
- Non dependant deductions;

- Income tapers;
- Increases in essential work related expenditure such as increased fares to work if a customer has had to move because they could not afford to live in proximity to their work following a reduction in their Housing Benefit.

The DHP scheme allows for payments to be made for rent deposits and rent in advance if the claimant receives Housing Benefit for their present home. However, Taunton Deane Borough Council has a Deposit Guarantee Bond Scheme administered by the Housing Options Team. We would seek to utilise this facility in the first instance, with the DHP Scheme complementing this as an alternative option. Any reasons or factors applied by the Housing Options Team in deciding assistance under the Deposit Guarantee Bond Scheme will be taken into consideration in any subsequent DHP request.

A DHP cannot help with the following:

- (a) Certain elements of the rent:
  - Ineligible service charges as specified in Schedule 1 of the Housing Benefit Regulations 2006 and Schedule 1 of the Housing Benefit (Persons who have attained the qualifying age for pension credit) Regulations 2006
  - Increases in rent due to outstanding rent arrears;
- (b) Suspensions
  - Where a person's Housing Benefit or any other benefit has been suspended, it is not appropriate to pay a DHP. The aim of the suspension provision is to act as a lever to ensure the customer provides necessary information or evidence – paying a DHP could reduce the effectiveness of this lever.
- (c) Sanctions
  - Where a reduction has been applied to Income Support or income-based Jobseeker's Allowance due to a Reduced Benefit Direction for failing to comply with the Child Support Agency, the claim for a DHP should assume such a sanction has not been applied;
  - Where a reduction has been applied because of absence at a work-focussed interview, the claim for a DHP should assume such a sanction has not been applied;
  - Any restriction in benefit due to a breach of a Community Service Order

## **Priority Groups**

We will prioritise DHPs for customers who are in our opinion, the most vulnerable. This will particularly include, although not be limited to:

- Claimants who have someone who is pregnant within their household
- Young adults who have recently left the care system
- Households containing adults or children with disabilities
- Households with children under 5 years of age
- Claimants who are carers
- People who are fleeing domestic violence
- The elderly who would find it particularly difficult to move house
- People accepted as homeless under homelessness legislation of the Housing Act 1996 and placed in temporary accommodation by the Council as described in regulation A13(3), because they are homeless or to prevent homelessness
- Customer classified as vulnerable in line with our Vulnerability Policy

Being in one or more of the above groups does not guarantee a DHP award.

For those applying for a DHP on the grounds of exceptional hardship we would expect the customer to demonstrate they have taken steps to try to address their financial difficulties by seeking money / debt advice from the CAB, National Money Advice Helpline or similar organisations.

## **Fraud**

The Council is committed to the fight against fraud in all its forms. A claimant who tries to fraudulently claim a DHP or DCTA by falsely declaring their circumstances, providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect such a fraud may have occurred, the matter will be investigated and this may lead to the instigation of criminal proceedings.

## **Publicity**

The Revenues & Benefits Service will publicise the DHP scheme and will work with all interested parties to achieve this. A copy of this policy will be made available for inspection and will be posted on the Taunton Deane Borough Council web site. Information about the amount spent will not normally be made available except at the end of the financial year.

## **Monitoring DHP expenditure**

The Revenues & Benefits Service will extract reports from the DHP software on a monthly basis to ensure expenditure is within budget and is correctly profiled to ensure no overspend at the end of the financial year.



## **Administration**

### **Conditions that must be met**

A claim for a DHP must be in writing and signed by the customer. A letter or signed statement received by the Council's Revenues and Benefits Service will be sufficient if the following conditions are met:

- On request the customer supplies any relevant supporting evidence.
- The Revenues & Benefits Service may ask for any (reasonable) evidence in support of an application for a DHP. The Revenues & Benefits Service will make such requests in writing. The customer will provide the evidence within one month of our letter, although we will extend this in appropriate circumstances.
- If the customer is unable to or does not provide the evidence, we will still consider the application and take into account any other available evidence including that which we already hold.
- The Revenues & Benefits Service reserves the right to verify any information or evidence provided by the customer in appropriate circumstances.

In considering an award for a DHP, the following criteria must be met:

1. The claimant is entitled to Housing Benefit/Universal Credit
2. The payment is for costs that are potentially eligible for Housing Benefit/Universal Credit
3. The sum of a DHP and the benefit does not exceed the overall liability (except for lump sum awards)
4. A DHP is not used to plug an income gap caused by sanction or suspension to Social Security Benefits

## Customer Responsibilities

A person claiming a DHP must be willing to undertake **all** of the following:

- (a) Provide the Council with such information as it may require to make a decision;
- (b) Tell the Council of any changes in circumstances that may be relevant to their on-going claim; and
- (c) Satisfy the Council they are not able to meet their eligible housing costs;
- (d) Accept assistance from either the Council or third parties such as the Citizens Advice Bureau (CAB) or similar organisation to enable them to manage their finances more effectively including the termination of non-essential expenditure; renegotiate priority and non-priority debts, provide an income and expenditure statement or Financial Statement and if needed allow the Authority to seek for the claimant by completing a Common Referral Statement
- (e) Work with the Council in identifying potential changes in payment methods and arrangements to assist in alleviating their current circumstances;
- (f) Demonstrate they have taken all reasonable steps to meet their rental liability including applications for employment or additional employment, or alternative lines of credit;
- (g) Have no access to assets that could be realised and used to pay housing costs;
- (h) Maximise their income through applying for other welfare benefits, cancellation of non-essential contract and outgoings and identifying the most economical tariffs for the supply of utilities and services generally.

## Awarding a DHP

The Council will be responsible for assessing applications against this policy and an officer will consider the following factors in applying this policy:

1. Current household composition and specific circumstances including disability or caring responsibilities;
2. Current financial circumstances and customers living in remote and isolated communities
3. Determine what action(s) the applicant has taken to alleviate the situation;
4. Consider alternative means of support may be available to the applicant by:
  - Re-profiling debts;
  - Applying for Discretionary Reduction in Council Tax Liability (where applicable);
  - Maximising other benefits
  - Determining whether in the opinion of the decision maker, the spending priorities of the applicant should be re-arranged
  - Determining what steps the customer plans to take in preparation for when the discretionary award ends

In deciding whether to award a DHP, the Revenues & Benefits Service will consider:

- The shortfall between Housing Benefit/Universal Credit and the housing costs;
- If there is a real risk of eviction because of the shortfall, or will the landlord accept a reduced payment?
- The age of the customer
- The locality of the property and the demographic nature for rural communities
- Any steps taken by the customer to reduce their housing costs;
- The financial and medical circumstances of the customer, their partner and any dependants and any other occupants of the customer's home;
- The income and expenses of the customer, their partner and any dependants or other occupants of the customer's home; ; (ignoring DLA Mobility component or PIP Mobility supplement)
- Any savings or capital that might be held by the customer or their family;
- If the customer or anyone in the household has any unusual or unusually large expenses, that make it harder than normal for them to meet the shortfall?
- The indebtedness of the customer and their family;
- The exceptional nature of the customer and their family's circumstances;
- The amount available in the DHP budget at the time of the application (in accordance with the Permitted Totals Order);
- If this is a repeat request for a DHP? If so what action has the customer taken to alleviate the problem since the last application?
- The possible impact on the Council of not making such an award, for example the pressure on priority homeless accommodation;
- Any other special circumstances brought to the attention of the Revenues & Benefits Service.

The Revenues & Benefits Service will decide how much to award based on all the circumstances. This may be an amount below the difference between the housing costs and the Housing Benefit/Universal Credit award.

Granting a DHP does not guarantee or imply a further award even if the customer's circumstances do not change.

