

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 6 February 2017 at 18:30.

Agenda

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

- 1 To report any apologies for absence.
- 2 Minutes of the meeting of the Council held on 13 December 2016 (attached).
- 3 To receive any communications.
- 4 Borough Council By-Election – 15 December 2016. The Democratic Services Manager, on behalf of the Returning Officer, to report the election of Ross Longhurst Henley of 20 Trinity Close, Wellington, to the vacancy in the Blackdown Ward.
- 5 Declaration of Interests
To receive declarations of Disclosable Pecuniary Interests or personal or prejudicial interests, in accordance with the Code of Conduct, in relation to items on the agenda. Such interests need to be declared even if they have already been recorded in the Register of Interests. The personal interests of Councillors who are County, Town or Parish Councillors will automatically be recorded in the minutes.
- 6 To receive questions from Taunton Deane Electors under Standing Order 15.
- 7 To receive any petitions or deputations under Standing Orders 16 and 17.
- 8 Demonstrating Public Benefit – Independent Schools - To consider the attached Motion proposed by Councillor Steve Ross and seconded by Councillor Libby Lisgo (attached). An assessment of the implications for the Council should the Motion be carried is also attached for consideration.
- 9 Loan to Somerset Waste Partnership for Vehicles to support the New Operating Model. Report of the Finance Manager (attached), to be presented by Councillor John Williams.
- 10 The Deane House Accommodation Project. Report of the Director - Housing and Communities (attached), to be presented by Councillor Mark Edwards. See also the Confidential Appendix D at agenda item No. 11.

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.

- 11 Confidential Appendix D - The Deane House Accommodation Project (attached). See also agenda item No. 10. Paragraph 3 - Information relating to financial and business affairs.

Bruce Lang
Assistant Chief Executive

11 July 2017

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



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

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Council Members:-

Councillor H Prior-Sankey (Chairman and Mayor of Taunton Deane)
Councillor J Adkins
Councillor M Adkins
Councillor T Aldridge
Councillor T Beale
Councillor P Berry
Councillor J Blatchford
Councillor C Booth
Councillor R Bowrah, BEM
Councillor W Brown
Councillor N Cavill
Councillor S Coles
Councillor W Coombes
Councillor D Cossey
Councillor T Davies
Councillor D Durdan
Councillor K Durdan
Councillor M Edwards
Councillor H Farbahi
Councillor M Floyd
Councillor J Gage
Councillor E Gaines
Councillor A Govier
Councillor A Gunner
Councillor R Habgood
Councillor T Hall
Councillor R Henley
Councillor C Herbert
Councillor C Hill
Councillor M Hill
Councillor J Horsley
Councillor J Hunt
Councillor G James
Councillor R Lees
Councillor S Lees
Councillor L Lisgo, MBE
Councillor S Martin-Scott
Councillor I Morrell
Councillor S Nicholls
Councillor R Parrish
Councillor J Reed
Councillor S Ross
Councillor R Ryan
Councillor F Smith
Councillor Mrs F Smith-Roberts
Councillor V Stock-Williams
Councillor P Stone
Councillor A Sully
Councillor N Townsend

Councillor C Tucker
Councillor J Warmington
Councillor P Watson
Councillor D Webber
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 13 December 2016 at 7.00 p.m.

Present The Mayor (Councillor Mrs Stock-Williams)
Councillors Mrs Adkins, M Adkins, Aldridge, Beale, Berry,
Mrs Blatchford, Booth, Bowrah, Brown, Cavill, Coles, Coombes,
D Durdan, Miss Durdan, Farbahi, Mrs Floyd, Gage, Gaines, Govier,
Mrs Gunner, Habgood, Hall, Mrs Herbert, C Hill, Mrs Hill, Horsley,
Hunt, James, R Lees, Mrs Lees, Ms Lisgo, Martin-Scott, Morrell,
Nicholls, Parrish, Mrs Reed, Ross, Ryan, Miss Smith, Mrs Smith,
Stone, Sully, Mrs Tucker, Mrs Warmington, Watson, Ms Webber,
Williams and Wren

Mrs A Elder – Chairman of the Standards Advisory Committee

1. **Apologies**

The Deputy Mayor (Councillor Prior-Sankey) and Councillors Cossey, Davies, Edwards and Wedderkopp.

2. **Minutes**

The Minutes of the meeting of Taunton Deane Borough Council held on 4 October 2016, copies having been sent to each Member, were signed by the Mayor.

3. **Declaration of Interests**

Councillor Mrs Smith declared a personal interest in agenda item No. 8 as she knew someone who was closely connected to the C.O.A.C.H. Project. Councillor Farbahi declared a personal interest in agenda item No. 9 as the owner of land in Taunton Deane. Councillor Wren declared a personal interest in agenda item No 11 as his wife was a tenant of a Council-owned garage.

Councillors M Adkins, Coles, Govier and Hunt declared personal interests as Members of Somerset County Council. Councillors Mrs Adkins, Bowrah, Brown, Cavill, Gaines, Govier, Hunt, James, Nicholls, Mrs Reed, Ross, Mrs Stock-Williams, Stone, Townsend, Mrs Warmington and Watson all declared interests as Members of Town or Parish Councils.

4. **Public Question Time**

(a) Messrs. Mike Ginger and Matt Day of the Taunton Area Cycling Campaign (TACC) wished to raise questions under the following three headings:-

- The need to recognise the strategic transport, regeneration and health importance of cycling in the Taunton area and to take action to exploit this potential;

- The need to work with Somerset County Council (SCC) to address 15 particular hotspots mentioned most frequently by local cyclists in a recent the survey conducted; and
- The need for better information and publicity to encourage more cycling.

With regard to the strategic case, levels of cycling in Taunton were some of the highest of any non-university town, but were still relatively low by the standards of many countries on the Continent. There was a need for significant investment in the provision of new cycle facilities and the maintenance of existing ones.

If cycling and walking was doubled in Taunton, the impact on traffic flow and congestion would be marked. Taunton had all the ingredients to become a 'beacon' cycling town, so

- (1) How would the Council work in a concerted way to achieve a high quality cycling network for the town?
- (2) Would the Council establish a regular dialogue and working arrangements with SCC and ourselves to work towards this?

As to the 15 hotspots, these were the missing cycle links such as the Taunton to Wellington route and locations where the road layout was cycle unfriendly or the road surface was poor or where there was a lack of lighting such as along the Bridgwater and Taunton Canal between Creech St Michael and the town - due to lack of lighting for winter commuting and a poor quality surface in places. Would the Council work with others to address this?

Turning to publicity, the town had some attractive routes though the Green Wedges, thanks to earlier work by the Council. But knowledge of these is not always high especially when the Taunton Cycling and Walking Map was now out of print. Would the Council work with SCC and ourselves to update and publish the map, with a view to launching it in Bike Week in June 2017?

In response, Councillor Habgood stated that he was pleased that TACC had formed and his answers to all the questions asked was 'yes'. It was his intention to set up regular meetings with SCC to discuss the issues that had been raised, particularly with regard to the routes through the Green Wedges. The time was right for the local authorities and TACC to work together and he looked forward to this happening.

- (b) Mr John Hunt referred to the absence of a Christmas Light 'Switch On' in Taunton Town Centre this year and the lack of decorations. This had proved a real disappointment to many people he had spoken to and a Facebook campaign he had started had indicated a large measure of support for a switch on event to be reinstated in the County Town in future years. Could the Council reassure him that this would happen?

Mr Hunt went on to say that he understood the Council had an Events Group which he would be more than happy to become involved with, if this was possible.

Councillor Williams thanked Mr Hunt for his question. Whilst the Council was always willing to support and assist with things like the Christmas decorations, it does need local business people and input from individuals such as yourself to motivate people to become involved. In the current financial climate, he did not believe in the wider taxpayer having to fund the Christmas lights and events as much for the benefit of the traders in the town than anyone else.

Councillor Williams added that he would ask the Economic Development Team and the Portfolio Holder, Councillor Edwards, to make contact with Mr Hunt to enable him to discuss any ideas he might have with the Events Group.

(c) Mrs Dorothea Bradley asked the following questions:-

(i) Please may I request that all Councillors who Chair meetings undergo obligatory training within the next three months in order to receive their allowance as Chairmen?

(ii) Register of Interests: The reason for this Register is for the public to be aware of the particular situation and possible influences upon each Councillor. While there is no suggestion that a figure be included, please might exact sources of support be listed which can run from a totally independent private income from investments/salary/private pension to total income support? Could the names of those Councillors who are Freemasons be also provided?

(iii) Could the percentage attendance rates of each Councillor at the Committee meetings, panels and briefing sessions that apply to each Councillor's particular situation be made available, given that they are paid a basic allowance regardless of attendance or otherwise?

(iv) If the Council really believes in the importance of culture and the arts in regenerating Taunton and moving it forward, please could this point be reflected within the title of the relevant Portfolio Holder?

(v) Would the Council consider deferring the adoption of the Site Allocations and Development Management Plan? Only the process had been considered by the Planning Inspector, not the substance. As the Core Strategy was out of date, the Council appeared not to be in a position to take further sound decisions on proposed major development sites in the area.

Councillor Williams thanked Mrs Bradley for her questions. It appeared that most of these would need input from the Monitoring Officer, Bruce Lang and a full written reply would be sent to her in due course.

(d) Mr Paul Partington drew attention to the unsatisfactory lane ropes and turning flags currently used at both the Taunton and Wellington Swimming Pools. These unsatisfactory facilities made training for events more difficult than it should be and also risked swimmers banging their heads at the end of lengths particularly when swimming backstroke.

Mr Partington also commented on the new LED lighting that had been installed at the Wellington Pool which now meant that swimmers could not see the Speedo Timing Clocks.

Taunton Deane had spent almost £7,000,000 on swimming facilities in recent years. Would the Council spend the extra insignificant sum to provide turning flags and better lane ropes at the swimming pools and the repositioning of the Speedo Clocks at Wellington.

In reply, Councillor Mrs Herbert agreed with the points that were raised by Mr Partington and promised to follow these up with Tone Leisure.

- (e) Sue Levinge stated that there were masses of new housing developments in and around Taunton and Wellington. As an observer, it seemed extraordinary that money intended to provide new, and improved, infrastructure via the New Homes Bonus should be borrowed for a number of years, to do something entirely different, such as supporting the Transformation as to the way the Council conducts its business and interacts with its users.

With regard to Transformation, it seemed that many people had been unable to separate out in their minds, the costs and benefits of the Plan and the proposed formation of a new Council to serve the current Taunton Deane and West Somerset Areas.

The projected annual savings of £3,100,000 related mainly to the implementation of the Business Plan and an annual figure of only £500,000 per annum would be attributable to the 'merger'- and this saving would not commence until 2021/2022. She referred to the spreadsheet she had circulated prior to the meeting commencing.

The reason given by Councillor Williams not to continue with the current joint working is that West Somerset could no longer afford to pay their share. So what evidence is there, that they will be able to pay the correct proportion when the Councils are merged? The indication were that the merger would lead to Taunton Deane residents subsidising those of West Somerset.

We all know that in the opinion of the neighbouring MP and of many others, the Transformation plan is flawed, that it is not going to provide what the people of this town want and that it may not work at all.

Are Councillors 100% convinced that the upfront costs will have been recouped and, in particular the relevant amounts paid back into the funds from which they are being borrowed, within the 2.29 years promised in the Transformation Plan? If you are not sure, or if you think the money should be kept for what it was originally intended anyway – I hope you will vote to support the Motion to be considered later.

Councillor Williams responded by stating that there was no confusion over the figures relating to possible future savings. It had been widely published that the Transformation would generate £2,600,000 in savings, with a further £500,000 from the joining of the two Councils.

When the Council had considered the next stage towards Transformation he had been strongly against Option 1 on the basis it was not viable or sustainable. Option 2 though offered sufficient savings into the future to enable both Councils to operate together. This was backed-up by a clear Business Plan.

