

You are requested to attend a meeting of the Executive to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 13 April 2011 at 18:15.

Agenda

- 1 Apologies.
- 2 Minutes of the meeting of the Executive held on 16 March 2011 (attached).
- 3 Public Question Time.
- 4 Declaration of Interests
To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct. The usual declaration made at meetings of the Executive are set out in the attachment.
- 5 Proposals to introduce a Community Right to Challenge - Consultation Document. Report of the Legal and Democratic Services Manager (attached).
Reporting Officer: Scott Weetch
- 6 Proposals to introduce a Community Right to Buy - Assets of Community Value - Consultation Document. Report of the Legal and Democratic Services Manager (attached).
Reporting Officer: Scott Weetch
- 7 Transformation Projects - Funding Update Report. Report of the Client and Performance Manager (attached).
Reporting Officer: Richard Sealy
- 8 Support for the Frederick's Somerset Micro Enterprise Loan Fund. Report of the Economic Development Specialist (attached).
Reporting Officer: David Evans
- 9 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

01 August 2011

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

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

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

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

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

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

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

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

If you would like an agenda, a report or the minutes of a meeting translated into another language or into Braille, large print, audio tape or CD, please telephone us on 01823 356356 or e-mail us at: enquiries@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 Democratic Services on 01823 356382 or email d.durham@tauntondeane.gov.uk

Executive Members:-

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

Executive – 16 March 2011

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Hall, Hayward, Mrs Herbert and
Mrs Lewin-Harris

Officers: Penny James (Chief Executive), Shirlene Adam (Strategic Director), Joy Wishlade (Strategic Director), Maggie Hammond (Strategic Finance Officer), Dan Webb (Client and Performance Lead), Paul Fitzgerald (Financial Services Manager), Adrian Priest (Asset Holdings Manager, Southwest One), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager).

Also present: Councillors Gaines, Morrell, Stuart-Thorn and A Wedderkopp

(The meeting commenced at 6.15 pm.)

28. Apologies

Councillors Cavill and Edwards.

29. Minutes

The minutes of the meetings of the Executive held on 2 February 2011 and 10 February 2011, copies of which had been circulated, were taken as read and were signed.

30. Declaration of Interests

Councillor Mrs Adkins declared a personal interest as an employee of Somerset County Council.

31. Treasury Management Strategy Statement and Investment Strategy

Considered report previously circulated, which detailed the Treasury Management and Investment Strategies for the 2011/2012 financial year.

It was noted that Council debt was currently £14,500,000 and outstanding investments stood at £16,200,000. Short-term interest rates were currently at 0.5%. However, the rates were forecast to rise to 0.75% in the third quarter of the year and to 1% in the fourth quarter of 2011.

Long term rates were more stable at 4.5% - 4.75% (50 years) for this financial year. Noted that interest rates remained at historic all time low levels.

Reported that the purpose of the Treasury Management Strategy Statement and investment Strategy (TMSS) was to approve:-

- The Treasury Management Strategy for 2011/2012 (Borrowing and Debt Rescheduling);
- The Prudential Indicators;

- The Minimum Revenue Provision Statement; and
- Use of Specified and Non-Specified Investments.

A full copy of the TMSS, which had been prepared by the Council's Investment Consultants Arlingclose, was submitted for the information of Members.

The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services and the Prudential Code required local authorities to determine their TMSS and Prudential Indicators on an annual basis.

Taunton Deane was responsible for its treasury decisions and activity. No treasury activity was without risk. The successful identification, monitoring and control of risk were integral elements to treasury management activities and included Credit and Counterparty Risk (Security of Investments), Liquidity Risk (Inadequate cash resources), Market or Interest Rate Risk (Fluctuations in interest rate levels and thereby in the value of investments), Refinancing Risk (Impact of debt maturing in future years) and Legal and Regulatory risks.

This TMSS also took into account the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position, the Prudential Indicators and the outlook for interest rates.

Further reported that since the last TMSS had been agreed, the Department for Communities and Local Government had undertaken consultation on the reform to the Council Housing Subsidy System.

This consultation proposed to remove the subsidy system by offering a one-off reallocation of debt. Details of the new system had been introduced in the Localism Bill to enable the new system to start in 2012, subject to the enabling legislation being passed during 2011.