To ensure a consistent approach when determining a discretionary award the Authority will also follow guidelines as advised by "The Office of National Statistics". We have also consulted with a range of local partners to identify agreed levels of notional household spending that are as follows:

<b>The Authority will allow expenditure for</b>		<b>2014/15</b>	<b>2015/16</b>
Fuel, power, insurances	To include electricity, gas, oil, building and contents cover	£10.54	£12.50
Food and household	To include food, toiletries, laundry, clothing, footwear, pet food, nappies	£29.28	£30.00
Health	Dentist, glasses and prescriptions	£0.83	£1.00
Transport	Car tax, MOT, fuel, insurance, bus fares, taxis	£11.75	£12.00
Communication	Mobile phone, internet, landline, TV licence	£4.33	£10.00
Miscellaneous	Repairs, hairdressing, hobbies, leisure,	£12.59	£8.00
		<b>£69.32</b>	<b>£73.50</b>

The Authority will also allow the following expenditure in full:

- Maintenance paid for a child or former partner Actual Expenditure
- Rent liability Actual Expenditure
- Council Tax liability Actual Expenditure
- Water Rates Actual Expenditure
- Court Fines and negotiated financial repayments Actual Expenditure

The trigger point level will be multiplied by the household factor by The Office of National Statistics. These are:

Type of Household Member	Equivalence Value
First adult	1.0
Additional adult	0.5
Child aged: 14 and over	0.5
Child aged: 0-13	0.3
Adult aged under 25 (not set by ONS)	0.8

Taking account of DWP and allowances for adults under 25 we will include a household factor multiplier of 0.80.

For example, if a household is made up of a Couple and the allowable notional expenditure for an item such as food is £20 the household factor would be 1.5 (1.0 plus 0.5) allowing £30 a week for food.

Any expenditure at or below the trigger point for allowable expenditure will be permitted. Any expenditure in excess of the trigger point will not automatically be considered. The applicant will need to prove their level of spending is essential, reasonable and unavoidable. We may also request to see medical letters and supporting bank statements.

The decision maker has the discretion to exceed the trigger point or actual expenditure where it is reasonable to do so.

## Period of Award

The Revenues & Benefits Service will decide the length of time to award a DHP from the evidence supplied and the facts known.

The start date of an award will normally be:

- The Monday after we get the written claim for a DHP; or
- The date Housing Benefit (HB) or Universal Credit starts (providing we get the application for the DHP within one month of the decision on the claim for HB whichever is the earlier, or the most appropriate).

We cannot award a DHP for any period outside an existing Housing Benefit period granted under the Housing Benefit statutory scheme. The minimum award of a DHP is one week.

- We will not normally award a DHP for a period over 12 months.
- We will consider any reasonable request for backdating an award of a DHP but will usually limit such consideration to the current financial year

## **Changes of Circumstances**

The Revenues & Benefits Service may need to revise an award of a DHP where the customer's circumstances have materially changed. Any revision to the award will take effect from the Monday following the date of change in circumstances.

## **Method of Payment**

The Revenues & Benefits Service will decide the most suitable person to pay based on the circumstances of each case. This could include paying:

- The customer;
- Their partner;
- An appointee;
- Their landlord (or an agent of the landlord); or
- Any third party to whom it might be most suitable to pay.

The Revenues & Benefits Service will pay a DHP by the most suitable means available in each case. This could include payment by direct credit to a bank or building society account or by crediting the customer's rent account.

The payment frequency will be advised at the time of the award.

## **Notification**

The Revenues & Benefits Service will aim to write to the customer to tell them the outcome of their claim within 14 days of receipt. Where the claim is unsuccessful, we will set out the reasons and explain their appeal rights. Where the claim is successful, the Revenues & Benefits Service will advise:

- The weekly amount of DHP;
- If it is paid in advance or in arrears;
- The period of the award;
- How, when and to whom (for DHP only) it will pay the award;
- The need to report a change in circumstances;

## **Overpayments**

The Revenues and Benefits Service can recover a DHP if we decide the payment has been made as a result of misrepresentation or failure to disclose a material fact, either fraudulently or otherwise. We may also recover DHPs if we decide the customer received the DHP as a result of an error made when the application was determined.

We will not recover DHPs from ongoing HB or UC. This is unlike HB overpayments where there is a regulatory provision to allow recovery from ongoing HB.

There is also no provision for recovery of overpaid DHPs from other prescribed benefits.

The only method of recovery if a DHP is overpaid is to request repayment of the debt from the customer. This may be in the form of an invoice or using debt collection agencies or via the courts.

## **Reviews of DHP Decisions**

### **The right to seek a review**

DHPs are not payments of Housing Benefit. Therefore they are not subject to the statutory appeals mechanism. The Revenues & Benefits Service will use the following policy for dealing with appeals about a:

- Refusal to award a DHP; or
- Decision to award a reduced amount of DHP; or
- Decision not to backdate a DHP; or
- Decision there has been an overpayment of a DHP.

A customer (or their appointee or agent) who disagrees with a DHP decision may dispute the decision. The Revenues & Benefits Service must receive a request for a review within one month of the issue of the written decision about the DHP to the customer. Where this has not already been done, officers from the Revenues & Benefits Service will explain the DHP decision to the customer by telephone, at interview or in writing and will seek to resolve the matter.

Where agreement cannot be reached, the Revenues & Benefits Appeals Officer will consider the case in consultation with the Revenues & Benefits Manager. A review will be conducted on all the evidence held and a decision made within 14 days of referral or as soon as practicable.

Where the Appeals Officer decides not to revise the original decision, they will tell the customer in writing, setting out the reasons for their decision.

The decision is final and binding and may only be challenged through judicial review or by complaint to the Local Government Ombudsman.

# **Council Meeting – 31 March 2015**

## **Report of Councillor John Williams – Leader of the Council**

### **1. The Last Full Council Meeting of the Quadrennium**

- 1.1 I put on record my thanks to all Members for the support and commitment shown in delivering the best possible for our community. It has not been an easy four years with swingeing reductions in grants from Central Government to do “our bit” towards the national debt, in common with all Councils. But I am particularly proud that we have done so whilst maintaining virtually all front line services and continued our policy of planning and substantial investment for the future.
- 1.2 My special thanks go to the long serving Members who have made what I am sure for them is the difficult decision to stand down. Your experience, wisdom and wise counsel will be sorely missed as between you, aeons of years of experience has been amassed.
- 1.3 Also a big thank you to my Executive colleagues who have given of their time and energy to work unstintingly on behalf of the community and the Council. I am sure you will also join with me in placing on record our sincere thanks to all our staff who have accepted major changes in working practices and new responsibilities so making it possible to continue delivering the front line services so valued by our community. Only by being committed to, and accepting new ways of working, has it been possible to continue “business as usual” as far as our community is concerned.
- 1.4 Again, thank you all and whatever the outcome of the Elections I wish you all well for the future.

### **2. New Council Housing**

- 2.1 We are proud to be building Council Houses in Taunton Deane for the first time in over twenty years.
- 2.2 The Council is replacing 46 outdated and inefficient homes at Creechbarrow Road with a mix of 60 new Council homes and 32 housing association homes for affordable rent on the same site.
- 2.3 The £11,000,000 project brings a significant improvement in range of homes from 1 bed to family homes. The design will be to Code Level 4 so sustainable to minimise energy consumption, thus providing a

comfortable home at minimum running cost for the benefit of residents. The site design incorporates play areas and open space so creating a great environment for residents.