With regard to the spreadsheet that had been circulated, Councillor Williams said he would not directly address the figures presented, but would pass these to the Finance Team for any further comment.

- (f) Councillor Doug Lowe, the Chairman of Ruishton and Thornfalcon Parish Council drew attention to the fact that neither of the Councillors elected to represent the Ruishton and Creech Ward had attended a meeting of the Parish Council since November 2015.

The Parish Council was very active and there were currently lots of issues where the support of the Borough Councillors was needed. He gave various examples of important meetings such as those relating to the Junction 25 employment site and the A358 where neither Councillor had turned up. There were comments too about responses not being made to parishioner concerns about housing, speeding, enforcement or flood gates.

The Parish Council had contacted the Leader of the Council for advice on this matter but had been told that they would have to wait until the next Local Government Elections in 2019.

Both Councillors had been elected to represent the local community - something that they were clearly not doing. As a result he had therefore asked them both to resign their seats.

On another issue, Mr Lowe provided an update on the success of the local programme to re-settle Syrian Refugees into Somerset.

In response, Councillor Williams confirmed that he was aware of the issues between the Parish Council and the Ward Councillors and the difficulties that had been caused where Parish meetings had been confrontational rather than the Parish and Borough Councillors trying to work together.

He had written to the Parish Council about this matter and had attended one of their meetings and had said that if there was anything that required Borough Councillor guidance or assistance, he was only too happy to provide help. He certainly did not recognise Mr Lowe's statement about the Parish Council having to wait until 2019 for a solution to the situation. It was something he certainly would not have said.

Councillor Williams went on to say that he was delighted to hear how well the four refugee families were settling into the local community.

- (g) Mr Stephen Cook of Cooks Commercials explained that he currently operated his business from a site he leased from the Council in Frobisher Way, Taunton.

He made reference to the decision made by the Executive last August that further engagement with him should be undertaken with the aim of using best endeavours to reach a solution over the sale of the land that met the Council's aspirations for Economic Development.

However, four months later the Council's Asset Strategy Surveyor had informed him that he was now instructed to negotiate with a third party who had expressed interest in acquiring the Frobisher Way site.

Mr Cook therefore sought assurance that the jobs of his 19 employees would not be put at risk and that that Council would stick to the decision it had previously made.

In reply, Councillor Williams stated that he was unaware of the current situation described by Mr Cook. He undertook to investigate the situation and come back to Mr Cook in the New Year.

5. Motion – The Proposed Use of the New Homes Bonus

Moved by Councillor Coles, seconded by Councillor Nicholls.

“The New Homes Bonus (NHB) was introduced in 2011 by the Coalition Government following political pledges to allow communities to gain more visible benefit from new development, such as minimising loss of amenity, traffic congestion, disruption during building and countering resistance to housing growth. NHB is currently paid over six years. It is very likely that this will be soon be reduced to four years, following negotiations taking place between Whitehall and the Local Government Association.

It was introduced as an inducement to Councils to replace their reliance on the diminishing Rate Support Grant, by increasing the tax flow of domestic rates through an increase in the number of new dwellings in the respective Council areas and the widening of the Tax Base.

However, it was never earmarked for the above purpose. It is widely recognised that many Councils have used this grant to alleviate the pressures arising from the austerity measures that Local Government has experienced since 2011. Taunton Deane has so far largely avoided this means of balancing its budgets.

As we are all aware, the Core Strategy Plan adopted by the Council in 2012 has led to an unprecedented rise in the infrastructure needs of Taunton Deane. The introduction of the Community Infrastructure Levy is likely to meet only some 25% of those needs. The property developers themselves are facing greater difficulties in obtaining a financial return on their investments. This in turn leads to lower numbers of affordable housing and difficulties in attaining all the District's needs in the fields of education, health provision, road provision, open spaces, cultural and leisure activities.

It is for this reason that we are setting out below recommendations to ensure that we ring fence all the present and future New Homes Bonus solely for infrastructure requirements.

The Council was therefore recommended to support

Part One

- (1) The return to the Capital Reserves of the sum of £1,218,000 identified in the paper tabled on 26 July 2016 to support the Transformation Case;
- (2) The withdrawal of the guarantee of a further £1,758,000 from the NHB towards the same Transformation Case, in the event of the Asset Management Strategy failing; and
- (3) That Taunton Deane Borough Council uses its borrowing powers to replace these funds (as they have done with the County Cricket Ground).

Part Two

- (4) Taunton Deane Borough Council should consult communities about how they should spend the money, especially communities where housing stock has increased. The NHB should be used to serve the needs of these residents thus ensuring they see the benefits of growth in their area, to help and support the delivery of employment land and affordable homes.
- (5) All current and future income from the NHB should be ring fenced/set aside to improve infrastructure such as schools, roads, doctors' surgeries, flood control, open space provision, cultural and leisure activities in the areas that have directly been affected by the new growth."

During the discussion of this Motion an amendment was proposed by Councillor Coles, seconded by Councillor Mrs Smith that (5) above be amended to read:-

"All current and future income from the NHB should be ring fenced/set aside to improve infrastructure such as schools, roads, doctors' surgeries, flood control, open space provision, cultural and leisure activities in all of Taunton Deane."

The amendment was put and was lost.

The motion was put and was lost.

6. Loan to the Centre for Outside Activities and Community Hub, French Weir Park, Taunton

Considered report previously circulated, which sought approval for a capital loan of up to £50,000 to be made to the Centre for Outside Activities and Community Hub (COACH), to enable the enterprise to enhance the facilities currently under construction in French Weir Park, Taunton.

The proposed COACH facility was both a building, including a floodable boat store, and a community facility. The intention was to provide a sustainable and functional permanent home for a wide variety of clubs and Community Groups.

The Trustees had received financial support for the construction of the new facility from Sport England and Taunton Deane. The original project was established with estimated costs of £850,000.

Noted however that the total build cost estimate had increased to £1,050,000 of which the Trustees had raised £950,000 to date. Details of principal reasons for the rise in building costs were submitted.

The Trustees had continued to raise funds and currently had bids in for £30,000 and a crowd funding campaign.

The Trust had therefore approached the Council and was seeking a loan to cover half of the funding gap – £50,000 – and had requested the option to repay this over an eight year period. The Trust was confident that it could raise the funding needed to fully complete the project, and the intention was for the Council to only advance the loans when it was clear the COACH trustees had raised all the match-funding necessary to complete the project.

As with any investment this was not risk free, however the risks were considered to be acceptable. There were financial benefits for the Council, particularly through increased investment income, as well as the community benefit for the completion of the overall scheme as per the final design.

Resolved that:-

- (a) The principle of an eight-year fixed rate loan to the Centre for Outside Activities and Community Hub of up to £50,000 at beneficial terms to the Council – with detailed terms to be determined through delegated authority by the Section 151 Officer and the Leader of the Council be agreed; and
- (b) A £50,000 Supplementary Budget in the Council's Capital Programme be approved in respect of the loan which was to be treated as capital expenditure, with the understanding that the principal payments would be treated as capital receipts and will offset the up-front expenditure.

(Councillor Mrs Adkins declared a personal interest during the item covered by Minute No. 6.)

7. Adoption of the Taunton Deane Site Allocations and Development Management Plan

Considered report previously circulated, concerning the proposed adoption of the Taunton Deane Site Allocations and Development Management Plan (SADMP).

The Taunton Deane Core Strategy had been adopted in September 2012.

This Plan provided an overarching framework for Taunton Deane and its long-term development over the period up to 2028. Whilst the Core Strategy established long-term requirements for growth and its broad distribution, barring a number of larger, strategic site allocations and some high level development management policies, it did not include smaller allocations or more detailed development management policies to guide decision-making.

The SADMP set out development management policies and further site allocations to ensure sustainable development was delivered consistent with the objectives of the National Planning Policy Framework and adopted Core Strategy. The Plan included strategic urban extensions at Comeytrowe/Trull and Staplegrove as well as further allocations in Taunton and elsewhere in Taunton Deane in line with the adopted Core Strategy.

The SADMP was submitted to the Secretary of State and Planning Inspectorate in July 2015. Hearing sessions were held in early December 2015 and more recently between 30 March and 1 April 2016.

In order for the Plan to be found sound and capable of adoption it had to be 'positively prepared', 'justified', 'effective' and 'consistent with national policy'. To this end a series of 'main modifications' to the Plan were identified by the Council and confirmed by the Inspector. These modifications were subject to a six week consultation period which ran between the 3 June and 15 July 2016.

The Council was now in receipt of the Inspector's Report which confirmed that the Plan could be legally adopted by Taunton Deane subject to the main modifications outlined in his Report (which were consulted upon). At this stage the Council could not make substantive changes to the SADMP, it could either adopt the Plan with the main modifications or choose not to adopt.

An updated version of the SADMP had been prepared and circulated to all Councillors. Subject to Full Council agreement, the SADMP would be adopted as part of the development plan for the area. It incorporated the main modifications as well as some more minor changes to the Plan itself. Noted that the report contained a Council response to all of the additional modifications put forward through the consultation.

Upon adoption, the SADMP would complete the suite of Local Plan Policies which included the Core Strategy, Taunton Town Centre Area Action Plan (TTCAAP) and a limited number of existing Local Plan Policies which had not yet been superseded. Together these policies formed the basis against which planning decisions would be made unless material considerations indicated otherwise.

Work would commence shortly on a review of the adopted Core Strategy and TTCAAP since all development plans needed to be regularly reviewed to ensure they remained up-to-date and fit-for-purpose.

During the discussion of this item a query was raised relating to the partial deletion of land south of Croft Way, Wiveliscombe from the SADMP.

The land had been proposed to be reserved for education purposes which was envisaged to enable the expansion of the Kingsmead School onto the existing playing fields with replacement provision to be found on the Croft Way allocation.

Unfortunately, the proposal was subject to an objection from Historic England over the impact the provision of playing fields in close proximity to Culverhay Farmhouse could have on the setting of this Listed Building.

In considering this objection, it had been felt that the Plan was unlikely to be found sound and capable of adoption without deleting this proposal - a view confirmed by the Inspector in his Report.

In the event that land was required for the expansion of the school and, subject to its availability, a proposal for the use of land south of Croft Way for playing fields could be considered as a planning application. In such circumstances there would be more information upon which statutory consultees and the Council, as decision maker, could make an informed decision. As such, if it were felt that a proposal accorded with the development plan or material considerations outweighed any conflict with it, planning consent could be granted.

Resolved that:-

- (a) The Taunton Deane Site Allocations and Development Management Plan incorporating the main modifications be adopted (and the Policies Map be updated accordingly); and
- (b) The response to the additional modifications attached as an Appendix to the report be endorsed.

8. **Land at Creedwell Orchard Housing Estate, Milverton**

Considered report previously circulated, concerning a proposed further variation of an Option Agreement with S Notaro Limited for the purchase of an area of Council-owned land at Creedwell Orchard Housing Estate, Milverton.

The proposed change was almost immaterial but did contradict the decision previously taken by Full Council on 12 April 2016 (Minute No. 6 refers).

The variation was needed following further negotiation by S Notaro Limited as to when they would exercise the Option Agreement.

Resolved that the following amendment to the Option Agreement dated 27 February 2014 be approved, to be made by a Deed of Variation:-

Trigger Date – The option must be exercised within 120 days of the current planning appeal decision being made.

9. **Fees and Charges 2017/2018**

Considered report previously circulated, concerning the proposed fees and charges for 2017/2018, full details of which were set out in the appendices to

the report.