This would require the Council to fund the amount owed (£87,200,000) in the medium term through internal resources and/or external borrowing. The Council had the option of borrowing from the Public Works Loan Board or the market. Noted that the type of loans taken would be decided following discussions with the Council's Housing Department and Arlingclose.

This likely future borrowing had been included in the Capital Financing Requirement and other projections within the report.

Among a number of other issues, reports to the Executive on treasury management activity/performance would be made every six months against the strategy approved for the year.

The Council would also produce an outturn report on its treasury activity no later than 30 September after the financial year end and the Executive would be responsible for the scrutiny of treasury management activity and practices.

Updates on reviewing and addressing training needs and the Council's current Investment Consultants were also submitted.

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

32. **Financial and Performance Monitoring – Quarter 3 2010/2011**

Considered report previously circulated, which provided an update on the financial position and performance of the Council to the end of Quarter 3 of the 2010/2011 financial year (as at 30 December 2010).

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

Reported that a high level summary of key successes and/or improvements in Quarter 3 included:-

- Seven of the nine Corporate Aim objectives were on target;
- Council Tax and National Non-Domestic Rates debit collection rates were on course for the 2010/2011 target and the Quarter 3 results were an improvement on the same period last year;
- 99.7% of calls to the Customer Contact Centre were resolved at the first point of contact;
- Speed of processing Benefit claims (new and changed circumstances) were on course for the 2010/2011 target and an improvement on the same period last year;
- Five of the six key Council Projects were reported as being on course (Local Development Framework/Core Strategy; Housing Inspection Project; Core Council Review; Project Taunton; and the Halcon Project);
- Sundry Debts – the level of overdue debt owed to the Council had fallen significantly between Quarter 2 and Quarter 3;
- Landlord Services – the latest satisfaction survey showed 99% satisfaction with repairs; and
- Environmental Health Licensing Inspections had increased from 71% in Quarter 2 to 94% in Quarter 3.

Areas either off course or where objectives were not being met included the Housing Revenue Account (HRA) which was forecast for a £593,000 overspend for the year, HRA Capital which was forecast for a £343,000 overspend for the year, procurement benefits which were behind the original forecast and Equality Action Plans and Equality Impact Assessments which were not yet embedded into the Council's procedures.

Further reported that Full Council had approved the 2011/2012 General Fund Budget at its meeting on 22 February 2011. The Budget included savings plans that had resulted in the redundancy of three staff, with the expectation that any associated redundancy costs would be met from General Reserves.

A recommendation was therefore included in the report to ensure the requisite approval was in place for a Supplementary Budget allocation in 2010/2011. This did

not alter any budget decisions, but ensured that budget approval regulations were adhered to.

The financial information provided also included a variance in spending between capital and revenue maintenance within the HRA.

Given the amounts involved it was proposed to transfer £400,000 from the Revenue Maintenance Budget to the 'revenue contributions to capital' (RCCO) budget within the HRA. A recommendation was therefore also included in the report to ensure the requisite approval was in place for a Supplementary Budget allocation in the 2010/2011 HRA Capital Programme, to reflect the increased capital maintenance spend (to maintain the Decent Homes Standard).

Resolved that:-

(1) the report be noted; and

(2) Full Council be recommended to approve:-

- (i) a supplementary budget in the 2010/2011 General Fund Revenue Budget of £28,000 for redundancy costs, to be funded from General Reserves;
- (ii) a budget transfer ("virement") of £400,000 from Housing Revenue Account Maintenance to Housing Revenue Account Revenue Contributions to Capital; and
- (iii) a supplementary budget of £400,000 in the 2010/2011 Housing Revenue Account Capital Programme for Decent Homes Maintenance, to be funded by Revenue Contributions from the Housing Revenue Account budget.

33. Project Taunton and Growth Point Funding 2011/2012

Project Taunton had originally been funded by contributions from three partners - Somerset County Council, Taunton Deane and the South West Regional Development Agency.

Since 2007, although further money had been received from the South West Regional Development Agency for capital costs of property and land purchases, the Homes and Community Agency for a further property purchase and from Taunton Deane towards the capital investment in Somerset Square, the bulk of funding had come from the Growth Points Fund of Central Government.