- 2.4 The new flexibilities to build new homes has been well and truly grasped by the Council as four new homes in Bacon Drive, Taunton have already been completed and handed over as have seven in West Bagborough and eight in Normandy Drive, Taunton scheduled for completion in April.
- 2.5 In addition to this, a further 26 new Council houses are planned at Rockwell Green so in total 105 new Council houses are in process of construction or about to start. To support this into the future we have included in our budget for the coming year £1,000,000 per year for five years specifically to add to our Council Housing Stock as we recognise the desperate need in our community with around 3,000 families registered on our Housing Waiting List.
- 2.6 The Secretary of State, Eric Pickles, recently visited the Creechbarrow Road site and he was extremely pleased to see so many new affordable homes under construction.

### **3. Firepool, Taunton**

- 3.1 Legal and site acquisition details are presently being dealt with as a matter of urgency and the latest projections are that public consultation should commence in May.
- 3.2 This vital scheme is being progressed in accordance with the Town Centre Rethink document that was approved by Council last year.
- 3.3 The housing development by Acorn Blue on the site of Priory Bridge Road Car Park is now scheduled to commence soon. All outstanding contractual issues have now been resolved to allow a start on site without further delay.
- 3.4 The Northern Inner Distributor Road is progressing well and besides being a vital new road link around the town centre it also provides the main access to the Firepool site. This needs completing to ensure the new development on the former Livestock Market site can be built and then opened with full access and car parking.

### **4. Investment in Taunton Deane**

- 4.1 The legal agreements with LIDL in respect of the former Taunton Youth and Community Centre site are about to be concluded which then confirms the planning consent as already approved and payment for



the site will be made.

- 4.2 As this triggers payment for the site it will allow funding to be made for the COACH project and lever in the near £500,000 grant funding from Sport England.
- 4.3 Rockspring LLP, purchasers of the Orchard Centre, Taunton have announced the purchase of further commercial premises on the corner of High Street/Fore Street so expanding and consolidating their position on site which is to be welcomed.
- 4.4 Work is continuing to ensure we identify a suitable site for the Deane DLO relocation so we have certainty in delivery of the DLO site and the purchasers are reassured the dates can be met. Consultants have been engaged to undertake a full options appraisal of those sites being considered with a report coming back to Members in due course for decision making. Dialogue is continuing with the purchaser to ensure that they are confident that the transaction will proceed.
- 4.5 I am also pleased to note that works have commenced to convert town centre premises to two major restaurants, Wildwood and Bills which will be an excellent addition to the town centre offer and further evidence that Taunton is an attractive and viable place to be.

## **5. A358 and Proposed New Strategic Employment Site at Junction 25**

- 5.1 I am pleased to say progress on this continues and only recently the Department for Transport issued a feasibility study on the upgrade proposals for the A303/A30/A358 and concluded it represented “very good value for money”. Three sections of the route were prioritised for early commencement one of which is the A358 to be dualled from Southfields Roundabout (on the A303) to Junction 25 of the M5. This is excellent news and requires this to be completed by 2021.
- 5.2 The other major milestone being passed in my view is that the Highways Agency formally becomes Highways England as from the 1 April 2015. This establishes them as a “stand alone” company with a remit to deliver the agreed programme with the budget to cover it. This hopefully offers further reassurance that the funds so far allocated will be available to deliver.
- 5.3 I am aware of concerns existing amongst some in Henlade and Ruishton. However, if the wish is to see traffic massively reduced from about 30,000 vehicles per day existing to about 3,000 per day then we do need to look at the best way of delivering the scheme for the greatest benefit. This would help reclaim the busiest road in Somerset, after the M5, as a village road.

- 5.4 As the funding stream for Junction 25 upgrade and extension is available separately through 'Growth Deal' monies administered by the Local Enterprise Partnership, work can commence separately from the A358. Current plans are to phase the works to enable early occupiers to locate on the proposed employment site in 2018.

## **6. Blackbrook Swimming Pool Extension**

- 6.1 I do not wish to steal my colleagues thunder but I am delighted to say that by the time of this meeting work will have started on site in earnest with contract commencement scheduled for the 30 March 2015.

Councillor John Williams

# **Council Meeting – 31 March 2015**

## **Report of Councillor James Hunt – Environmental Services**

### **1. Climate Change**

- 1.1 Deane Housing Development has recently completed three new build Council Housing schemes in Taunton and West Bagborough, all at The Code for Sustainable Homes Level 4. Therefore providing thermally efficient homes, on social rent, with fittings such as low water use toilets, baths and taps, 'A' rated boilers, Air Source Heat Pumps, bike stores and water butts.
- 1.2 The Housing Revenue Account (HRA) is also about to commence works on installing photovoltaic panels to 350 existing Council homes across Taunton Deane. This will displace 11,000 tonnes of carbon over 20 years, save tenants in the region of £240 per annum on electric bills and generate a positive cash flow for the HRA via the Feed in Tariff.
- 1.3 In addition to this, the HRA is starting a programme of works on approximately 40 pre-reinforced concrete flats and houses to install External Wall Insulation (EWI), making the homes easier to heat and improve occupant comfort.
- 1.4 And as a reminder that it was agreed to allocate up to £80,000 of Climate Change reserve and Climate Change budget toward a Solar PV scheme to be included as part of the building of the Blackbrook Pavilion Swimming Pool. This will be a 36 KW scheme saving approximately 35 tonnes of CO<sup>2</sup> pa and providing an estimated pay-back period of approximately 10.5 years.
- 1.5 The income from feed-in tariffs, electricity generated and through providing the electricity generated to Tone Leisure at a discounted rate will be retained and used to improve energy efficiency of Council buildings and toward supporting voluntary and community groups in furthering energy efficiency and Climate Change mitigation measures

### **2. Deane DLO**

- 2.1 As you will all remember we replaced the rubbish bins in and around Taunton Town Centre last year following allocation of money from Council. As part of that programme I requested additional cigarette bins be provided to help us combat the blight of cigarette ends on the pavements.
- 2.2 We purchased ten and were given an additional one by the vendor in the form of a bulk purchase discount and these are now being installed around town.

- 2.2 The toilets in Castle Green have been undergoing a refresh in the last few weeks. While this has resulted in them being unavailable for public use for a short time it will provide a more pleasant environment for users once completed.
- 2.3 The gentleman's facilities will shortly be completed and the ladies will then be refreshed immediately after.

### **3. Environmental Health / Licensing**

- 3.1 There is not much to report from Environmental Health this month but I would like to once again thank all of the staff for their hard work and dedication during some testing times over the last year or so.
- 3.2 They have continued to provide a high quality service despite a number of staff changes and should be commended for their dedication and professionalism.
- 3.3 I reported last time that a tendering exercise was taking place for a contractor to arrange public health funerals. This exercise was inconclusive and in doing our due diligence, we have decided to go back to the market to try to secure a better deal, in line with our current arrangements and those of other Councils across Somerset.
- 3.4 The Dog Warden Contract is being expanded to also cover West Somerset. This will have no impact on Taunton Deane except that it is a reflection on an excellent first year in partnership with the Somerset Dog Warden Service delivered by St. Giles' Kennels of Wrantage.
- 3.5 Finally some staff related news. I would like to welcome back Emily Vining and Jo Toogood who will be returning from maternity leave in the next few weeks and say 'Congratulations' to Olivia Denis from the Licensing Team who has become a mum for the first time. Mum and baby are doing well.

Councillor James Hunt

# **Council Meeting – 31 March 2015**

## **Report of Councillor Catherine Herbert – Sports, Parks and Leisure**

### **1. Parks**

- 1.1 The bulbs are emerging and Spring is here - we hope for fine weather at Easter so the planned Easter Egg Hunts can be in the sunshine.
- 1.2 I reiterate anyone with a connection to a youth group or school to encourage them to help grow our musical offering – they are welcome to use the bandstand for a concert, just make contact with Debbie Arscott to arrange a date. We will be making sure the concerts get better advertising this year so look forward to seeing you there.