Those services proposing an increase to charges included:-

- Cemeteries and Crematorium – It was proposed to increase the main cremation fee and make minor increases for other charges within the service. The income increase from this was expected to be £20,000. Of this, £10,000 was needed to support increasing costs in the service, the rest remained available to support the budget gap;
- Waste Services – The Somerset Waste Partnership proposed to make modest increases its charges for the Garden Waste Collection and Recycling Service. The price increases would allow the service to continue on a cost neutral basis in terms of the contract price paid to Kier. There remained a service subsidy in the bin costs, administration and postage associated with the respective services;
- Land Charges – Although the fees in some areas were to be increased, any surplus or deficit would be dealt with across a rolling three years such that the balance was zero on those fees which were set locally. There would be no impact on the Medium Term Financial Plan;
- Housing Services – In accordance with the 30 year Housing Business Plan, it was proposed to increase housing (non-rent) fees and charges by applying Retail Price Index (RPI) inflation as at September 2016 (2%), with some exceptions. The increases were likely to generate £76,000 for the Housing Revenue Account;
- Licensing – Although the fees in some areas were to be increased any surplus or deficit would be dealt with across a rolling three years such that the balance is zero on those fees which were set locally. There would be no impact on the Medium Term Financial Plan;
- Planning - Previously advice on proposals which only required Listed Building Consent did not attract a fee. It was now proposed to begin charging for this service which was forecast to bring in additional income of £5,000;
- Environmental Health – The proposed increase in Pest Control charges could provide a potential increased income of up to £2,785;
- Promotional Rotunda Units – The increase in cost for this service would cover an increase in charges from the installation of banners and pennants. Any additional income would contribute towards the Visitor Centre staffing budget;
- Deane Helpline – The proposed increase in income from private customers would be in the region of £46,000 per annum. Although other costs had increased, the cost to the Council of the Deane Helpline would be reduced by £26,439;

- Open Spaces – The aim of this proposal was to formalise the charging structure for these areas. This system of charging had not been part of the annual fees and charges reports in the past. No surplus income was forecast at this stage for the Medium Term Financial Plan.

No increases to the fees charged by Building Control, Freedom of Information and Court Fees (Council Tax and Business Rates) were proposed.

Resolved that the fees and charges for 2017/2018 in respect of the Cemeteries and Crematorium, Garden Waste Collection and Recycling, Land Charges, Housing Services, Licensing, Planning, Environmental Health, Promotional Rotunda Units, Deane Helpline and Open Spaces be agreed.

10. **Appointment of External Auditors for 2018/2019**

Considered report previously circulated, concerning the appointment of external auditors for 2018/2019.

The Local Audit and Accountability Act 2014 had abolished the Audit Commission and required, from 2018/2019, local authorities to appoint their own external auditors.

Our current external audit function is provided by Grant Thornton under contract from Central Government. The external audit work currently costs in the region of £62,000 per annum.

By 31 December 2017 the Council was required to have arrangements in place for our external audit provision for the 2018/2019 financial year.

Essentially there were three options available to the Council:-

- i) Undertake an individual procurement exercise;
- ii) Conduct a joint procurement exercise with other bodies; or
- iii) Join a 'sector led body' arrangement where specified appointing person status had been achieved under regulations.

The Secretary of State for Communities and Local Government had approved Public Sector Audit Appointments (PSAA) as a sector led body that could undertake this procurement as outlined in Option iii) above.

PSAA was a not-for-profit company established by the Local Government Association and administered the current external audit contracts on behalf of Central Government. The PSAA had established an advisory panel drawn from Local Government and Police bodies to assist in the design of the scheme.

Further details of the 'opt in' scheme proposed by PSAA were submitted for the information of Members. The costs of setting up and managing the scheme would be covered by the audit fees. Whilst the exact costs were unknown at this stage, PSAA anticipated them being lower than their current costs.

Whilst a detailed analysis of the various options had not been undertaken, it is clear that the scheme proposed by PSAA offers distinct benefits in terms of simplicity, cost, resources and time over procuring and managing a contract locally.

Resolved that the proposal to opt in to the Public Sector Auditor Appointments Scheme for procuring the Council's external auditor for 2018/2019 and beyond be approved.

11. **Recommendations to Council from the Executive**

(a) Financial Monitoring 2016/2017

The Executive had recently considered the latest Financial Monitoring Report for 2016/2017.

With regard to the General Fund Capital Programme, consideration was given to approving a supplementary estimate of £1,326,000 for grants to Registered Social Landlords (RSLs) which would be funded by £624,000 from Section 106 Agreements, £572,000 from affordable housing capital receipts and £130,000 from the housing enabling earmarked reserve.

The 'Grants to RSL's' scheme was the capital funding ring-fenced for the provision of new affordable housing. These funds were allocated to specific schemes which needed additional funding to secure the delivery of affordable housing.

On most occasions these funds were paid to Housing Association Partners who also contributed funding through the Homes and Communities Agency and their recycled capital grant funding received through shared ownership and disposals.

On the motion of Councillor Williams, it was

Resolved that a capital supplementary estimate of £1,326,000 for Grants to Registered Social Landlords be approved.

(b) Review of Council Tax Support Scheme for 2017/2018

On 1 April 2013 Council Tax Benefit (CTB) was abolished and replaced with a locally designed "CTS" (CTS) Scheme. The Government provided each billing authority with a grant and expected Councils to design a CTS scheme to help those on low incomes to meet their Council Tax liability. Initially, 90% of funding previously granted by the Government for CTB was provided for localised CTS.

Whilst the Council had discretion on the rules for CTS for people of working age, the Government had stipulated that pensioners should be fully protected under the same criteria that previously applied to CTB. The Government had also stipulated that, as far as possible, CTS for vulnerable groups should be protected too.

The Department for Communities and Local Government (DCLG) provided funding through the annual Settlement Funding Assessment (SFA) to help meet the cost of localised CTS schemes. Each of the major precepting authorities in Somerset received the initial funding based on their share of Council Tax receipts.

In Taunton Deane, the initial grant for precepting authorities was £6,110,080, with this Council's share being £587,775 (based on a 9.62% share in 2013/2014). From 1 April 2014, funding for localised CTS had been merged into the Revenue Support Grant and Business Rates Funding Baseline and was not separately identified.

It was no longer possible to ascertain funding provided for CTS in the SFA. However, the approach taken by many authorities had been to assume the grant was being reduced at the same rate as the SFA. The SFA had reduced by 26.1% in cash terms in the two years up to 2015/2016 and by 16.2% from 2016/2017. In applying this methodology, the funding available for Localised CTS had reduced to £3,783,863.

In 2015/2016, the Councils had paid CTS of £5,476,457. This left a funding shortfall of £1,692,594. Based on the Council's precepting share of Council Tax for 2016/2017 of 9.63%, the share of this shortfall in funding for Taunton Deane equated to £162,997.

Therefore, the affordability of the current CTS scheme needed to be considered, as was the cost of the financial support provided against other service priorities and alternative options to address the overall budget gap.

The Local Government Finance Act 2012 stated that before making a scheme consultation with any major precepting authorities had to be undertaken, a draft scheme published and then consulted upon with other such persons who were likely to have an interest in the operation of such a scheme.

Consultation with the precepting authorities and the public had taken place in respect of the following four options:-

Option 1 - No Change. The Council to work out CTS in the same way as was done now. Any shortfall in the funding received and the CTS paid in 2017/2018 would need to be met from other Council budgets. Response - 41% in favour;

Option 2 - Reduce maximum CTS for working age recipients from 80%. This meant working age CTS recipients would need to pay more and the Council could reduce the funding required to support the scheme in 2017/2018 to assist in off-setting cuts in the Local Government Finance Settlement. Under the current CTS scheme the minimum contribution was 20%. Response - 41% in favour;

Option 3 - Increase maximum CTS for working age recipients from 80%. This would mean all working age CTS recipients could pay less Council Tax, but there would be an additional cost to the Council and precepting authorities. Increasing the level of support carried a high level of risk to the

Council in protecting front line services as resources would be diverted to support the CTS policy. This risk was increased in future years as the Council continued to see the funding available for services reducing. Response - 11% in favour;

Option 4 - Technical Changes. This would mean the Council could chose to align the CTS scheme for 2017/2018 with some or all of the changes the Government made to other welfare benefits. The changes known or expected to be implemented by the Government were as follows:-

- The maximum period for which the Council would backdate CTS for working age recipients would reduce from six months to one month.
- No longer include a Family Premium in the applicable amount for new working age CTS applicants, or existing recipients who would otherwise have had a new entitlement to the premium.
- No longer include the Work Related Activity component in the applicable amount for new claimants of Employment and Support Allowance (ESA).
- No longer award an extra allowance in the applicable amount for third and any subsequent children born after 1 April 2017. The Council would continue to include the amount for first and second children.
- Align the CTS scheme with changes made to the temporary absence rules in Housing Benefit and Pension Credit on 28 July 2016 to reduce the allowable period of temporary absence outside Great Britain from 13 weeks to 4 weeks.
- No longer award CTS to 18-21 year olds who were not in work.

Response - 64% in favour.

Any of the options to reduce or increase the level of support offered through CTS would have an adverse or positive impact on certain applicants or groups of applicants. If the Council needed to cut the support offered through our CTS scheme, a careful selection of options for our particular demographic would need to be considered unless additional funding could be raised through other Council initiatives or by cuts in services generally. The reality was that any revised scheme that had less funding, needed to establish which applicants were more able to pay an increased level of Council Tax with the reduction in their CTS.

There was no single option or change to the CTS scheme that could deliver sufficient savings to meet the predicted budget gap from the reduced LGFS in 2017/2018. The decision would be to choose what options were acceptable to the Council bearing in mind the overall level of finance available.

The above options had been considered by the Corporate Scrutiny Committee on 20 October 2016. Members had recommended to amend the current CTS scheme for 2017/2018 to align it with changes made by the Government to other welfare benefits with the exception that applicants aged 18-21 would continue to be eligible.

Following careful consideration, the Executive decided at its meeting on 9 November 2016 to agree the proposed amendments to the CTS scheme.

A copy of the full, proposed Council Tax Support Scheme together with a copy of the report presented to the Executive on 9 November 2016 that included an Equality Impact Assessment was circulated to all Members of the Council to increase understanding of the issues prior to a decision being taken. An addendum relating to the Council Tax Support calculations to limit the number of dependants' additions to two for all children born on or after 1 April 2017 was also circulated to Members.

On the motion of Councillor Parrish, it was

Resolved that:-

- (1) Having regard to the consultation responses and the Equality Impact Assessment, the Council Tax Support Scheme be amended to that illustrated in Model 11 contained in the Council Tax Support Scheme – to align the CTS scheme for 2017/2018 with changes made by the Government to other welfare benefits with the exception that applicants aged 18-21 would continue to be eligible; and
- (2) The 2017/2018 Council Tax Support Scheme be recommended for 2017/2018 only.

12. **Reports of the Leader of the Council and Executive Councillors**

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

Councillor Williams's report covered the following topics:-

- Creating a New Council;
- Making a Difference Event – 22 November 2016;
- Welcome Return of Southwest One (SW1) Staff;
- Broadband Update;
- Budget Process;
- Deane DLO Depot;
- Longrun Meadow – New Bridge;
- Firepool, Taunton;
- Devolution Agenda;
- Relocation of 40 Commando and Closure of Norton Manor Camp; and
- Christmas Sparkle and Taunton and West Somerset Food Banks.

Due to the lateness of the hour, the Mayor suggested that rather than extend the duration of the meeting, responses to questions asked of the Leader of the Council should be made in writing outside of the meeting. Similarly, she suggested that questions for the other Executive Councillors could also be dealt with via e-mail. This was agreed.

(ii) **Housing Services (Councillor Beale)**

Councillor Beale's report covered the following issues:-

- Deane Housing Development – Creechbarrow Road, Taunton; Weavers Arms, Rockwell Green, Wellington; Laxton Road, Taunton; 12 Moorland Road and 121-123 Outer Circle, Taunton; Oake; Offsite Manufacture; Development Pipeline; Photovoltaics; Extensions; Scooter Storage; and Car Parking;
- Affordable Housing Delivery;
- Welfare Reform – Welfare Reform Visits; Discretionary Housing Payments; and Universal Credit.
- Anti-Social Behaviour Service – Performance; and
- Deane DLO – Repairs and Maintenance.