The Project Team had been very successful at bidding to this fund and considerable amounts of revenue and capital funding had been received. However this funding stream was now at an end.

Reported that budgets and spending plans had been agreed year on year with the Advisory Board and via the formal political mechanisms of the Council. The revenue funding had been spent on project costs including salaries. The capital funding had been spent on delivery of projects. The final payment of Growth Points funding has now been received and its recommended allocation was as follow:-

Revenue funding: There was £327,900 left in the revenue budget. This was just sufficient to support the Project Taunton Delivery Team for a further year and left a slim contingency of £33,700. It was possible that staff time spent on delivering specific capital projects could be allocated to capital, although this was still under consideration.

Capital funding: As mentioned previously, capital funding had come from a number of sources over the past few years, principally though from the Department for Communities and Local Government with the Growth Points programme. The total of what had been spent, plus what had been committed on current projects totalled £7,092,000 leaving a balance of unallocated funding of £516,459.

This was over and above any projects that had already been agreed. £230,000 of this amount has been allocated to additional projects including Coal Orchard, High Street, Network/Bus Station Masterplanning and town signage. These were projects which had not had funding allocated to them but which were, in the Delivery Team's view, those which would ensure that the town centre had all the physical links in place to make it "work".

This left an estimated balance of £286,459 that remained unallocated and this money would be rolled forward into the next financial year. It was considered important that a healthy contingency was retained for unforeseen items of expenditure.

Further reported that in April 2007 the Executive had agreed that when the land at Coal Orchard was sold to Somerset County Cricket Club, the amount remaining from the capital receipt once Somerset Square was completed, should be transferred to Project Taunton for the delivery of other schemes. This amount had subsequently been identified as £100,000.

However, it had since come to light that this money had not been allocated to Project Taunton but had simply been returned to Taunton Deane's Capital Programme.

The totals included in the report assumed that this £100,000 had been re-allocated to Project Taunton. In practice this sum could come from either a capital receipt or from another source such as the Housing and Planning Delivery Grant. The latter method was the one recommended by the Financial Services Manager.

Resolved that:-

- (a) The revenue and capital spending plans for the use of Growth Point funding in 2011/2012 be agreed; and
- (b) It also be agreed that £100,000 be added to the Project Taunton Capital Programme Expenditure Budget for 2010/2011 and the associated funding for this be transferred to a Project Taunton Capital Reserve from the Housing and Planning Delivery Grant.

34. **Executive Forward Plan**

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

Resolved that the Forward Plan be noted.

35. **Exclusion of the Press and Public**

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

36. **Potential for the Disposal of an Asset, Taunton**

Considered report previously circulated, detailing a proposal to dispose of a capital asset in Taunton which was jointly owned by the Council and another local authority. The land in Taunton Deane's ownership was currently leased to a third party.

In accordance with the current Taunton Town Area Action Plan, uses of the site that were considered appropriate included residential, retail, office space and leisure. The Council's advisors, King Sturge, had also indicated that sheltered housing, affordable housing or student accommodation might also be acceptable on the land concerned.

Reported that the concerns raised by Members, when this matter had been considered at the Corporate Scrutiny Committee meeting on 27 January 2011, had been addressed and were detailed in the report.

Resolved that:-

- (1) The disposal of Taunton Deane's interest in the site identified on the plan submitted with the report, jointly with the other local authority and the leaseholders, be approved; and
- (2) King Sturge be appointed as agents to market the site as a development opportunity inviting informal tenders, subject to contract and planning from interested parties, with the legal work being carried out by a solicitor jointly appointed by Taunton Deane, the other local authority and the leaseholders with the costs shared as set out in the report.

(The meeting ended at 7.51 pm.)