### **2. Community Leisure and Play**

- 2.1 Section 106 Agreement children's play contributions have been used to fund the following works in Taunton Deane owned sites:-
  - Longrun Meadows – benches and bins;
  - French Weir Park – outdoor table tennis table;
  - Wellington Skate Park – youth shelter;
  - Killams Park – climbing unit;
  - Vivary Park – additional play equipment; and
  - Farriers Green – complete refurbishment of the play area.
- 2.2 Taunton Deane has also made improvements from its budget to the play areas at Priorswood Park, Comeytrove Park and Humphries Road, Wellington.
- 2.3 Stoney Furlong has had a basketball hoop installed with Section 106 funding and Council funding.
- 2.4 Milverton Recreation Ground and North Curry Recreation Ground have both completed upgrades to their play areas with assistance from Section 106 funding and the Taunton Deane Parish Play Area Grant Scheme.
- 2.5 Stoke St Mary has upgraded its play area using a Parish Play Area Grant.
- 2.6 Langford Budville has installed a play area in village using Section 106 funding. This is the first play area within the village.

### **3. Tone Leisure (Taunton Deane) Limited Activities**

- 3.1 Tone continues to work hard to develop a number of community outreach programmes:-

## **Health Development**

### Walk Well with Tone

- 3.2 1,278 walkers took part in the Taunton Deane Walk Well in Taunton and Taunton Deane Walk Well in Wellington schemes during December and January.
- 3.3 Ruishton walkers have joined the scheme and are offering two walks per month in the Ruishton and Creech St. Michael area.

## **Facility News**

### Wellsprings Leisure Centre

- 3.4 Wellsprings hosted the Hurtle and Humdinger Race on Sunday, 8 February 2015 for the first time. This race has previously been based at Hestercombe. This was a very successful event, with 270 runners competing in the challenging 5 mile and 13½ mile races. The 2016 event has already been re-booked at Wellsprings for Sunday, 14 February.
- 3.5 Vibe Youth Nights continue to run at Wellsprings on Friday evenings between 6 p.m. and 8 p.m. The cost is £1 per head and there are a wide range of activities including football, parkour, basketball, trampolining, table tennis, pool, gym and cycling sessions. 'Stand Against Violence' have delivered some education sessions and funding has been received from the British Heart Foundation for ten manikins for CPR training. There has been an average attendance of 62 youths per night since the start of 2015, which peaked on 27 February 2015 with a total of 83 attending. There are an average of 39 boys and 23 girls attending each Friday night;

### Taunton Pool

- 3.6 Taunton Pool are supporting SURE as their chosen charity for 2015 and are hosting their first fundraising events on 18 and 20 March 2015 with 50+ coffee mornings.

### Blackbrook Pavilion

- 3.7 Blackbrook is the first site to have its fitness facilities re-branded in the new exciting colour scheme. Painting was completed in January and has been well received by customers at the site.
- 3.8 Contracts have now been signed for the building of the new swimming pool at Blackbrook. Tone Leisure are supporting Taunton Deane Borough Council in the build up to the start date, ensuring communication with customers is informative with a focus on 'business as usual'. Plans are also being drawn up to start the consultation with existing clubs, users and staff at St. James Street Baths, commencing after the Easter holidays.

### Wellington Sports Centre

- 3.9 During December the Sports Hall at Wellington was given a facelift. The hall was repainted and the flooring replaced with a new modern sprung wooden floor. At the same time the squash court corridor area was re-branded in line with the colour schemes used in the recently refurbished Reception and Foyer areas.

### Vivary Golf and Adventure Centre

- 3.10 Tone Leisure, in consultation with Vivary Golf Club, has installed an 18 hole Footgolf course. This sport, though relatively new, is growing in popularity nationally and adds another new attraction to Vivary Park. The Vivary Footgolf course opened to the public for an open weekend in February and has been tried and tested by North Town Primary School football teams. The Footgolf season commences in full from the Easter holiday period and will be operated outside of core golf times.

Councillor Catherine Herbert

# **Council Meeting - 31 March 2015**

## **Report of Councillor Mrs Jean Adkins – Housing Services**

### **1. Deane Housing Development: Bacon Drive, Taunton and Vale View, West Bagborough**

- 1.1 This month the keys to the first new Council Houses to be built in Taunton Deane for over 20 years were handed over to tenants.
- 1.2 Four 2 bed houses at Bacon Drive and a mixed development of 7 homes at Vale View are now occupied.
- 1.3 At West Bagborough, where we have worked very closely with the Parish Council, the homes have all been allocated to people with a connection to the Parish or the neighbouring Parish of Bishops Lydeard.
- 1.4 A joint sign-up event for the new tenants and buffet lunch was held at the Village Hall followed by an opening ceremony on site which was well attended by members of the local community, as well as representatives from the Tenant Services Management Board. The sun shone for the occasion. A speech was given by Councillor John Williams, Leader of the Council and the Deputy Mayor, Councillor Marcia Hill cut the ribbon. Also present were Councillor Vivienne Stock-Williams, Taunton Deane's representative on the Health and Wellbeing Board, and Ward Councillor Peter Watson. The tenants very kindly allowed the party to view their new homes which are built to Code 4 for Sustainable Homes and have air source heat pumps with some solar PV.

### **2. Deane Housing Development: Normandy Drive, Taunton**

- 2.1 The remaining Phase 1 site, all of which have been built by Pollards, 8 flats at Normandy Drive, will be handed over at the end of the month.

### **3. Deane Housing Development : Weavers Arms, Rockwell Green, Wellington**

- 3.1 Our second rural development of 26 homes will be submitted for planning approval shortly and a start on site is hoped for in the Autumn.
- 3.2 The decant process is under way with two tenants moved out already and two moves in hand, at the time of writing. Of the nine tenants, three have expressed a wish to return to the development so their moves will be temporary.



#### **4. Right to Buy Social Mobility Fund**

- 4.1 The Government recently announced this initiative and invited bids for the fund with a deadline of Wednesday, 18 March 2015. The Government will pay, on completion, a sum of £20,000 to assist tenants, who would have qualified for Right to Buy on their home if it had been suitable for their current needs, to purchase another home, thus freeing up social housing.
- 4.2 We have submitted a bid for funding in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2015/2016 and, if successful, will promote this initiative with the help of the Tenant Services Management Board. It will be aimed particularly at tenants of one bedroomed accommodation as we have need of this for those wishing to downsize.

Councillor Jean Adkins

# **Council Meeting - 31 March 2015**

## **Report of Councillor Mrs Vivienne Stock-Williams - Corporate Resources**

### **1. Corporate and Client Services**

#### **Corporate Services**

- 1.1 The current key priorities for Corporate Services remain around ensuring the smooth implementation of the Tier 6 structure, the maintenance of service delivery and in recruiting to the remaining vacant posts in the new structure. Good progress is being made in respect of these priorities.
- 1.2 Detailed below are specific updates in respect of each of the service areas within Corporate Services.

#### **Corporate Strategy and Performance (Lead officer: Paul Harding)**

- 1.3 This area incorporates the management of the strategy and performance functions for both Councils and includes functions in relation to the management of audit actions, complaints, local Government Ombudsman, Freedom of Information (FOI) and Data Protection.
- 1.4 Monthly meetings continue to be held with officers from the Southwest Audit Partnership (SWAP) in order to track progress against the delivery of the Audit Plan. A progress update was made by SWAP to the March Corporate Governance Committee. In addition the Committee reviewed the proposed Audit Plan for 2015/2016.
- 1.5 Work is currently being undertaken to review and improve the Corporate Complaints procedure. We continue to receive increasing numbers of Freedom of Information requests (140 in February) and consequently have reviewed and made changes to our procedures for dealing with these.
- 1.6 The Quarter 3 Corporate Performance Report has recently been reviewed by the Corporate Scrutiny Committee. We have issued the annual customer satisfaction survey with the Council Tax bills. The results of the survey will be made available in June 2015.