(iii) **Environmental Services and Climate Change (Councillor Berry)**

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

- Environmental Health – Infectious Diseases; Events; Environmental Health Reactive Works; Ongoing Noise Investigations; Food Hygiene Inspections; Private Water Supplies; Pest Control; Dogs and Dog Fouling;
- Licensing – Performance; Staffing; Immigration Act 2016; and Town Centre Licence;
- Deane DLO – Street Sweeping and Toilet Cleaning;
- Somerset Waste Partnership; and
- Crematorium.

(iv) **Economic Development, Asset Management, Arts and Tourism and Communications (Councillor Edwards)**

The report from Councillor Edwards covered:-

- Business Development and Inward Investment Marketing - Support for Digital Innovation; BREXIT Research; Taunton Deane Business Awards 2017; and Small Business Saturday 2016;
- Destination, Events, Retail Marketing and Visitor Centre – Destination Marketing, Events; Retail Marketing; and Visitor Centre;
- Town Centre Regeneration - Coal Orchard Redevelopment; and Wi-fi in Taunton, Wellington and Wiveliscombe;
- Asset Management Service General Fund Activities - Estate Management Work; and Asset Data and Compliance Work; and
- Media, Marketing and External Communications.

(v) **Planning and Transportation (Councillor Habgood)**

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

- Planning Policy – Core Strategy; Site Allocation and Development Plan; Strategic Housing Market Assessment; Employment and Retail and Leisure Study; Local Development Scheme; and Local Development Order;
- Neighbourhood Planning – Trull and Staplehay; Three More Plans; and Community Council for Somerset Sessions;
- Placemaking – Garden Town Bid;
- Major Planning Applications – Firepool; Coal Orchard; Staplegrave; Planning Performance Government Proposal for Change;
- Heritage Training;
- Planning Staffing;
- Transportation – Car Parking Performance; Car Park Works and Updates – Orchard Car Park; Wood Street Car Park; High Street Car Park; LED Lighting; Signage; Re-lining; and Car Park Capacity – A Comparison; and
- Cycling.

(vi) **Sport, Parks and Leisure (Councillor Mrs Herbert)**

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

- Parks – Friends of Wellington Park; Tiverton in Bloom; Deane DLO Move; Vivary Park Flooding; and Fields in Trust;
- Play and Leisure – Focus on Petanque; and
- Tone Leisure (Taunton Deane) Limited Activities – Project Wellington; National Older People’s Day; Flexercise Training; Learning Disability Sessions in Partnership with Future4 Resource Centre, Roman Road, Taunton; Health Walks; This Girl Can Run; and Bumps and Beyond.

(vii) **Corporate Resources (Councillor Parrish)**

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

- Legal Services;
- Electoral Services;
- Democratic Services;
- Corporate Services – Corporate Strategy and Performance; Customer Contact Service; Facilities Management; HR and Organisational Development; ICT and Information; Southwest One Exit and SAP Replacement;
- Transformation Project;
- Finance and Procurement; and
- Revenues and Benefits Service; and

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

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

- Mental Health and Wellbeing;
- Anti-Social Behaviour;
- Team Around the School;
- Compass Disability;
- Local Lottery;
- Somerset School Mentors;
- The Value of Link Power;
- Lyngford Park Youth Shelter;
- Public Space Protection Order for Wellington;
- Somerset One Teams Information Booklet;
- Collaboration between Health and Care Services; and
- Christmas Tree Decorations.

(Councillor Stone left the meeting at 8.48 p.m. Councillors Miss Durdan and Coombes left the meeting at 9.44 p.m.)

(The meeting ended at 10.00 p.m.)

Council Meeting – 6 February 2017

Demonstrating Public Benefit – Independent Schools

Motion proposed by Councillor Steve Ross and seconded by Councillor Libby Lisgo

This motion is a means to facilitate a voluntary agreement in which local Independent Schools and Taunton Deane Borough Council innovate to jointly deliver and demonstrate the local charitable public benefit of the schools, while ensuring schools whose public benefit is not commensurate with the Business Rates Relief they receive from this Council are scrutinised and challenged.

The motion recognises that the charitable status and unique global perspective of our Independent Schools as international businesses has a key role to play in the growth agenda of Taunton Deane and in improving the lives and outlook of local people.

A supporting briefing will be circulated to Councillors.

Motion

1. From February 2017, and annually in February thereafter, it will be the policy of this Council to invite Taunton Deane's Independent Schools who receive Business Rates Relief to each make a donation equivalent to 10% of their mandatory Business Rates Relief to a fund to be held by the Community Council for Somerset.
2. The fund will be established for educational, environmental and recreational initiatives towards health and well-being in Taunton Deane. 50% of that fund will be targeted at projects within the Taunton Deane Priority Areas, projects to be considered on a criteria prepared by a Public Benefits Panel, comprising of representatives of the schools and the Council's Voluntary and Community Sector (VCS) Grants Panel.
3. The Council will additionally invite the Independent Schools to provide volunteer resourcing and support to the One Teams in Taunton East, North Taunton and Wellington and to specific service providers in the rural areas, by jointly offering and organising 25 One Team days per year, each day for 30 young people who are tenants of Taunton Deane Borough Council.
4. It will be the policy of this Council to support and endorse the formal Public Benefit Statements of schools in receipt of Business Rates Relief and participating in the initiatives above, to ensure that they are able to clearly evidence to the Charity Commission and the Courts the public benefit our community derives from their operation in our area and their status as charities.

5. From February 2017, Independent Schools in receipt of mandatory Business Rate Relief will be required to provide a detailed report of public benefit for the previous calendar year with their application for mandatory Business Rates Relief to be eligible to receive that relief from Taunton Deane Borough Council. This must be considered by the Council's VCS Grants Panel, who must report to the Corporate Scrutiny Committee on the levels of public benefit the organisations offer and the amount of relief given.
6. If in the opinion of the VCS Panel and the Corporate Scrutiny Committee a charity fails to demonstrate public benefit the Chairman of Scrutiny will recommend that the Chief Executive writes to the trustees and the Charity Commission to address issues and report to the Section 151 Officer, who must consider responses to assess whether the trustees are offering public benefit and whether mandatory relief can be still applied.
7. This Council will write to the Prime Minister, Department of Communities and Local Government, the Local Government Association and the Charity Commission to request that the Government changes the law to describe Discretionary and Mandatory Relief to charities as 'Public Benefit Relief' to recognise and distinguish its special status in allowing charities to give public benefit.

Council Meeting – 6 February 2017

Demonstrating Public Benefit – Independent Schools

A Supporting Briefing submitted by Councillors Steve Ross and Libby Lisgo

Independent Schools - Delivering and Demonstrating Public Benefit – Taunton Deane Borough Council Overview

- Independent Schools contribute significantly to our local economy.
- The mandatory element of Business Rates relief to Independent Schools in Taunton Deane is around £1million per year. Independent Schools in Taunton Deane have a rateable value of approximately £1.2million and receive 80% rebate on this, £981,848.96 in Mandatory Business Rates Relief.
- This equates to **£392,000** Business Rates to the Deane alone, with the County Council and Fire Authority receiving another £98,000 and the rest going to Central Government.
- Previously and reflecting public finances Taunton Deane decided to remove Independent Schools from extra 20% Discretionary Relief that is paid to other charities. These other charities need Ward Councillor support to qualify for Discretionary Relief. This scheme related to 20% works by charities asking Ward Councillor for a letter of support and is a public benefit test.
- Taunton Deane therefore already operates a simple system which scrutinises other local charities delivery of public benefit. The Council does not do this for Independent Schools.

National Overview (See July 2015 letter annexed for general summary)

- Under the Local Government Finance Act 1988 Section 45(6) – the Council **MUST** grant 80% Mandatory Business Rates Relief to charities and Independent Schools for property wholly or mainly for charitable purposes of charity or other charities.
- For 80% relief '**MUST**' is dependent on two things:-
 - (1) Charitable status being confirmed for charities (confirmed by registration on and listing on Charity Commission website); **AND**
 - (2) On test of public benefit.
- Public benefit is no longer assumed. Charity Commission guidance (2013), separated the public benefit requirement in relation to charitable status from the public benefit test in relation to the charity's operations, making it clear that fee-charging charities such as Independent Schools would only lose their charitable status if their charitable purposes failed to be for the public benefit - not their operations

- The House of Lords decided not to legislate for public benefit of Independent Schools, leaving the Charity Commission to issue guidance and scrutinise benefit. The Charity Commission check a random sample each year and note that scrutiny of public benefit is a matter for the public and other organisations i.e. it is possible to complain to the Charity Commission about adequacy of public benefit.
- The Commission's intention is to commission and publish independent research to assess the impact of initiatives to increase partnerships between charitable schools and the state sector.
- In September 2016 the Prime Minister said she would launch a consultation on the charitable status of Private Schools, which would lead to a "tougher test" - "Through their charitable status, Private Schools collectively reduce their tax bills by millions every year. And I want to consult on how ... to enact a tougher test on the amount of public benefit required to maintain charitable status".
- The Government is currently consulting. The Independent Schools responded to this threat to their charitable status with plans for 10,000 means-tested places costing the Government £5,500 a year per pupil. The Government has not accepted this.

House of Commons Library Briefing: SN0522 Charitable status and Independent Schools July 2016 (available online)

- The *Charities Act 2011* (a consolidation act) defines a charity as an institution which is established for a charitable purpose and provides benefit to the public. The advancement of education is a charitable purpose and so Independent Schools are capable of being charities.
- There is no longer a presumption that any type of charity is for the public benefit. Educational charities, like all other charities, **must demonstrate that they are for the public benefit.**
- There is no statutory definition of public benefit.
- The Charity Commission is required by statute *to issue guidance to promote awareness and understanding of the operation of the public benefit requirement.* In 2008, it published guidance, including guidance on public benefit and fee charging, in which the Commission set out issues to be considered by charities charging high fees that many people could not afford.
- The guidance stated that offering free or subsidised access was an obvious and, in many cases, the simplest way in which charities could provide opportunities to benefit for people who could not afford the fees; it also stated that this was not a requirement.
- The Independent Schools Council was granted permission by the High Court to bring a judicial review of the Charity Commission's public benefit guidance. This was heard by the Upper Tribunal at the same time as a reference by the Attorney General asking the Tribunal to consider how the public benefit requirement should operate in relation to fee-charging charitable schools.

- The Upper Tribunal's decision, published in October 2011, concluded that in all cases there **must be more than minimal or token benefit for the poor**, but that trustees of a charitable Independent School should decide what was appropriate in their particular circumstances. Benefits could be provided in a variety of ways.
- The Charity Commission has since published revised public benefit guidance. The Commission has also published some specific examples of ways in which charitable Independent Schools might make provision for the poor to benefit.

The role of Trustees and Reporting in Accounts under new guidance (Charity Commission Website)

- Trustees must consider who can potentially benefit from the purpose of their charity/organisation and give proper consideration to the full range of ways they could carry out the purpose, have proper reasons for decisions and make decisions in accordance with the framework for trustee decision making.
- Other factors that can also affect who can benefit from their charity's purpose include membership provisions, physical access to facilities provided by the charity (such as opening hours) and charging for a charity's services.
- Where a charity's charges are more than the poor can afford, trustees must run it in a way that makes more than minimal provision for the poor to benefit.
- It is not for the Courts or the Charity Commission to tell trustees which decision to make if there is a range of decisions open to them, so there is choice about how to carry out a charity's purposes, provided that discretion is exercised in a way which:-
 - is in accordance with the charity's purpose;
 - is for the public benefit;
 - has regard to the Commission's public benefit guidance where relevant;
 - is in accordance with the general framework for trustee decision making.
- The Commission would expect trustees to address and resolve a situation in which the charity's purposes were not being carried out for the public benefit.
- The trustees' **annual report** must explain how the charity has carried out its purpose for the public benefit. A detailed report is required if a charity's gross income exceeds £500,000; otherwise a brief summary is all that is needed. Trustees must state that they have had due regard to the Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.
- The Commission checks a random sample of trustees' annual reports for the quality of reporting, including about public benefit, and would consider persistent non-reporting of public benefit a potential regulatory issue.
- Reporting on public benefit should not just be seen as a legal requirement that trustees must meet and that the Commission regulates. Done well, it should help trustees stay focused on what the charity is there to achieve. It can also

help trustees demonstrate the value and impact of their work to its supporters, beneficiaries, grant makers and funding bodies.