Usual Declarations of Interest by Councillors

Executive

- **Employee of Somerset County Council – Councillor Mrs Adkins**

Taunton Deane Borough Council

Executive – 13 April 2011

Proposals to Introduce a Community Right to Challenge – Consultation Document

Report of the Legal and Democratic Services Manager

(This matter is the responsibility of the Leader of the Council, Councillor John Williams)

1. Executive summary

<p>A consultation paper has been released by the Department for Communities and Local Government concerning the proposals to introduce a Community Right to Challenge.</p>
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2. Background

- 2.1 The statutory framework for the Community Right to Challenge is provided in Part 4, Chapter 3 of the Localism Bill. This bill was introduced on 13 December 2010 and is outside the scope of this consultation. However the bill includes a number of powers to specify further detail underpinning the Community Right to Challenge in regulations. This consultation paper invites views on these aspects. A précis of the consultation document is attached to this report at Appendix 1.
- 2.2 The consultation was considered by the Community Scrutiny Committee on the 8 March 2011 and their responses are set out in the response form attached to this report at Appendix 2.

3. Finance comments

- 3.1 There are no financial implications in this report although if the proposals are implemented there will be resource implications and those implications will be reported upon at a future date.

4. Legal comments

- 4.1 There are no legal implications in this report.

5. Links to Corporate Aims

- 5.1 There are no implications regarding the Corporate Aims.

6. Environmental and community safety implications

- 6.1 There are no implications for the environment or community safety.

7. Equalities impact

7.1 An impact assessment is not required in respect of this report.

8. Risk management

8.1 There are no implications from a risk management perspective

9. Recommendation

9.1 The Executive is requested to provide their views on this consultation document and approve it for submission to the Department for Communities and Local Government.

Contact

Contact officer: Tonya Meers
Telephone: 01823 358691
E-mail: t.meers@tauntondeane.gov.uk

Appendix 1

Proposals to introduce a Community Right to Challenge

Precis of Consultation Document

Sections 1 and 2 - What is the Community Right to Challenge?

The Right will hand the initiative to communities and the bodies that represent them who have innovative ideas about how services could be shaped to better meet local needs, or could be run more cost effectively. It will ensure these ideas get a fair hearing and give them the time they need to organise themselves and develop their ideas to be able to bid to run the service.

This right is likely to come into force between April – October 2012.

The primary legislation requires the Council to consider an Expression of Interest which is submitted by one of the defined relevant bodies. A relevant body does not relate to a private company.

The council will be able to set periods during which these Expressions of interest can be submitted and the Council will be able to either accept, accept with modification or decline an Expression of Interest.

An expression of interest and the subsequent procurement process must demonstrate how it might promote/improve the social, economic or environmental well-being of the authority's area.

The authority must carry out a procurement exercise relating to the provision of the service on behalf of the authority, in line with relevant legal requirements, where they accept an Expression of Interest.

Authorities must have regard to any guidance issued by the Secretary of State on the Community Right to Challenge.

It should be noted that this proposal will only relate to services and not to functions.

A function is a duty/power that requires decision making by the responsible person or body.

Q1 Therefore we need to say whether there are any specific services that should be exempted if so why?

Legal Services – this service would need to be regulated by the Law Society.

Q.2 Are there any general principles that should apply in considering which services should be exempt?

Any service that is regulated by a statutory body

Section 3 - Who are the relevant bodies?

A relevant body is defined as:-

- A voluntary or community body
- A charity or trust
- A parish council
- 2 or more employees of that relevant authority, i.e., to be run as a mutual organization.

Q3. Should the community right to challenge apply to all Fire and Rescue authorities?

Q4. Should other bodies carrying out functions of a public nature be allowed to use the community right to challenge? If so which bodies?

Section 4 - When an expression of interest can be considered

At this stage it seems that authorities will be able to specify periods during which expressions of interest can be submitted. However the bill provides that the Secretary of State can specify in regulations minimum periods that may be set by authorities and requires authorities to publish details of each specification for a service. Time must be built in to allow for an expression of interest to be submitted and considered.

Q5 Should regulations specify a minimum period during which the authorities must consider expressions of interest? If yes what should this be?

No each authority should be able to decide for itself in the spirit of localism and decentralization as there are too many variations and no one size will fit all.

Q6 If a minimum period is specified what should this be?

If a minimum period is submitted this should be no more than twice a year.