#### **Facilities Management and Customer Services (Lead officer: Angela Hill)**

- 1.7 The new Corporate Business Support function, which went 'live' on 1 February 2015, is now successfully up and running, although we are still in the process of filling vacancies within the team. (The team provides support to The Deane House based Operations Directorate

services, as well as providing some specialist functions to all services such as audio word processing).

- 1.8 The Facilities Team are also managing a number of internal office move-arounds within The Deane House, which flow from the restructure. In addition we are currently reviewing and updating a number of our emergency procedures e.g. Bomb Procedures.

### **Human Resources (HR) and Organisation Development (OD) (Lead officer: Fiona Wills)**

- 1.9 The HR and OD service continues to play a key role in supporting managers with the implementation of the Tier 6 restructure.
- 1.10 The team are continuing to closely monitor staff absence. The figures indicate that the year-end position is likely to be similar to last year i.e. around the 8.2 days mark. We are also in the process of running absence management refresh courses.
- 1.11 The Organisational Development plan for the coming financial year is currently being developed in conjunction with Service Managers. The delivery of this will be supported by the new Learning Pool IT based learning solution that will be rolled out in quarter 1 of 2015/2016.
- 1.12 The HR Team are also managing a number of staff TUPE transfer issues in relation to the proposed Legal Services and Building Control partnerships.

### **ICT and Information Management (Lead officer: Fiona Kirkham)**

- 1.13 This area incorporates the retained ICT functions for Taunton Deane, the management of the West Somerset Council ICT Service, Information Management for both Councils, Design and Print and Website Content Development.
- 1.14 The installation of WIFI within The Deane House is now complete and access will be rolled out to Members in due course. Accessing WIFI will in some instances require the issue of tokens and passwords. However, we are looking at improving this to make accessing WIFI as trouble free as possible. In April we will be improving the Broadband link into The Deane House, which should improve the speed of WIFI access for external users.
- 1.15 The TDBC PSN (Public Sector Network) compliance audit submission has now been submitted and we await the response. We will shortly be rolling out a new corporate intranet site. In addition we are currently working on a new ICT Strategy.

### **JMASS Project and Transformation Programme (Lead officer: Kim Batchelor)**

- 1.16 The first phase of the project has effectively come to an end and consequently a 'closedown' report is going to the Corporate Scrutiny Committee on 26 March 2015. This will confirm that the majority of the Phase 1 objectives have been delivered. The review of terms and conditions will be undertaken during the 2015/2016 financial year. In addition we are actively progressing the Legal Services and Building Control partnerships.
- 1.17 The next key phase of the project is the Transformation Programme and we are continuing to work with Members, other Authorities and the LGA to identify the key objectives for the programme.

### **Southwest One Clienting (Lead officer: Adrian Gladstone-Smith)**

- 1.18 We are continuing to closely monitor the delivery of the remaining elements of the Southwest One (SWOne) Contract and we continue to progress concerns in the ICT services in relation to capacity to deliver projects and delays in the pricing of additional work.
- 1.19 We have not received any further information in relation to the potential impact on SWOne of the Avon and Somerset Police's potential partnership with Wiltshire Police.
- 1.20 We are now beginning to look at Succession Planning in detail and a specific report is being taken to Corporate Scrutiny on 26 March 2015 and Full Council on 31 March 2015 to update members.

## **2. Corporate Health and Safety (H&S)**

### **Health Surveillance**

- 2.1 The Health Surveillance Programme continues with further hearing tests to be carried out in the near future plus medicals for asbestos removal operatives and those working in confined spaces. The initial programme will be completed by the end of April 2015.

### **Market House**

- 2.2 The H&S Team have been involved in the review of tenders for the Market House refurbishment project.

### **Crematorium**

- 2.3 H&S update visits to the Crematorium and accident investigation with the Crematorium Manager have been completed.
- 2.4 An updated Safety Policy statement for the Joint Taunton Deane and West Somerset partnership organisation has been produced and will be signed off by the Leaders of each Council, post-May 2015.

- 2.5 The Lone Working Policy has been reviewed and approved by the H&S Committee. A pilot scheme for extending the Lone Working Scheme via the Deane Helpline service is being worked on, with the proposed start early in the new financial year.

### **Tool Box Talks**

- 2.6 The stress risk assessment and action plan for Tool Box Talk packs have been completed and copies given to Deane DLO managers for use during team briefings. Talk packs are also available to download from the H&S intranet site. New information has been put together on the following key areas:-

Discarded needles;  
Stress at work; and  
Accident prevention.

- 2.7 Display Screen Equipment (DSE) workstation refresher training for the assessor volunteers took place on 18 February 2015. Ergonomic assessments for three employees who have medical requirements have been carried out by a specialist and appropriate equipment and adjustments made.

## **3. Customer Contact Centre**

### **Performance indicators**

- 3.1 The service has continued to perform exceptionally well in line with its contractual performance indicators, with no failures since the last update and consistently exceeding targets.
- 3.2 During the last quarter, 98% of contacts were resolved at first point of contact and 97% of external customers have rated the service they received to be good or very good.
- 3.3 No complaints have been received during the year 2014/2015.

### **New Telephony Technology**

- 3.4 Whilst we have still not implemented the new automated attendant, automated payments are proving a popular channel for our customers. In January and February, the adoption of auto-payments increased to 60% with some 2000 payments being handled in February.

### **Twitter**

- 3.6 Customer Contact continues to support TDBC's corporate Twitter account by reacting to inbound Tweets and working closely with colleagues in Communications regarding outbound Tweets. The

service is looking to develop its social media strategies over the coming year.

### **Operating Level Agreements (OLA's)**

- 3.7 Customer Contact continues to maintain excellent working relationships with Taunton Deane service lines and service managers. The service is looking forward to developing these relationships over the coming year.

### **Service Delivery Plan (SDP) 2015-16**

- 3.8 Customer Contact is working with Fiona Kirkham on agreeing a set of deliverables for the SDP 2015/2016.

### **Service Restructure**

- 3.8 The Customer Contact Centre's internal restructure is progressing in line with the original time-scale set out in the proposals. Transactional and Specialist teams are now in place in The Deane House Contact Centre and Service Experts are being appointed during March/April 2015.

## **4. Health and Wellbeing**

### **Tenant Services Development (Steven Clarke)**

- 4.1 The following meeting halls now have Kiosks for residents to use:-

Newton Road Guest Room;  
Heathfield Drive Guest Room;  
Moorland Place in the small room next to the Guest Room;  
Darby Way in the Main Room;  
Middleway in the Main Room;  
Creedwell Orchard in the Main Room; and  
There is also one at Priorswood Resource Centre.

- 4.2 Access for the kiosks will be done through the Estate Officers or Supported Housing Officers from the area teams.

### **Taunton Deane as a Dementia Friendly Council**

- 4.3 More than 200 members of Taunton Deane staff and Members have already become Dementia Friends and we are still on track to achieve our goal of becoming a Dementia Friendly Council by the end of April 2015. As the Deane DLO staff work closely with customers it is important they are also given dementia awareness training, so they understand what dementia is and are able to provide good customer service to those affected by it. Gary Kingman and Kate Woollard are

preparing a Tool Box Talk specifically for this purpose, which will incorporate the key information in a snappy ten-minute presentation.

### **Reminiscence Learning (RL)**

- 4.4 This charity, which is part funded by Taunton Deane, is continuing to roll-out their intergenerational dementia awareness programme of activities across communities in the area. These activities are being well received and receiving good media coverage, which in itself raises awareness of the illness and how people can live well with dementia.