Public Benefit and Taunton Deane Borough Council

- People can challenge whether the public benefit offered is real.
- Trustees of Private School charities have an obligation to ensure that they are running the school for the public benefit. They are obliged to take action to ensure that the school does not solely benefit those who pay full fees.
- Though it is up to the trustees to determine how to do this it is an area where trustees will be under increasing scrutiny with public benefit law evolving, public benefit difficult to quantify in financial terms and tax relief harder to justify in the context of society's financial challenges.
- Local examples of public benefit include one local school in 2014 awarded reduced fees and scholarships worth £1.9 million to 407 pupils. 200 of these or £900,000 were means tested, **one pupil having their full fees paid.** Means tested is however a relative term - for example one question considered by the Courts has been the extent to which charitable public benefit is actually demonstrated by reducing fees for those who could afford to pay for private school in the first place.
- There is of course well documented interaction with local state schools – swimming, sports events, science and arts days but statements of public benefit from the Private Schools on the Charity Commission website also list the voluntary activity of pupils in the wider community as a demonstration of their public benefit justifying Mandatory Tax Relief including students participating in the Duke of Edinburgh Scheme. Should Duke of Edinburgh volunteering be evidence of public benefit and a tick in the box to get tax relief that is not afforded to state schools who do similar activities?

21 July 2015 from gov.uk Letter Charity Commission to Independent Schools Council

The annexed letter that follows summarises the Charity Commission's position on issues relating to the public benefit of Independent Schools raised by Peers in the debates on the Charities (Protection and Social Investment) Bill. It covers:-

- Commission guidance on public benefit;
- Whether there is potential for more to be done to encourage charitable Independent Schools to consider sharing sporting facilities or other resources as part of their responsibility to operate for the public benefit;
- Public benefit reporting; and
- The Commission's intention to commission and publish independent research to assess the impact of initiatives to increase partnerships between charitable schools and the state sector.

Annex

Julie Robinson
General Secretary
Independent Schools Council
First Floor
27 Queen Anne's Gate
London SW1H 9BU

Dear Ms Robinson

In the last week or so there have been a number of discussions between officials at the Charity Commission and you and your colleagues at the Independent Schools Council about issues raised by peers relating to the public benefit of independent schools in the debates on the Charities (Protection and Social Investment) Bill. This letter summarises the current position.

Public benefit is part of what it means to be a charity, to operate as a charity and to report on a charity's work. The Charity Commission produces guidance for charity trustees on each of these aspects of public benefit, and the particular issues that relate to the different charitable purposes which the law recognises. All charity trustees have a duty to 'have regard' to the Commission's public benefit guidance and must report each year on how they have carried out their charity's purposes for the public benefit. We publish these reports on the online public register of charities and check a random sample of reports; we also commission occasional research reports to assess the quality of public benefit reporting and consider particular aspects and issues raised.

In recent Parliamentary debates on the Charities Bill a number of peers, most notably Lord Moynihan, have argued that some charitable independent schools could do more to share their facilities for sports, music and the arts with schools in the maintained sector and that doing so is one of the ways in which such charities meet the public benefit requirement and contribute to the health and wellbeing of the community. Amendments to the Bill have been tabled to create a new duty for charitable independent schools to share their facilities and require the Charity Commission to produce new statutory guidance setting out the minimum that must be done.

As charity law regulator, we are concerned that introducing this new duty on a particular sub-set of the registered charity sector into primary legislation could have wide and unintended consequences, which we have not been able to consider fully. It is an important principle of charity law that trustees have the freedom to make decisions about how to carry out their legal duties in the appropriate way for their charity's individual circumstances. We regulate more than 160,000 charities carrying out a wide range of activities so our regulatory guidance must set out the legal principles trustees must follow, without being prescriptive.

However, we recognise the spirit of these proposals and the intentions behind them. As charity regulator we have sought to consider whether there is a non-legislative

route to progress these issues. Specifically, we have considered whether there is potential for more to be done to encourage charitable independent schools to consider sharing sporting facilities or other resources as part of their responsibility to operate for the public benefit. On this basis we approached the Independent Schools Council last week to outline our intentions.

Public benefit reporting

The Charity Commission's existing guidance Public Benefit: Running a Charity has links to examples of how charitable schools can provide benefit for people who can't afford their fees, including by sharing sports facilities. This guidance is still in effect and we commit to doing more to promote it to schools and to the wider public. We have also considered our guidance Public Benefit: Reporting and our example Trustees Annual Report for a charitable school, and consider that this guidance should include more examples of reporting on sharing sports, arts or music facilities to encourage charitable schools to consider what they are doing and how they report in this area. We will publish and promote this revised guidance to charitable schools and I am grateful to you for your assurances that the ISC and Associations will also promote this guidance to its members.

Data and research

The Commission will commission and publish independent research approximately a year after the publication of revised guidance to assess the impact of initiatives to increase partnerships between charitable schools and the state sector. I understand you intend to collect data through the census of ISC members on provision of facilities and will make this available in aggregated form to the researchers.

In our discussions, you and your colleagues have clearly recognised that the ISC has a role to play in encouraging and supporting partnerships between its member schools and the state sector, and I am glad to hear that you expect to be able to provide an online facility that will make it easier for state schools to identify opportunities for partnerships with ISC members and for member schools offering partnerships to provide their details. I look forward to hearing more details.

I hope we will be able to continue this dialogue and work with the Parliamentarians and other stakeholders who have championed the benefits of partnership initiatives between charitable independent schools and the state sector over the coming months.

I will publish a copy of this letter on our website.

Yours sincerely

Sarah Atkinson

Director of Policy and Communications

Taunton Deane Borough Council

Motions to Council – Assessment Form

On receipt of a Motion from a Councillor, the Democratic Services Manager will carry out an assessment as to its contents to establish whether there are likely to be significant consequences to the Council should the Motion be carried at the subsequent Full Council meeting.

The first question to be addressed will be:-

“Can the Motion, if approved, be implemented without the need for any resource (financial and otherwise) to be identified outside existing budgets or staffing capacity?”

If the answer is ‘yes’, then the Motion can proceed towards discussion and resolution.

An example of a Motion which would fall into the above category would be where the Council is being asked to lobby the Government, Somerset County Council or other body on a particular issue. If the motion is carried, the action required will usually involve no more than a letter being prepared and sent to the intended recipient.

However, as in the case of the recent Motion on ‘Legal Hights’, the answer to the above question would clearly be ‘no’.

In such circumstances, detailed analysis of the wording of the Motion will be required to identify what will be needed if the Motion – when it comes before Full Council – is carried.

Such analysis will include:-

- What additional resource would be required to ensure the Motion (if approved) could be implemented?
- What needs to be done to identify the level of resource necessary both in financial and staff terms?
- Are any approvals needed to provide these resources?
- Will this require reports to be submitted through Scrutiny and the Executive?
If a Supplementary Estimate is required, Full Council approval will be required too.

If such analysis is required, the Democratic Services Manager will arrange for the attached pro-forma to be completed and this will accompany the relevant Motion onto the agenda of the Full Council meeting so all Members are aware that further investigation will be required before the Motion – even if it is carried – can be implemented.

Motions to Council – Assessment Proforma

(To be used in circumstances where it appears the wording of a proposed Motion will commit the Council to providing further financial or staffing resources which cannot be met from existing budgets)

Brief Details of the Motion -

Motion

1. From February 2017, and annually in February thereafter, it will be the policy of this Council to invite Taunton Deane's Independent Schools who receive Business Rates Relief to each make a donation equivalent to 10% of their mandatory Business Rates Relief to a fund to be held by the Community Council for Somerset.
2. The fund will be established for educational, environmental and recreational initiatives towards health and well-being in Taunton Deane. 50% of that fund will be targeted at projects within the Taunton Deane Priority Areas, projects to be considered on a criteria prepared by a Public Benefits Panel, comprising of representatives of the schools and the Council's Voluntary and Community Sector (VCS) Grants Panel.
3. The Council will additionally invite the Independent Schools to provide volunteer resourcing and support to the One Teams in Taunton East, North Taunton and Wellington and to specific service providers in the rural areas, by jointly offering and organising 25 One Team days per year, each day for 30 young people who are tenants of Taunton Deane Borough Council.
4. It will be the policy of this Council to support and endorse the formal Public Benefit Statements of schools in receipt of Business Rates Relief and participating in the initiatives above, to ensure that they are able to clearly evidence to the Charity Commission and the Courts the public benefit our community derives from their operation in our area and their status as charities.
5. From February 2017, Independent Schools in receipt of mandatory Business Rate Relief will be required to provide a detailed report of public benefit for the previous calendar year with their application for mandatory Business Rates Relief to be eligible to receive that relief from Taunton Deane Borough Council. This must be considered by the Council's VCS Grants Panel, who must report to the Corporate Scrutiny Committee on the levels of public benefit the organisations offer and the amount of relief given.
6. If in the opinion of the VCS Panel and the Corporate Scrutiny Committee a charity fails to demonstrate public benefit the Chairman of Scrutiny will recommend that the Chief Executive writes to the trustees and the Charity Commission to address issues and report to the Section 151 Officer, who

must consider responses to assess whether the trustees are offering public benefit and whether mandatory relief can be still applied.

7. This Council will write to the Prime Minister, Department of Communities and Local Government, the Local Government Association and the Charity Commission to request that the Government changes the law to describe Discretionary and Mandatory Relief to charities as 'Public Benefit Relief' to recognise and distinguish its special status in allowing charities to give public benefit.

Questions to be addressed

What additional resource would be required to ensure the Motion (if approved) could be implemented?

General Background:

In accordance with the Local Government Finance Act 1988, Section 45 (6), then we have no discretion, but MUST grant relief (mandatory) where "...the ratepayer is a charity or trustees for a charity and it appears that when next in use the hereditament will be wholly or mainly used for charitable purposes (whether of that charity or of that and other charities)."

We must be satisfied that the organisation is a charity and if the Charity Commission considers them to be a charity then they will be listed on the Charity Commission's website.

Likewise, if the organisation is not a registered charity, but has charitable status for the purposes of HMRC, that is currently deemed satisfactory for the purposes of Mandatory Relief.

From a Revenues perspective, asking for additional proof of charitable status to receive Mandatory Relief is not necessary and would require additional administration resource for both the Council and the rate payers.

Motion 1 – This would need further investigation to understand the resource implications fully. Firstly resources through staff time and administration would be needed to develop outline proposals and engage with relevant schools to determine if such voluntary arrangements could be established in principle. If strong support is evident then further resources through staff time and administration will be needed to develop a formal policy and supporting processes to implement such policy including engagement with the Community Council for Somerset. The motion proposes to "invite" and as such will not be enforceable. This would presumably also have resource implications for the Community Council for Somerset in administration arrangements.

Motion 2 – Accountability, accounting, reporting, banking, insurance arrangements would be needed. This might be incorporated into existing arrangements within the Community Council for Somerset? Clarity would be required on resources needed to establish and maintain a "Public Benefits Panel".

Motion 3 – Resources would be needed to engage with schools and identify relevant young people, and organise the days. May also have other resources implications such as transport, insurance, expenses etc.

Motion 4 – The form of support and endorsement would need to be determined and any supporting activity to assess beforehand. It is unclear what additional resources would be needed at this stage.

Motion 5 – Additional administration costs would be incurred to collect information from the schools and collate and report to a grants panel and committee. This is likely to be in the form of staff time and minor disbursements.