Section 5 - Information to be included in an expression of interest

The consultation document provides details of what should be included in an expression of interest such as:-

- Details of the body;
- Details of the service they are interested in;
- Details of the outcome to be achieved by their involvement, including the social value of the proposal, i.e. whether it would promote the social, economic or environmental well-being of the area;
- Why they are submitting the expression of interest;
- The body's financial situation;
- Confirmation that they will participate in any procurement exercise;
- They are capable of being in a position to enter into the procurement exercise.

Q7. Do you agree with the proposed information to be included in the expression of interest?

Q8. Is there any further information to be provided in the expression of interest?

Section 6 - Period during which an authority must reach a decision on an expression of interest

The secretary of state has power to make regulations stipulating minimum and maximum time periods between receipt of an expression of interest and the start of a procurement exercise.

It is acknowledged that there may be times when longer periods may be appropriate such as:

- where there are multiple expressions of interest relating to the same service;
- where the authority wishes to propose a modification that would allow it to accept that expression;
- where the expression makes proposals for a radical change to the delivery of the service;
- where the services are currently delivered jointly between two or more authorities.

Q9 Should regulations specify a minimum period during which an authority must reach a decision, if yes what should it be?

Each authority should be able to set its own minimum period for what it feels is appropriate in the spirit of decentralization and localism.

Q10 Should regulation specify a maximum period during which an authority must reach a decision on an expression of interest and if yes what should that be?

Each authority should be able to set its own maximum period for what it feels is appropriate for the reason set out above.

Section 7 - When an expression may be modified or rejected

Any modification must be agreed by the body making the submission although this should not be a wholesale change but it may be appropriate for minor changes that would allow the authority to accept the expression of interest.

However an authority can reject an expression of interest and the secretary of state may specify those grounds for rejection. At the moment they are proposed to be:

- The body is not capable of providing or being involved in providing the service.
- The body is not a suitable person or body to provide or be involved in providing the service.
- The service is excluded from the Community Right to Challenge.
- The service has been stopped or de-commissioned (i.e. is no longer a relevant service) or a decision has been taken to do this.
- The Expression of Interest is submitted outside of a period specified by the authority during which it will consider Expressions of Interest for the service This may apply both to services currently delivered by the relevant authority, and to those currently delivered on behalf of the authority under an existing contract (or grant agreement).
- The service is already the subject of a procurement exercise relating to the provision of the relevant service (or of negotiations for a grant agreement).
- The Expression of Interest does not contain all the required information.
- The Expression of Interest is frivolous or vexatious.
- Acceptance of the Expression of Interest could mean the authority would not comply with the duty in section 3(1) of the Local Government Act 1999 (best value authorities: general duty) or accepting the Expression of Interest would mean that the service would deliver poorer value for money.
- Another Expression of Interest has been accepted. For example, if three Expressions of Interest are submitted for the same service then the authority would be able to accept the one that offered the best service and reject the

other two.

Q11 Do you agree with the above listed grounds where an expression may be rejected?

Q12 Are there any other grounds whereby an authority should be able to reject an expression of interest?

Section 8 - Period between an expression of interest being accepted and a procurement exercise relating to the provision of the service beginning

This section is looking at whether there should be regulations stipulating minimum and maximum periods between the acceptance of an expression of interest and the procurement exercise being implemented.

Qs 13 and 14 Should there be minimum and maximum periods stipulated between acceptance of an expression of interest and the authority initiating a procurement exercise. If yes what should those periods be?

This again should be up to the authority to decide as it should link in with any procurement strategies an authority may have

Section 9 - Support and Guidance

This section simply asks if any support is required and whether or not guidance from the DCLG would help with this.



Community Right to Challenge

Consultation response form

We are seeking your views on the following questions on the Government's proposals to introduce a Community Right to Challenge.¹ **If possible, we would be grateful if you could please respond by email.**

Please email: crtchallenge@communities.gsi.gov.uk

Alternatively, we would be happy to receive responses by post. Please write to:

Community Right to Challenge Consultation Team
Department for Communities and Local Government
5/A3 Eland House
Bressenden Place
London SW1E 5DU

The deadline for submissions is 5pm on Tuesday 3 May 2011.