### **Taunton Deane Disability Discussion Group**

- 4.5 Stuart Hall joined Helen Phillips at the biennial Taunton Deane Disability Discussion Group in March, where he spoke about the Disability Facilities Grants and Helen spoke about Dementia, explaining what the Council and others are doing to support those living with the illness.

### **Equality and Diversity**

- 4.6 The Health and Wellbeing Team are working with colleagues to ensure that the Authority's website provides services for those with additional needs. By April, we aim to have British Sign Language video links on the site for use by our deaf clients.

### **Housing and Community Strategic Lead (Mark Leeman)**

- 4.7 Public Health have entered into an agreement with Taunton Deane (and the other Somerset Districts) to support public health initiatives and, in particular, to develop closer relations between the Health and Wellbeing Board and the following services:-

Town and Country Planning; and  
Environmental Health and Licensing.

- 4.8 The value of the grant to the Council is £44,530. This money will be used to fund the following projects:-
- Integrating Public Health into the Taunton Deane Local Development Framework. There will be particular emphasis on implementing the Green Infrastructure Strategy. This project presents opportunities for joint work with West Somerset and Mendip District Councils. It also includes provision for Member - training.
  - Embedding Public Health priorities into planning policy across Somerset. This project will explore best practice and will be a county-wide research project managed by the Somerset Strategic Planning Conference.

- Developing effective relationships between Public Health and Environmental Health (including Licensing). This project will raise awareness of / address health and wellbeing issues among target audiences: e.g. taxi drivers, business community, tattooists. There is also provision for Member training.
- Developing effective relationships between Public Health and Environmental Health (including Licensing). This county-wide project will carry out research into requirements and best practice and is being managed by South Somerset District Council.
- Small projects – in addition to the above, there is some funding available to support a number of ‘smaller’ projects including a Taunton Deane Healthy Living Fair; and support for Creating Active Communities (active lifestyle opportunities for the residents of North Taunton).

4.8 This grant money will be spent during 2015/2016 and will be monitored by the Health and Wellbeing Board

## **5. Legal, Democratic and Electoral Services**

### **Legal Shared Services Business Case**

- 5.1 The Business Case to establish a shared Legal Service between Taunton Deane, Mendip and West Somerset Councils was endorsed at the meeting of the Council held on 24 February 2015.
- 5.2 The Council also agreed the Inter-Authority Agreement that would govern the operation of the new arrangement. With both Mendip and West Somerset Councils also making similar decisions, the new shared service will commence on 1 April 2015. Whilst Mendip is the lead Authority, the intention is for staff to be able to work flexibly across the three Council areas to ensure that the transition will run smoothly.

### **Electoral Services**

- 5.3 This is obviously an incredibly busy time for the Electoral Services Team with the 7 May 2015 Elections approaching fast.
- 5.4 Nomination packs have been produced. These have included as much information as possible to assist candidates and an informal briefing session has also been held.
- 5.5 Staff will be available at The Deane House for the busy period before the Elections to receive nominations and answer queries from Councillors and the public.
- 5.6 The issue of postal votes will take place over the weekend of 18 April 2015 and the packs will be posted 1<sup>st</sup> Class on 22 April 2015.



- 5.7 Opening sessions will take place daily (weekdays only) between 11am and 4pm starting on Monday, 27 April 2015. Each candidate may attend along with their agent and they may also appoint a Postal Vote Agent to attend the openings (these appointments must be made by 20 April 2015).
- 5.8 The venue for the Verification and Count will be at Wellsprings Leisure Centre, Cheddon Road, Taunton. The verification of the Ballot Papers will take place immediately after the close of poll on Thursday, 7 May 2015. Once the verification figures have been agreed the Parliamentary Count will begin. The counting of the Borough and Parish Council papers will take place at the same venue commencing at 3 pm on Friday, 8 May 2015.

### **Democratic Services**

- 5.9 This is also a busy time for the Democratic Services Team, who closely assist with the operational work for the Elections. They are also leading on designing and arranging the Members Induction Programme that needs to get underway as soon as the elections are over. Details of the programme will be made available as soon as they have been finalised.

## **6. Resources**

### **Procurement**

- 6.1 We continue to monitor the delivery of the Procurement Transformation Project and day-to-day procurement service by SWOne. Latest information, as at January 2014, reports that £2,306,000 savings have been delivered to the Council through the signed-off procurement related initiatives. A further £1,125,000 of savings are scheduled to be delivered from these signed-off initiatives during the remainder of the SWOne contract.
- 6.2 The Strategic Procurement Service continues to review the 'pipeline' of further possible initiatives for Taunton Deane to provide a clearer forecast of likely savings at the end of the current SWOne contract in 2017. The current best estimate is that a total of £4,990,000 savings could be delivered.

### **Finance**

- 6.3 The Council's budgets, Council Tax and housing rents were approved at the last Council meeting in February 2015. This concluded a significant 'project' for the service, and has been a great achievement.
- 6.4 Alongside the preparation of next year's budget, the service has been supporting managers to pull together the latest forecasts for the current

financial year. Details of the Quarter 3 forecasts were reported to Corporate Scrutiny in February and as an information report to Executive Councillors in March. The Council is on track to remain within budget again this year. The high risk areas are being carefully monitored in the final weeks of the year to ensure forecasts remain reliable.

- 6.5 Preparations for the financial year end are continuing, with a thorough work programme scheduled in the coming weeks to produce the outturn reports and annual Statement of Accounts which must be completed by end of June 2015. As stated in my last report to Council, this deadline is to be brought forward to the end of May from 2017/2018 onwards.

## **7. Revenues and Benefits**

- 7.1 At the time of writing, annual billing for Council Tax and Business Rates is underway, with bills hitting the mats mainly in the week of 16 March 2015. The Revenues and Benefits Service have ensured many of the benefit notifications are accompanied by the Council Tax bill, whereas previously they were despatched separately. It is hoped this will reduce the number of customer enquiries as well as saving on postage costs.
- 7.2 So far, the Revenues Team have collected more than £54,000,000 in Council Tax, with collection on 16 March 2015 at 97.43%, meaning we are on track to meet the end of year target of 97.8%. Similarly, we have recovered Business Rates of £41,000,000 to date, with collection of 97.9% against an annual target of 98.4%.
- 7.3 At the end of February, the average time for the Benefits Team to work out a new claim and changes in circumstances for Housing Benefit or Council Tax Support was 7.2 days.
- 7.4 It looks likely we will have distributed the entirety of the funding of £133,000 provided by the Department of Work and Pensions (DWP) for Discretionary Housing Payments by 31 March 2015.
- 7.5 Staff have been busy preparing for the implementation of Universal Credit by the DWP on 20 April 2015. Officers will deliver a report with a presentation given by the Somerset DWP Partnership Manager to the Corporate Scrutiny Committee on 26 March 2015.

As this is my last report to Full Council during the present quadrennium, I should like to place on record my thanks to all members of the teams within my portfolio for their consistent cheerfulness, commitment and co-operation throughout the past four years. They have made an outstanding contribution to the wellbeing of this organisation and the residents of Taunton Deane.