Motion 6 – Clear criteria would need to be established to enable the VCS Panel and the Corporate Scrutiny Committee to assess any demonstration of public benefit. Proposals would require the time of the Chief Executive and the S151 Officer. Potentially legal costs would also be incurred.

Motion 7 – Leader and officer time, plus legal advice would be required.

What needs to be done to identify the level of resource necessary both in financial and staff terms?

An assessment would need to be undertaken to identify additional resource requirements for the various elements of the proposals. Clarity would be needed whether this is considered a fixed term or ongoing arrangement. Clarity would also be needed on which body is proposed to undertake related activities and the associated administration.

Any assessment would likely include, but not necessarily be limited to, the following:-

- Understand the proposals in more depth including requirements or policy development and administration.
- Understand financial accountability, accounting, reporting, administration and control arrangements.
- Staff resource requirements for policy development, business process creation and implementation.
- Insurance and taxation implications.
- Banking / transaction costs.
- Data security, information systems, FOI / transparency reporting requirements.

Are any approvals needed to provide these resources?

Yes, if additional budget is required for the additional resources required to administer such a scheme, unless a commensurate reduction of resource requirements in existing activities is identified and such resources reprioritised to deliver this proposal in which case budget virement could be approved in line with financial regulations.

***Will this require reports to be submitted through Scrutiny and the Executive?
If a Supplementary Estimate is required, Full Council approval will be required too.***

Yes

Likely timescale involved –

To be determined.

Taunton Deane Borough Council

Full Council – 6 February 2017

Loan to Somerset Waste Partnership for Vehicles to support the New Operating Model

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

Report Author: Jo Nacey, Finance Manager

1 Executive Summary

- 1.1 The purpose of this report is to provide detail in relation to a request to lend £3,500,000 to the Somerset Waste Partnership for the purchase of new vehicles associated with the New Operating Model. There may be a later request for a further advance in relation to new or reconfigured depots but the details of these and the funding required is not yet available.
- 1.2 As with any investment this is not risk free, however the risks are considered to be minimal and managed through the cost sharing agreement of the Waste Partnership. There are financial benefits for the Council, particularly through increased investment income.

2 Recommendations

- 3 Full Council is recommended to approve a £3,500,000 loan in principle and incorporate the associated capital budget requirement in the 2017/2018 Capital Programme, and delegate authority to the Leader and S151 Officer to agree full terms and conditions with the Somerset Waste Partnership in line with the principles in this report.

4 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
As with any loan agreement there is a risk that the borrower fails to make repayments on a timely basis	3	4	12
<i>Mitigated by – The loan is supported by an appropriate agreement and managed through the cost sharing agreement of the Waste Partnership of which the Council is a partner. The vehicles act as security for the agreement.</i>	1	4	4

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

5 Background

- 5.1 At Full Council 30 September 2014 a loan of £3.5m was approved to enable Somerset Waste Partnership to purchase new vehicles as part of a rolling programme, through the purchasing power of Kier. This loan was not drawn down until 1 August 2016 and was split between ourselves and South Somerset District Council. Our resulting share was £1.567m.
- 5.2 The term of the loan was 7 years at a fixed rate of 2.22% (1% above PWLB rate at the time) giving the Council a healthy interest income contribution but still being attractive to Kier in relation to the loan rates they could secure.
- 5.3 We have now been approached for a further loan in relation to new vehicles which will be required by the Waste Partnership for the new operating model, of which we are in support.

6 Loan Requirement

- 6.1 Somerset Waste Partnership seeks to borrow £17.5 million over a 7 year period, paying back both principal and interest on an annual basis. This borrowing has been proposed to be spread across the five district partners of the Waste Partnership in equal proportions. At this stage, the County Council are not proposing to be one of the lenders.
- 6.2 Taunton Deane Borough Council's share (excluding the County Council) equates to 20%. This would mean that our share would be £3.5m.
- 6.3 We are able to offer the partnership a fixed rate of PWLB plus 1% for £3.5 million. As a guide, as at 28 December this would give a rate of 2.18% for a 7 year loan.
- 6.4 The start date of the loan would be approximately September 2017 and the interest rate would have to be calculated again to ensure that the rate we receive is current. The "surplus" that the 1% equates to would of course stay the same.

7 Links to Corporate Aims / Priorities

- 7.1 None specific to this report.

8 Finance / Resource Implications

- 8.1 Providing a loan of £3.5 million to Somerset Waste Partnership alongside other capital commitments within the capital programme is affordable and an annual cashflow of repayments will serve to replenish cash balances.
- 8.2 Repayment of the principal amount of average £500,000 each year will form a capital receipt which will replenish the unallocated capital, and it is proposed to 'set aside' this capital receipt to offset the capital financing of the loan advance. This means there is no revenue impact for the loan principal amount.
- 8.3 Providing such a loan would generate interest receipts in the region of £286,125 over the 7 year period which would support revenue budgets and equate to average income of £40,875 for each of the next 7 years.
- 8.4 This assumes that the loan is funded by internal borrowing. If external borrowing is required the "surplus" to the Council will be the 1% premium which equates to £131k (or an average of £19k per annum).
- 8.5 Our average investment return is in the region of 0.84% currently which equates to £205,800 in total on £3.5m over 7 years. The incremental improvement of investment return on this loan (based on internal borrowing) would therefore provide additional income in the region of £11,475 per annum over the term of the loan. Although, this assumes no repayment of principal which could be reinvested. Hence, the differential between our existing return and that of a loan with annual principal repayments is in excess of £11,475 per annum.
- 8.6 Another factor of benefit to the Council is that the Waste Partnership will charge Kier (the supplier) a further 0.3% in interest which will then be shared across the partners.

9 MTFP Implications

- 9.1 The following table outlines the additional net interest income which could be added to the MTFP each year depending on the level of loan agreed. This assumes external funding is used therefore any internally funded elements will increase the return.

Year	Externally Funded Value of Loan (£3.5m)
	Additional Interest Income
1	33,750
2	28,750
3	23,750
4	18,750
5	13,750
6	8,750
7	3,750
Total Additional Income	131,250

- 9.2 The timing of the interest payments will be dependent on the date of drawdown of the loan. The first payment will be factored into the year following the drawdown and then for the subsequent 6 years.

10 Legal Implications

- 10.1 The legal implications have been considered and there will be a need to draft a formal loan agreement. This will be dealt with through our legal partnership and costs should be minimal when compared to the size and term of the transaction.

11 Environmental Impact Implications

- 11.1 None for the purposes of this report.

12 Safeguarding and/or Community Safety Implications

- 12.1 None for the purposes of this report.

13 Equality and Diversity Implications

- 13.1 None for the purposes of this report.

14 Social Value Implications

- 14.1 None for the purposes of this report.

15 Partnership Implications

15.1 We have a vested interest in that the ability of the Waste Partnership to borrow at the best available rate will in turn be reflected in the net costs of the partnership, of which we take a share.

16 Health and Wellbeing Implications

16.1 None for the purposes of this report.

17 Asset Management Implications

17.1 None for the purposes of this report.

18 Consultation Implications

18.1 None for the purposes of this report.

19 Scrutiny Comments

19.1 The proposal was discussed at Corporate Scrutiny Committee on 25 January. Corporate Scrutiny Committee noted the report and supported a recommendation to Full Council to approve the loan in principle and for the associated capital budget requirement to be incorporated in the 2017/18 Capital Programme.

The following salient comments and questions were raised:

- The Committee sought clarification about the status of SWP as the borrower? *The Finance Manager clarified that the loan agreement is between the Borough Council and the County Council as SWP are not an entity in legal terms.*
- The request is for £17.5m split equally. What would happen if one of the five districts did not offer to lend the proposed equal share of £3.5m per district? *The Finance Manager clarified the remaining districts would be approached to ask if they would like to share the unallocated share and in what proportions.*
- Would the Council be at risk if the funds were not requested to be drawn down by SWP until sometime in the future? *The intention is for the loan advance to be required in September/October 2017. Whichever the underlying PWLB rate is at the time of the advance, plus 1%, would be used. If any changes to the proposed loan arrangements or financial borrowing position has a material effect on the Council's financial position and/or risks this would be reported to Members as appropriate.*
- Will there be appropriate registration and tracking of assets? *Yes. The Finance Manager clarified that the assets are registered on the fixed asset register of the County Council with registration numbers of the vehicles recorded. The Waste Partnership compile their own Balance Sheet which is reflected in the Balance Sheet of the County Council as the administering body. NB All the vehicles will have tracking devices in case of theft.*
- How many vehicles were purchased when TDBC and SSDC lent £3.5m to SWP in 2014? *23 refuse vehicles of various sizes and configurations were purchased.*
- Would the commitment to the loan bind the new Council if approved by the Secretary of State? *The loan would be a long term debtor within TDBC accounts and the presumption is any outstanding debtor balance, along with all concurrent assets and liabilities of the Council at the time, would pass to the new council.*

Democratic Path:

- Corporate Scrutiny Committee – Yes
- Executive – No
- Full Council – 6 February 2017

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Taunton Deane Borough Council

Full Council – 6 February 2017

The Deane House Accommodation Project

This matter is the responsibility of Executive Councillor Mark Edwards

Report Author: James Barrah – Director of Housing and Communities

1 Executive Summary

1.1 This report seeks approval to progress with a project to fully refurbish The Deane House as the Council's main headquarters location and to let surplus space to third party organisations in order to offset some of the Council's costs. The report sets out a business case for the project along with associated risks and opportunities. The project will create fit for purpose modern office accommodation for staff and members to support a transformed Council. The report also proposes to let a substantial area of the building to Avon and Somerset Police to create the new Taunton Police Station including enquiry office, thereby creating opportunities to further enhance our already excellent partnership working relationship with the Police and offset some of the Council's refurbishment costs.

2 Recommendations

2.1 It is recommended:-

1. That the Council approves the project as set out in this report to refurbish The Deane House to appropriate and modern standards to facilitate a more agile way of working for staff and to make available surplus space to let to other organisations in order to offset the Council's costs.
2. That delegated authority is provided to the Director of Housing and Communities in conjunction with the Portfolio Holder and project Member Steering Group to progress the project, make appropriate appointments and to negotiate terms and let space to third party organisations.
3. That a Supplementary Estimate of £5,873,600 is added to the capital programme in 2016/2017, and a supplementary revenue budget of £1,643,300 is added to the 2016/17 budget, with the balance to be held in an earmarked reserve and carried forward at the end of the year.
4. Borrowing totalling £7,516,900 is approved. £5,873,600 of this to fund The Deane House Accommodation Project, and £1,643,300 to fund existing capital projects in order to release revenue earmarked reserves to fund The Deane House Accommodation Project.