(a) About you

(i) Your details

Name:	Tonya Meers
Position:	Legal & Democratic Services Manager
Name of organisation (if applicable):	Taunton Deane Borough Council
Address:	Deane House, Belvedere Road, Taunton, TA1 1HE
Email:	t.meers@tauntondeane.gov.uk
Telephone number:	01823 356391

¹ DCLG (2011) Proposals to introduce a Community Right to Challenge: Consultation paper. see: www.communities.gov.uk/corporate/publications/consultations

(ii) Are the views expressed on this consultation an official response from the organisation you represent or your own personal views?

Organisational response	<input checked="" type="checkbox"/>
Personal views	<input type="checkbox"/>

(iii) Please tick the *one* box which best describes you or your organisation:

Voluntary sector or charitable organisation	<input type="checkbox"/>	
Relevant authority (i.e. district, London borough, county council)	<input checked="" type="checkbox"/>	
Parish council	<input type="checkbox"/>	
Business	<input type="checkbox"/>	
Other public body (please state)	<input type="checkbox"/>	
Other (please state)	<input type="checkbox"/>	

(iv) Do your views or experiences mainly relate to a particular type of geographical location?

City	<input type="checkbox"/>	
London	<input type="checkbox"/>	
Urban	<input type="checkbox"/>	
Suburban	<input type="checkbox"/>	
Rural	<input type="checkbox"/>	
Other (please comment)	<input checked="" type="checkbox"/>	We are urban, suburban and rural

(vi) Would you be happy for us to contact you again in relation to this consultation?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

(b) Consultation questions

Section 2 – Which services should not be subject to challenge?

Q1. Are there specific services that should be exempted from the Community Right to Challenge?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If Yes, why?

Legal Services as they are regulated by the Law Society and there are stringent controls that would need to be put in place.

Q2. Are there any general principles that should apply in considering which services should be exempt?

Explanation/comment:

Any service that is regulated by a statutory body

Section 3 - Relevant bodies and relevant authorities

Q3. We are minded to extend the Community Right to Challenge to apply to all Fire and Rescue Authorities. Do you agree?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

Explanation/comment:

Members thought that due to the nature of the service that this could put lives at risk.

Q4. Should the current definition of relevant authority under the Community Right to Challenge be enlarged in future to apply to other bodies carrying out a function of a public nature? If yes, which bodies?

Yes	<input type="checkbox"/>
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No	<input checked="" type="checkbox"/>
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Explanation/comment:

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Section 4 - When a relevant authority will consider Expressions of Interest

Q5. Should regulations specify a minimum period during which relevant authorities must consider Expressions of Interest?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

Explanation/comment:

Each authority should be able to decide for itself in the spirit of localism and decentralisation as there are too many variations and no one size will fit all.
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Q6. If a minimum period is to be specified, what should this be?

Explanation/comment:

If a minimum period is submitted this should be no more than twice a year.
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Section 5 - Information to be included in an Expression of Interest

Q7. Do you agree with the proposed information to be included in Expressions of Interest?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Explanation/comment:

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Q8. Is there further information you believe should be provided as part of Expressions of Interest?

Explanation/comment:

Again members thought that this should be for the local authority to decide.

Section 6 - Period for a relevant authority to reach a decision on an Expression of Interest

Q9. Should regulations specify a minimum period during which a relevant authority must reach a decision on an Expression of Interest?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If yes, what should this be?

Each local authority should be able to set its own minimum period for what it believes is appropriate.

Q10. Should regulations specify a maximum period during which a relevant authority must reach a decision on an Expression of Interest?

If yes, what should this be?

see the response to Q9

Section 7 – When an Expression of Interest may be modified or rejected

Q11. Do you agree with the above listed grounds whereby an Expression of Interest may be rejected?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Explanation/comment:

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Q12. Are there any other grounds whereby relevant authorities should be able to reject an Expression of Interest?

Explanation/comment:

Again this should be for the local authority to decide.

Section 8 – Period between accepting an Expression of Interest and initiating an exercise for the provision of a contract for that service

Q13. Should minimum periods between an Expression of Interest being accepted and a relevant authority initiating a procurement exercise be specified in regulations?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If yes, what should the minimum period be?

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Q14. Should maximum periods between an Expression of Interest being accepted and a relevant authority initiating a procurement exercise be specified in regulations?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If yes, what should the maximum period be?