Councillor Vivienne Stock-Williams

# **Council Meeting - 31 March 2015**

## **Report of Councillor Mark Edwards – Planning Policy, Transportation and Communications and Chairman of the Events Group**

### **1. Taunton Deane Events Group**

- 1.1 I thought this would be an excellent opportunity to highlight the Taunton Deane Events Group of which I am the present Chairman.
- 1.2 The Group was set up as a direct result of the 2012 Olympic Torch Relay where we had gathered together so many varied organisations and individuals and some extraordinary talents, which I really did not want to lose as a collective body.
- 1.3 The concept of the Group is that we are a conduit for current, existing and new events. These are doers not just talkers - the Group is brimming full of individuals that make things happen and by having regular meetings we bring together so many of these groups and individuals who then help or signpost each other.
- 1.4 The Group is made up of the following organisations:- Go Create, CICCIC, The Brewhouse, SASP, Tacchi Morris Arts Centre, Phoenix, Time 4, Somerset Museum, The Castle Hotel, The Flower Show, Taunton Carnival and Marathon, Taunton Comedy, Somerset Cricket Club, Taunton Literary Festival, FUSE, Orchard Centre, Make Taunton Sparkle, Go Commando, Taunton Carnival, Taunton Live 2015 and the Taunton Sustainability Show. In addition, meetings are regularly attended by Licensing, the Tourist Information Centre and Avon and Somerset Police. In addition we get numerous other visitors who are planning specific events and they find the meetings invaluable for networking and advice and critically making sure we do not have too many clashes. I can guarantee I have missed someone from this list so apologies to them.
- 1.5 We have encouraged and assisted so many events from Dragon Boat Racing to the Shakespeare Festival. We are also fortunate in Taunton that we have key events such as the Carnival and the Flower Show, which have successfully run for many years. It is fantastic that new events such as Somerfest and Taunton Live 2015 have been born but there is one common factor.....the Events Group.

And now to my normal business -

## **2. Site Allocations and Development Management Plan**

- 2.1 The Council has completed its publication period on the Site Allocations and Development Management Plan. The next step for officers will be to analyse the responses received before the Portfolio Holder is asked to sign the Plan off for submission to the Secretary of State and The Planning Inspectorate.
- 2.2 Once the Plan is submitted an Examination will be scheduled and is likely to be held during the Summer before the Plan is formally adopted towards the end of the calendar year or in early 2016.
- 2.3 Consultation has also recently finished on the Staplegrove Framework Masterplan. The responses have been sent to the Site Promoters who will analyse the responses and should seek to address the issues raised before finalising the Framework Masterplan and tabling it back to the Council for consideration.

## **3. Neighbourhood Planning**

- 3.1 Public consultation is underway on the Trull Neighbourhood Plan. Taunton Deane Borough Council will need to consider the need to make formal comments on the draft prior to the Plan's submission to the Deane.
- 3.2 The consultation process finishes on the 6 April 2015. It truly has been a huge task for those involved but they have worked extremely hard and I believe should be truly proud of what they have achieved. I believe it to be an exemplar of Neighbourhood Planning and I am sure others could learn a great deal from the way this has been progressed.

## **4. Affordable Housing Thresholds**

- 4.1 Through the National Planning Policy Guidance the Government has recently introduced a new national threshold below which contributions towards affordable housing should not be sought.
- 4.2 I will shortly be making a Portfolio Holder decision which will ensure that in designated rural areas, commuted sums towards the provision of affordable housing can be collected in Taunton Deane on schemes of between 6-10 units.
- 4.3 Officers are currently compiling a list of designated rural areas affected and Members should note that outside of these areas the Council will be unable to seek contributions towards affordable housing on any housing schemes of 10 or less dwellings.

## **5. Monkton Heathfield Governance Board**

- 5.1 Following the granting of planning permission for the Western Relief Road, discussions are taking place aimed at smoothing the process for technical approval to ensure that the road both meets Somerset County Council standards and can be delivered within a timescale that does not result in the delivery of homes being stalled.
- 5.2 The HR process to recruit a dedicated Delivery Team funded by the Large Sites Capacity Fund is underway. Julie Moore who has many years of experience working on the Monkton Heathfield proposals will head the team up.

## **6. Car Parking**

- 6.1 During 2014/2015 Taunton Deane "Commuter" Car Parks have seen a 10.4% increase in usage, with an average of 21,700 transactions/visits per month per car park.
- 6.2 Orchard Car Park : Work is continuing to refurbish the stairways and lobbies of the Orchard Car Park and it is anticipated it will be completed by the Summer.
- 6.3 The Crescent Car Park: The "roundabout" and associated white lining to the entrance of the Crescent Car Park has been refreshed.
- 6.4 Phone and Pay: Work is continuing in the preparation of the change of service provider to Bemrose for the "Phone and Pay" service. Notices are now in place in the car parks and on the pay and display machines. Further publicity is scheduled to follow including information in the local press, website and twitter. Customers registering on line at [www.phoneandpay.co.uk](http://www.phoneandpay.co.uk) before the 1 April will pay no transaction fee for the first month.
- 6.5 Shopmobility: Taunton Deane is still working closely with PLUSS and Compass Disability Services to enable a smooth transition of service providers on the 1 April 2015. It has been confirmed that the contact telephone number will remain the same.

## **7. Communications**

- 7.1 As the Local and National Elections approach, we have been working to ensure good media relations before, during and after Polling Day.
- 7.2 Briefing notes providing background information on the Taunton Parliamentary Constituency and on the Borough and Parish Councils have been prepared and issued.
- 7.3 We have also provided tours of the venue for Sky, BBC and ITN with

the help and support of Tone Leisure at Wellsprings. The tours ensure the crews have the necessary technical information.

- 7.4 In addition, two Deane Dispatch pages were published in March, one focusing on the Council's Housing initiatives, the second on promoting Taunton – and Taunton Deane – with the accent on activities.
- 7.5 The One Team newsletter continues to be well received – feedback is very welcome.
- 7.6 On social media, the @TDBC twitter account continues to attract followers at a rate of about 100 per month. Activity during the pre-Election period is less busy and we have posted a tweet to that effect with a link to guidance.
- 7.7 The Council will be attending a Really Useful Day in May – arranged by the Department of Communities and Local Government – on the use of social media.

I will now sign off and would like to thank all the officers that I have worked with over the last four years for all their efforts on behalf of the Council and the community we all serve.

Councillor Mark Edwards

# Council Meeting - 31 March 2015

## Report of Councillor Mrs Jane Warmington - Community Leadership

Having nearly completed one term of office as part of the administration, I thought I would reflect on what has been achieved through Community Leadership over the last four years.

### 1. Community Leadership

- 1.1 What stands out in particular is that much of what we do in the community is increasingly achieved through working together in partnerships with others. Initially these entail more work, more time, more meetings and many more conversations but lead on to long term efficiencies, simpler arrangements and much better outcomes.
- 1.2 The longest standing partnerships are probably those with the voluntary sector which are well established and highly valued, from the smallest friends group to the larger Citizens Advice Bureau and many clubs, community centres and others in-between. We have been able to retain service level agreements and protect small grants during a time of austerity which has enabled those organisations to deliver so much to so many.
- 1.3 Support through grant aid comes from several portfolios across the Council. It helps grow both small and larger businesses; helps establish and equip local sports clubs and leisure activities; improves village halls and local play areas; supports the Quantocks and Blackdown Hills; advisory services, community centres and the activities they run; group projects; supports community safety through our CCTV cameras and recent Town Wardens pilot; funds equipment, projects and youth activities in the Unparished Area; and the same to benefit our tenants.
- 1.4 The support grant from Government having reduced by 40% over the last four years, continues to challenge us as to how to afford to deliver services. However, this has also made us think differently about how we do things and importantly start to do some of these differently.
- 1.5 The Council is already part of several successful partnerships with other authorities including the Somerset Waste Partnership, South West Private Sector Housing Partnership and Building Control. It has shown itself to be both responsive and innovative in forming new partnerships and strengthening others, to work more efficiently and be more effective. This is admirable and all Members and officers should be proud of what has been collectively achieved and of the plans being explored ahead.
- 1.6 We have embraced the concept of 'One Team' both for our shared management and services with West Somerset Council, and our shared lead with Avon and Somerset Police for the integrated, co-ordinated, multi-agency, frontline working we now have in our Priority Areas across Taunton Deane. Both have attracted funding from the Government in recognition of their aims and achievements and the



forerunner of the latter, the Halcon One Team, has won several awards and received national attention.