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
Failure to let the surplus space available in The Deane House. This will be mitigated by ongoing dialogue with key partners and additional marketing of the building following Council decision to proceed. However the Council only needs to let a relatively small amount of additional space in order to break even in cash flow terms over a ten year period. Clearly full occupation will be desirable in improving the Councils financial position.	3	3	9
Increase in project costs, the budget for the project has been based on technical estimates for the work proposed but clearly the project has not yet been subject to detailed design or subject to the market. The project team will attempt to address any potential cost escalation within the project budget, and the scope and extent of the works does provide the opportunity to value engineer the work.	3	4	12
Tenants activation of break clauses, commercial leases will be subject to typical break clauses as would be expected. The commercial reality is that break clauses can be activated leading to potential loss of income, but officers will seek to engage future tenants where there is strong covenant strength and therefore a lower risk of this occurring.	3	3	9

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
Risk			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact				

Scoring Matrix

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background

- 4.1 Taunton Deane Borough Council currently has its main office at The Deane House. The Deane House was built in 1987 and other than some minor internal changes and day to day repairs, it has had little refurbishment since then. Whilst the building is structurally sound and robust, many of its components and infrastructure including its mechanical and electrical systems are coming to the end of their natural life. The internal configuration and finish of the building is tired and outdated, and it provides poor quality and frequently inadequate and uncomfortable accommodation for staff and other users. The building is also now too large for the Council's current requirements. Consequently the building now needs significant investment, without this, the Council runs the risk of the building becoming unfit for purpose and incurring increasing unplanned maintenance costs. This report therefore further considers the future for the Council's office requirements.
- 4.2 The Deane House currently offers circa 4,800 sqm NIA (Net Internal Area). It is currently occupied by around 400 staff.
- 4.3 Members will be aware that this issue has been debated on previous occasions. During the second half of 2013 an internal review and high level option appraisal was undertaken. This work culminated in the selection of two options: a move to County Hall or new build at Firepool be adopted as the preferred options for the provision of the Council's main office base and that officers be requested to carry out full feasibility reports on the preferred options.
- 4.4 Following this, the Council undertook a detailed feasibility study of two preferred options. The Council considered the outcome of this feasibility study in August 2014, and the subsequent resolution was that County Hall was the preferred option. During this period a comprehensive accommodation offer had been provided by Somerset County Council involving the extension and refurbishment of A block, new member debating chamber, relocation of the library and other services along with other partners to create a new public sector hub. Unfortunately whilst progression of this option was underway, the offer was reduced by SCC for affordability reasons. Consequently the project and proposal was no longer consistent with the Council expectations and requirements, and so reduced substantially in attractiveness to TDBC.
- 4.5 Since this time the project has been taking stock of our options with officers requested to review the option to remain in The Deane House, undertake the refurbishment required but occupy with other partners and tenants more widely to assist in offsetting

the Council's costs. What is now proposed is a scheme based on this plan that will finally provide certainty of direction with regard to the Council's accommodation needs.

5 Current Position

- 5.1 At the time of making the decision in 2014 regarding County Hall as the preferred option, the key features that we found attractive were the cost for occupying a much smaller footprint and the ability to work more closely with other public sector partners to deliver face to face interaction at one "hub" location. Key concerns at that time from some members included the potential lack of sovereignty, lack of control under a lease arrangement, lack of flexibility and that we would no longer retain an asset. A range of financial and non-financial criteria were used to evaluate the options at this time, however this option as evaluated became no longer available hence the need to review our position.
- 5.2 Since this time officers have been in dialogue with some key partners to assess if the option to remain in The Deane House and sublet parts is worthy of progression. The proposal now suggested is to indeed pursue this route, with occupation by Avon and Somerset Police as our first co-occupiers. The objective of this process has been to look to ways to remain in The Deane House but offset some of the Council's costs. This is distinct from looking for purely the cheapest option as this route does not necessarily fulfil all of the Council's criteria, as set out below.
- 5.3 Previous consultation with members has established a ranked list of non-financial criteria as follows, the project as now proposed would fulfil many of these criteria.

Criteria	Rank
Asset Retention	1
Premises that are able to change as the authority changes	2
Opportunities to add value by close working or shared / integrated services with other partners	2
Improvement in Environmental Sustainability	4
Location within Taunton	4
Make sense of the public purse / taxpayers (public perception)	4
Supporting the regeneration of Taunton	7
Deliverable in the next 3 years	8

6 Project Context

Transformation

- 6.1 This report focuses on the future of the Council's main office base, however accommodation cannot be considered in isolation or purely just as a financial and "bricks and mortar" issue. Whilst this report considers a significant investment in its office accommodation, Members will be aware that we are underway with a wide and ambitious transformation programme, the Council's accommodation solution is just one part of our wider change agenda which also includes better IT enablement, a new Customer Access strategy in particular moving customers away from face to face interactions to digital channels, more agile and flexible ways of working for staff.
- 6.2 Other organisations which have chosen to rationalise their office accommodation have

at the same time incorporated new ways of working. The outcome of introducing these ways of working is to reduce the amount of office space provided, utilising the fact that desk spaces are occupied for example on average on a 60% basis. So in this case every ten employees would be provided with six workstations. These programmes are described as “Smart Office” or “Agile Working” and rely on investment to enable the ongoing savings to be made. The terminology we have adopted is “Smart Office”.

- 6.3 In the last few years, many authorities have embraced this change, including several within Somerset (Somerset County Council, Mendip District Council, Sedgemoor District Council). Many have found that it is possible to reduce desk space requirements by circa 30- 40% by introducing new ways of working and investing in modern office space and equipment. Some have then sought to share accommodation with other public and community sector colleagues in order to minimise overhead costs. This sharing has brought the additional significant benefit of closer working between organisations and improved access for customers by introducing one stop shop approaches.
- 6.4 Our recent experience of creating new Smart office type accommodation at the new depot has been well received and the new premises has and will be a very tangible catalyst for further change in these services. Whilst The Deane House project will be just a part of our transformation programme it will be really important as a very visible symbol to staff and others that the way we work will radically change, it will also be a very positive step to support our staff, members and customers with better quality and fit for purpose accommodation, which is long overdue.
- 6.5 Members will be aware of the current consultation exercise to potentially create a new Council across the Taunton Deane and West Somerset areas, any potential new Council has an opportunity to consolidate head office accommodation and use all new Council assets more flexibly to balance service delivery efficiency with commercial interests. A refurbished ‘Deane House’ will provide greater opportunities to support such flexibility. As for the current West Somerset Council’s accommodation at Williton a project is currently underway to relocate the local Police station and enquiry office into the Council offices along with extending the occupation of the building by Somerset County Council by the inclusion of library and registrars services and an additional third party tenant.

Project Timing

- 6.6 The fact that the Council has not had certainty on its accommodation solution for a number of years with a range of options being considered and discounted means that an absolute requirement to make a decision on the way forward now is paramount, a backlog of works and components reaching their end of life means that we have to act or risk unplanned expenditure and potential service disruption. So making the final decision to remain at The Deane House will inevitably result in the requirement for substantial investment in the building, doing nothing is not an option. The fact we have an opportunity to share with the Police now to help mitigate our costs is also only available to us now. The commercial opportunity to let further space to others in due course is much improved by being able to practically demonstrate the decision is made and tangible evidence of design and work progressing will improve our ability to attract new tenant interest.
- 6.7 The current proposal to share accommodation with the Police will provide the

opportunity to improve our service to customers by further embedding our already very positive partnership working approach with them. In addition the potential for the colocation of other public sector partners would only enhance our wider collaboration. Whilst Heads of Terms have been agreed with the Police, with the Police and Crime Commissioner making the decision that The Deane House is their preferred accommodation solution, we will have additional surplus space to let in the building. The Police interest results from their decision to close the Shuttern station and sell this large plot which is currently being marketed, so the Police have reviewed other options as part of their decision making process and concluded the preference for The Deane House. Certainty that this option is progressing to a suitable timescale is clearly important to them with a potential occupation date of April 2018. Further delays from a TDBC perspective may risk losing this potential occupier as other options are available to them.

- 6.8 The availability of additional surplus space in The Deane House is to a degree a commercial risk however positive dialogue is ongoing with a range of other organisations, even without any formal marketing being undertaken to date. It is important to note as set out in the financial section of this report we only need to let a very small amount of additional space to improve our current Medium Term Financial Position so effectively the project would at this stage improve the forecast revenue position for the Council. Additional lettings will only improve this position further. It is considered that once the decision is taken and the project starts to progress, this will be a good signal to the market and other interested parties that after much consideration over the last few years the council has now made a clear decision on its accommodation requirements.
- 6.9 Members will be aware that the option to consider colocation with the Police was previously considered by the Council in 2012 and not progressed at this time. Clearly the circumstances of the Council were very different at this time and the project at this time was primarily based on purely refurbishing the portion of the building that would be let to the Police with a different aspiration for pay back on this part of the project. The current proposition is different in that it proposes a full refurbishment of the building with the intention in so doing to create space for the Police along with other potential occupiers. The current project also starts from the premise of deciding to remain in the building means that refurbishment is unavoidable. In addition the space let to the Police in the current project is greater and at a higher rental level.

7 Project Outline

- 7.1 The refurbishment of The Deane House will be a full refurbishment of the whole building and will include Mechanical and Electrical replacement, windows, fittings and repairs to the roof and lift. The project will essentially strip out all partitioning within the building to create a more open plan environment, with new furniture and IT infrastructure.
- 7.2 The work programme will be on a two stage Design and Build open book contract with contractors selected via the Southern Construction Framework (SCF). Pre-construction detailed design will commence in February 2017 with onsite construction to start in June 2017. The works will be broken up into phases and will start with the area identified for Avon and Somerset Police, and TDBC will aim to hand over a CAT A (refurbished and serviced shell) to the Police in December 2017, they may in addition retain the contractor to complete their CAT B works (tenant fit out) until April 2018,

however this is to be confirmed at a later stage. TDBC expect to take possession of a completed CAT B space by June 2018.

- 7.3 Avon and Somerset Police require a total area of 750m² split over ground and first floor as a base for their beat and response officers, as well as an enquiries office, interview rooms, parking and some external storage which will be located within the bunker. Officers have identified the preferred wing for their occupation, giving them the presence they require and ease of access/egress to their response vehicles, some of which will be parked within easy reach of their wing, and a route into reception.
- 7.4 Appendix A, B and C provides indicative area plans for the ground, first and second floors showing the area that the Police will occupy and how the building could be split between TDBC, Avon and Somerset Police and other tenants. These indicative block plans will inform the pre-construction design phase of the D&B contract and will be developed further as part of that process. The plans within the appendix show the space split as exclusive space for TDBC of 1833m² and exclusive space for the police of 750m², plus shared space and protected fire escape routes, leaving 1,416m² of available space.
- 7.5 During the refurbishment The Deane House will remain fully functional for staff, members and our customers. Staff will be required to relocate around the building whilst the refurbishment works are under way, this will require a sequencing plan to allow for clear access to the Police wing where onsite construction will start. There will be a need to implement the new telephone system and purchase new smart office furniture before we start to relocate staff within The Deane House. Officers have identified possible decant options into other Council assets which include Flook House, the new depot, as well as our meeting halls. We also have two offers of available space with other local public sector organisations. Staff will also have the option of working from home as much as possible.
- 7.6 With the Police being operational 24/7 it gives TDBC the opportunity to consider bringing Deane Helpline into The Deane House which could free up two dwellings for additional units of extra care accommodation for the HRA.
- 7.7 Project officers have had detailed discussions with other potential tenants interested in leasing space within The Deane House, these discussions are with organisations from both the public and private sectors and officers are currently progressing these discussions further.

8 Business Case and Financial Appraisal

- 8.1 Attached at Confidential Appendix D is a detailed financial appraisal of the proposal. From this it can be seen that the inclusion of rental income from Avon and Somerset Police reduces the impact on the Council's Medium Term Financial Plan in relation to the impact of the projected backlog and refurbishment costs of The Deane House. It is also important to note that despite the relatively long payback period of the one off costs of the work, it will secure additional life of the building by at least another 25 years.
- 8.2 Avon and Somerset Police will occupy a substantial amount of space, but there will be substantial further potential space for other partners to occupy to increase the Council's income. However we will only require to let a further 95m² in order to break

even in cash flow terms over a ten year period. In other words our overall running costs for The Deane House will be less than our projected current costs.

- 8.3 In order to fully offset the revenue cost over a ten year period (including fully offsetting the costs of backlog maintenance that are already included in the MTFP) a total of 2,082m², an additional 1,332m² over the Police requirement, would need to be occupied on similar terms.
- 8.4 Although this would provide a breakeven position for revenue, the period in which the cost of the refurbishment for the area occupied by the Police is covered through generated income is slightly longer at 12 years. After this period any income would contribute towards Taunton Deane's cost, although it would take 50 years for income from the Police only to cover the full cost of the refurbishment (including all of Taunton Deane's costs). If occupation of 2,082m² is achieved, the period in which all of Taunton Deane's costs are covered would reduce to 24 years.
- 8.5 The capital costs of £5.874m could be funded through borrowing. It is not possible to borrow for the revenue expenditure of £1.643m, which includes some backlog maintenance, along with other costs such as project management. However it is proposed that revenue funding currently held in the Capital Financing Earmarked Reserve could be diverted, with new borrowing taken out for the existing capital projects that this is due to fund, leaving these projects unaffected. This would mean additional interest payments and Minimum Revenue Provision (MRP) which have been taken into account in the financial appraisal of this project since they would not have been payable otherwise.