Again members thought that the local authority should set its own processes and procedures for this.
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Section 9 – Support and guidance

Q15. What support would be most helpful?

Explanation/comment:

Access to funding to enable local communities to be able to bid for some of these services. In addition members thought that some guidance on the legal framework that would be required if community groups wished to run these services.
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Q16. Are there issues on which DCLG should provide guidance in relation to the Community Right to Challenge?

Explanation/comment:

(c) Additional questions

Do you have any other comments you wish to make?

END

Taunton Deane Borough Council

Executive – 13 April 2011

Proposals to Introduce a Community Right to Buy – Assets of Community Value – Consultation Document

Report of the Legal and Democratic Services Manager

(This matter is the responsibility of the Leader of the Council, Councillor John Williams)

1. Executive summary

A consultation paper has been released by the Department for Communities and Local Government concerning the proposals to introduce a Community Right to Buy – Assets of Community Value.

2. Background

- 2.1 The statutory framework for the Community Right to Buy is provided in Part 4, Chapter 4 of the Localism Bill. This bill was introduced on 13 December 2010 and is outside the scope of this consultation. However the bill includes a number of powers to specify further detail underpinning the Community Right to Buy in regulations. This consultation paper invites views on these aspects. A précis of the consultation document is attached to this report at Appendix 1.
- 2.2 The consultation was considered by the Community Scrutiny Committee on the 8 March 2011 and its responses are set out in the response form attached to this report at Appendix 2.

3. Finance comments

- 3.1 There are no financial implications in this report although if the proposals are implemented there will be resource implications and those implications will be reported upon at a future date.

4. Legal comments

- 4.1 There are no legal implications in this report.

5. Links to Corporate Aims

- 5.1 There are no implications regarding the Corporate Aims.

6. Environmental and Community Safety implications

- 6.1 There are no implications for the environment or community safety.

7. Equalities impact

7.1 An impact assessment is not required in respect of this report.

8. Risk management

8.1 There are no implications from a risk management perspective

9. Recommendation

9.1 The Executive is requested to provide their views on this consultation document and approve it for submission to the Department for Communities and Local Government.

Contact

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Telephone: 01823 358691
E-mail: t.meers@tauntondeane.gov.uk

Appendix 1

Proposals to introduce a Community Right to Buy – Assets of Community Value

Precis of Consultation Document

Sections 1 and 2 What is the community right to buy?

These provisions will entitle community groups to identify and nominate public or private assets of community value to their local area to be included in the local authority list of assets of a community value.

Once that asset comes up for sale a community group will then have a window of opportunity to bid or buy that property.

A local authority will need to consider if a building/asset has a community value then it will need to be put on to the list. There will be a review process that will need to be put into place.

An asset of community value will also need to be added to the local land charges register and the occupier of the land, if they are different to the owner must be notified.

The list of assets will need to be published along with any assets that were not successfully nominated and they will remain on that list for a period of 5 years.

If an asset is placed on the list, this means that when the owner comes to sell the property they must inform the local authority of their intention to do so. The local authority must then notify the nominating community group and publicise in the local area that the asset has come up for sale and amend their list accordingly.

The Community interest group will then have a window of opportunity to put forward their intention to bid for the asset. If they do not then the owner can proceed with the sale.

If the community group state their intention to bid then the window of opportunity will be extended in order to do that. If the bid is not made within the full window of opportunity then the owner will be free to sell the asset.

There will be a compensation scheme for owners, which, at this stage is envisaged to be paid for by local authorities.

Section 3 Definition of an asset of community value

A combination of approaches are being proposed by the government. They state that the regulations could list types of buildings and land that do not constitute assets of community value and should be excluded from any list but they could also give the local authority the discretion to determine what does constitute an asset of community value in line with some criteria or factors.

The consultation document states that a local authority could consider whether the land or building 'furthers the social, economic, or environmental well being or interests of the local community' but in addition to that they give a range of other factors that could also be taken into account. Members may wish to consider whether all of those factors are relevant such as the ownership or occupation of the land/building or the price or value of the land.

Therefore should the current or former use of the land/building be the deciding factor?