- 1.7 Improved outcomes for our Council House tenants through the collaborative working of the Halcon One Team influenced the Housing Portfolio Holder's (PfH) restructure of our Housing Services into three new area-based, multi-disciplinary, Housing Teams (North, East and West Deane) aligned to the three smaller One Team areas focused on the Neighbourhood Police Beats (North Taunton, Halcon and Wellington). We expect to see similar benefits accrue in these areas and continued innovation in Halcon where our Estate Housing Officers and Managers have contributed so much.
- 1.8 Throughout all of this, it is the teamwork we have between Members and officers translating ideas into reality, which stands out for me, and brokered with patience and professionalism by staff throughout. I would argue that together we have achieved a lot over the past four years during a difficult time.
- 1.9 The Council has agreed to explore the real possibility of a public sector hub at County Hall, admittedly with mixed feelings from some, but undoubtedly the right thing to do. This should enable better understanding of the work both Councils undertake particularly in our Priority Areas and enable the three area One Teams to develop further with more collaboration and involvement especially from Social Care. We have also initiated conversations around both authorities' assets in our Priority Areas to better serve resident's identified needs and increased independence and self-sufficiency into the future.
- 1.10 High level strategic partnerships across Somerset are opportunities to gain an overview, share best practice and influence thinking and as Portfolio-Holder I have endeavoured to do these and I represent Taunton Deane on the Police and Crime Panel and on the Safer Somerset Partnership. I have also responded to many consultations which more recently include those on Domestic Abuse, Police and Crime Needs, Local Police and Crime Plan and Financial Inclusion Strategy.
- 1.11 In the Borough, the Taunton Deane Strategic Partnership (TDSP) is responsible for the overview of our Priority Areas which include the One Teams (focused on three urban areas) and the rural Village Agents (responsible for a cluster of parishes each). The project manager for the Village Agents is on the Community Planning Rural Working Group, a subgroup of TDSP. The Village Agents are employed by the Community Council for Somerset and supported by ourselves to signpost and support vulnerable residents in scattered rural communities. I currently Chair the TDSP.
- 1.12 Other important links have been established by me to ensure better understanding of and between various groups. I am now Vice-Chair of the Area Advisory Board for the Taunton Children's Centre Cluster and sit on the Taunton Deane GP Health Forum, Taunton Deane Domestic Abuse Forum, Taunton Deane Anti-Social Behaviour (ASB) Forum and Taunton Deane Youth Network. I also regularly liaise with the Taunton Deane (and West Somerset) Police Sector Inspector, the Town Centre Police Sergeant, our Community Safety Lead, the three One Team Coordinators, our Housing Managers, Strategy Lead, two ASB Officers, and go to both the Halcon MAG and the North Taunton Partnership when I can.

- 1.13 I am a Member of Bishops Lydeard and Cothelstone Parish Council and one of four Parish Councillors writing the draft Neighbourhood Plan. The Parish has taken over some of the work from Taunton Deane Borough Council including running our public conveniences and a lengthsman starts work in the village in April. I generally attend one in two of the five other Parish Council meetings across the Ward and our local North Deane Residents Group. I sit on the local Children's Centre Community Forum and the Quantock Eco Cycle Path Group, exploring the proposed route alongside the West Somerset Railway into Taunton.
- 1.14 Eighteen months ago the Chief Executive asked Portfolio Holders what they would like to achieve by the end of this quadrennium. My list was short and comprised of just two things although they encompass a lot - (1) One Teams working in all our Priority areas and (2) Village Agents covering all the rural parishes of Taunton Deane. We are not quite there yet but we are well on the way and I would like to thank all Members, partners and officers for working alongside me to turn these into a reality.
- 1.15 Particular thanks go to the Portfolio Holder for Housing Services Councillor Mrs Jean Adkins, Avon and Somerset Police Sergeant Andy Murphy and Council Leader Councillor John Williams who trusted me to get on with things. It has been a privilege to serve on the Borough Council for the last four years with such good support during one of the most challenging periods for any local authority. I have really enjoyed it and would like to stand again.

Councillor Jane Warmington

# Council Meeting - 31 March 2015

## Report of Councillor Norman Cavill - Economic Development, Asset Management, Arts and Tourism

- 1.1 The last four years have been interesting times for Asset Management. We have now brought this service back in house.
- 1.2 The minimal staff that were relocated have done a sterling job in prioritising the work schedule that needed to be done.
- 1.3 The last few months have seen various appointments made which will enable the team to manage all our various projects at this very interesting time.
- 1.4 Plans for the relocation of both The Deane House and Deane DLO are progressing well. The latter has the added advantage in enabling the opening up of a number of employment sites.
- 1.5 The work of bringing the Market House back in hand was completed and a beneficial lease to Wildwood will see circa a £1million refurbishment of the area they will take over. A number of other restaurant chains, (such as 'Ask Italian', 'Bills', and 'Le Bistro Pierre') are recruiting, constructing, or seeking a site as they have growing confidence that Taunton is the place in which to invest.
- 1.6 The Firepool Site has been mentioned in other reports, and the Coal Orchard is now at the stage of looking for a delivery strategy tender, to enable delivery of this element of the 'Rethink'.
- 1.7 It may seem like old news now but this time last year there were 'The Floods'. Fantastic work was done by Taunton Deane staff with others in the immediate emergency. Afterwards, in the follow up of grant delivery, 47 businesses were compensated for loss in trading activity and further grants have been available for repair and renewal and to make homes more flood resilient. The latter is still continuing work. In addition, major flood prevention plans have been developed with the Environment Agency and the Government. Particular mention should be made about the Upper Parrett Catchment Plan, and of course our 'super pond' on the River Tone between Taunton and Wellington.
- 1.8 The importance of a cultural offer has been recognised by the Council with its continued support for The Brewhouse Theatre. We are fortunate to have some very dedicated people who have ensured the new programme is on very sound footing and now, with the recent appointment of the Chief Executive Officer we shall see more programmes and greater activity.
- 1.9 Promoting Taunton and Taunton Deane has been the work of the Tourist Information Centre (TIC), and modern communications and a number of other

systems, recently 'Destination Taunton', have been promoting the shops and the area. In fact, destination CMS's new shopping section has helped increase the visitors by 52% on the previous year to our website. The markets within Taunton have helped to improve the footfall and assist the income for our chain and independent retailers. The four footfall counters purchased last summer give us effective monitoring of the increase in footfall that is happening in Taunton.

- 1.10 The TIC's throughput last summer was up 25%, aided by the 'Deane Dragon' Trail, and ticket sales have been boosted (43% up) by a fuller programme of events at The Brewhouse and the Tacchi-Morris. After much planning, this year we shall see the relocation of the TIC to the High Street side of the Market House. It will include a soft-square outside the new TIC, which will enable even greater promotion of what's going on. The Market House should provide a fantastic location for a service that has done so much to assist the town and local area.
- 1.11 One could list many activities that the Economic Development Section is involved with, but in particular I would like to mention the 25 new small Business Grants awarded that make such a phenomenal difference to the new start-ups and the Business Events, and local procurement workshops, all well attended, that encourage local businesses to make the best of the opportunities that are available within Taunton Deane.
- 1.12 With peoples' confidence returning - as with excellent management we are coming out of recession - it is good to see local businesses reinvesting and inward investment and growth gaining pace. This is particularly noticeable in my own Ward where we are seeing investment on a large scale: another town is being built on the side of Taunton. As the infrastructure is being installed (Eastern Relief Road) so employment sites are being serviced. In fact, as the 4,500 homes are built, five employment sites will come on stream - three in West Monkton, one at Walford (Creech St Michael) and a strategic site at Henlade which will provide potential for local employment to the incoming residents.

Councillor Norman Cavill