9 Asset Management Comments

- 9.1 Asset Management have had a key role within this project, negotiating heads of terms as well as contributing towards the wider project and work in respect of the business case. The objective of the work undertaken by Asset Management has been to support ways to remain at The Deane House but offset some of the Council's costs by bringing in others to provide an income stream by way of rent and contribute towards running costs through way of service charge. In the context of a decision to remain at The Deane House, the agreement reached with the Police represents taking a more commercial approach to securing income. This is distinct from looking for purely the cheapest option as the cheapest does not necessarily fulfil all of the Council's criteria as set out in 5.3 of the report.
- 9.2 Notwithstanding the capital investment in the building and also the benefits attached to its location and favourable parking provision, securing tenants for the remainder of the property that sits vacant after the Police and TDBC are occupying their parts may prove challenging to let and consequently the space might need further sub division and / or acceptance that terms agreed might be less favourable than those agreed with the Police. Parts of the building might sit vacant for periods of time both before initial lettings but also when those leases come to an end. Whilst of concern operationally, as referenced in 8.2 of the report, further letting of only 95 square metres is needed to break even in cash flow terms over a ten year period. The reasoning for this is due to the investment needed in the building reflecting the costs of the backlog maintenance already included in the MTFP and necessary irrespective of new occupiers or changes in working practices but merely to remain at this property. It will be critical to design into any works as much flexibility as possible in terms of future occupier requirements

to ensure surplus space can be let and so as not to impinge on the Councils own ability to transform further over the years to come.

- 9.3 From an Asset Management perspective it is critical that the future of this building is finally decided on so that essential works can be properly planned for moving forwards and avoiding unnecessary failure of key components impacting on the operational delivery of services within the building and increasing costs.
- 9.4 There are risks attached to this proposal and these from an asset management perspective are outlined adequately within sections 3.2 and section 5 of the Confidential Appendix D containing Finance comments.

10 Next Steps and Programme

- 10.1 A detailed programme will be developed when the project goes live, as key decisions are made on design and phasing, however the broad intention is to deliver a Cat A refurbished shell for the Police area by December 2017 in order for them to undertake their fit out and occupation in early 2018. This will be achieved by progressing a detail design period of three months from February onwards, followed by mobilisation and works delivery.
- 10.2 Officers have progressed preparatory work in order to expedite moving the project forward as quickly as possible, but formal appointments will only be made following a positive Council decision. The following work has been undertaken:-
- Procurement and selection of Employers Agent/Clerk of Works and other professional services support.
 - Recruitment of additional project manager capacity.
 - Appointment of design professional to progress building master planning prior to design and build process
 - Procurement and selection underway of Two Stage Design and Build Contractor from Construction Framework South.
- 10.3 Following a positive decision to proceed by Council next steps will include making these appointments, gearing up the project team and project management mechanics and progressing quickly to the detailed design stage.

11 Links to Corporate Aims / Priorities

- 11.1 A key theme of the Corporate Plan is, "to create an Efficient and Modern Council", and an action within this is "Making better use of our land and property assets, investing in, transferring or selling assets where it make sense to do so". This project represents a significant investment in an important Council asset that will result in better use of the accommodation and generate a positive impact on the Councils Medium Term Financial Plan.

12 Legal Implications

- 12.1 There are no direct legal implications arising from this report however all contracts and lease agreements entered into as part of the project will be undertaken in accordance with normal protocols re legal team involvement. Heads of Terms for the Police occupation have been agreed, an Agreement to lease will be in place prior to the

formal appointment of a contractor.

13 Statutory Approvals

13.1 Initial advice from the Planning Team has been sought and advise as follows:

ASP require office space for their beat and response officers, including an enquiries desk. In my view, this falls into the same use class as the Councils' current operations and, therefore does not require planning permission and there are no further planning considerations. New external signage may require advertising consent.

13.2 Building Control approval will be required for the refurbishment work.

14 Environmental Impact Implications

14.1 The Deane House currently operates at an EPC rating of D, the refurbishment works will substantially improve the environmental performance of the building and so help reduce our running costs. The predicted EPC rating after refurbishment is not yet known as this will be determined through the detailed design process where a balance between cost and benefit will need to be struck. When further more detailed modelling and design of the building is undertaken more running cost related savings may be delivered via this project than are currently forecast in the business case.

Environmental improvements may include:

- More efficient mechanical systems will use less energy
- Improved building fabric will retain energy more effectively, meaning less heat will be needed to maintain comfort levels for users
- Intelligent building management systems will give granular billing of services to tenant(s), allowing accurate billing of services rather than generic service charges.
- Energy efficient lighting.
- Presence detection in spaces meaning lighting is only activated when space is being used.

15 Safeguarding and/or Community Safety Implications

15.1 No significant implications identified however co-location with Avon and Somerset Police can only enhance our already excellent partnership working arrangements which contribute towards tackling anti-social behaviour and crime.

16 Equality and Diversity Implications

16.1 As the proposals contained in this report consider the further use of a public access building and the high level decision in principle to proceed with the project, a detailed assessment has not been undertaken at this stage. However if the decision is taken to progress the project then during the detailed design stage and then via review through the implementation stage, all suitable Equality and Diversity implications for all users of the building and our services will be fully assessed and considered. This will also involve Building Control scrutiny of designs. It is clear however that the wholesale refurbishment of the building will afford many opportunities to improve the physical environment and associated access and other arrangements.

17 Social Value Implications

- 17.1 The Design and Build Contractor is being procured via the Southern Construction Framework. This framework is established as one of the principle routes to market for major works projects. Use of the framework has several advantages including the speed to market and the frameworks collaborative working methodology. Inherent in this methodology are key charters and strategies covering, for example, Environment and Sustainability, Health and Safety, Employment and Skills. Tenderers are required within their stage 2 bids to detail their commitments in respect of the numbers of work placement and apprentices that will be employed on the project. The scale of the framework means that greater overall rewards in respect of social value considerations can be achieved than could be by procuring a contractor in isolation.

18 Partnership Implications

- 18.1 The proposal presents an opportunity to further align the work of the Council more closely with key partners if they choose to locate services in The Deane House particularly where we share customer groups, most notably the opportunity to deepen our already very strong partnership working with Avon and Somerset Police following their confirmation of their intention to relocate Taunton operations to The Deane House. In addition the potential for the colocation of other public sector partners would only enhance our wider collaboration.

19 Consultation Implications

- 19.1 The project has been the subject of protracted dialogue internally with members in particular a Member Steering Group convened for this purpose. The matter has also been raised with the Unison Change Forum and been the subject of updates to staff. In addition partner public sector organisations have been contacted to gauge interest in the colocation opportunity afforded by the project.
- 19.2 If the project is approved for progression by Council all of these routes will be amplified to inform in particular, the detailed design phase of the project. Of particular importance will be the involvement of as many staff as possible as key users of the building to ensure staff are able to shape the final outcomes. We will also explore appropriate customer engagement particularly around the future reception design to inform this part of the project.
- 19.3 The report has been considered by the Tenants Services Management Board on the 16 January, who agreed to support the recommendations of the report.
- 19.4 The report has been considered by UNISON and overall feels that TDBC staying at The Deane House is a better option than sharing County Hall.
- 19.5 The report has been considered by Corporate Scrutiny on the 17 January 2017 who agreed to support the recommendations of the report.

Democratic Path:

- **Tenant Services Management Board - Yes**
- **Scrutiny – Yes**
- **Executive – No**
- **Full Council – Yes**

Reporting Frequency : Once only but with regular project updates for members via **Member Steering Group.**

List of Appendices (delete if not applicable)

Appendix A	Potential Area Plan Ground Floor
Appendix B	Potential Area Plan First Floor
Appendix C	Potential Area Plan Second Floor
Appendix D	Confidential Finance Comments

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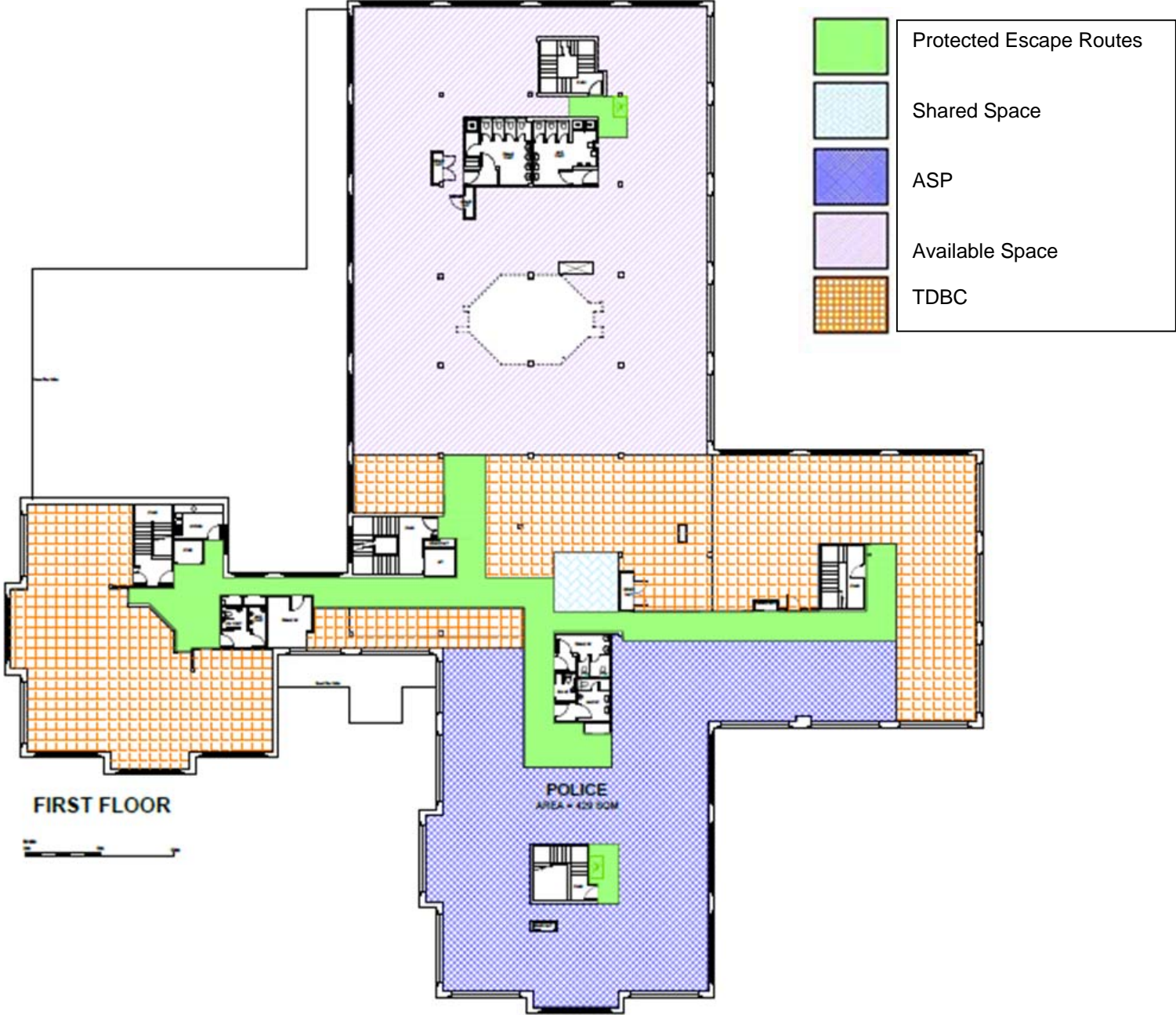
Appendix A

Indicative Area Plan Ground Floor



Appendix B

Indicative Area Plan First Floor



Appendix C

Indicative Area Plan Second Floor