The guidance also suggests that all residential property should be excluded except where the accommodation is tied to the asset of community value or is integral to the working of an asset and the consultation asks whether the authority agrees with this.

Section 4 Ways in which assets may be nominated and listed

The document details who may nominate an asset to be listed and suggests two possible approaches, namely to restrict to community groups which meet a certain criteria or allow nominations by any person with a local connection.

The 'local connection' is being proposed throughout this process.

It is proposed that the nomination process can be opened fairly widely and a local authority can also list land/buildings on their own initiative. It is also envisaged that community planning could be an important route for communities to collectively identify assets of community value.

Section 5 Information to be included in community nominations

This section details what information will be required in order to make a nomination. These will be at a minimum, a description of the land sufficient to identify its boundaries; information about the current owner; reasons for considering that the land/building is or has been an asset to the community; and evidence that the nominator is eligible to make the nomination.

There is also a proposal that local authorities could ask for any further information they deem appropriate.

Section 6 Procedure for listing assets

This process allows for a review process and appears quite straightforward.

Section 7 Notification about inclusion and removal of a listed asset

This section states that the owner/occupier and nominator should be notified that the land/building has been included on the list.

The notification should provide details of the scheme, the consequences for the land owner and the land owners right to ask for a review of the decision.

The process also provides for notification of a removal of an asset from the list either at the end of a specified listing period (5 years) or following an internal review.

It is also envisaged that local authorities will be given power to remove an asset from the list if it considers that it is no longer a community value.

Section 8 Content and publication of the list of assets and of unsuccessful nominations

This section details how the list should be maintained and also include details of any failed nominations.

I would query why we would need to have a list of failed nominations and the relevance of this.

Section 9 Right of appeal for land owners

This section states that an owner can request an internal review of a decision to place their asset on the list and provides that that should be done in writing within 28 days from the date of the notification.

It is proposed that the owner should produce any evidence as to why it should not be included in the list, interestingly this also states that any new factors can be taken into account. I would suggest that this should be limited to any new

factors that were not known at the time of the original objection as otherwise this could just be used as a delay tactic.

The timescale for any review is stated to be 6 weeks and that a senior officer should undertake that review.

There is a possibility that regulations will allow for an oral hearing and in my view this should be only be done if there are any equalities issues that may arise, rather than be the norm as this should be a process that can be decided on written representations and evidence.

It is noted that there is also a possibility of an appeal process and whether this should be through a court or a tribunal. I would suggest that this should be to a tribunal which is likely to keep costs down. The owner will always still have recourse through judicial review should they wish to go down that route.

Section 10 Length of the windows of opportunity

This section provides that there are three windows of opportunity an interim window of opportunity, a full window of opportunity and a protected period.

The interim period allows a period of time for an 'eligible community group' to notify the local authority that they would like to be treated as a potential bidder should the asset come up for sale. If this happens then a full window of opportunity arises. If no-one comes forward then the owner can sell the asset without further recourse to the local authority. It is envisaged that this interim window will be 6 weeks.

If an 'eligible community group' does come forward the period is extended in order to allow the group to bid and it is suggested that this could be 3 months or 6. this timescale includes the previous interim window so that the whole process would be no longer than either the 3 or 6 months.

An 'eligible community group' is likely to be defined as either a parish council or a group with a local connection which satisfies 2 or more of the listed requirements, namely that they are incorporated, they have charitable status, they have an asset lock in a legal form (eg trusts, community interest group, provident societies), or they are non-profit-distributing.

Finally there is a proposed protected period. If an owner notifies the local authority that they intend to enter into a relevant disposal but the owner does not sell their asset that the end of the interim or full window there will be a remainder of a protected period in which they are permitted to sell without triggering another delay and this period is proposed to be 18 months.

Where there is a relevant disposal the new owner should notify the local authority that they have purchased the asset and that it should be removed from the list.

The consultation document only asks if the proposed protected period is sufficient but I would question why it should be removed from the list following a relevant disposal as surely the asset is still of community value?

Section 11 Exempt disposals and permitted sales

The bill makes a provision for regulations to specify relevant disposals that are exempt from the requirements of the scheme.

Vacant possession, a relevant disposal is defined as the disposal of the freehold estate or a grant/assignment/surrender of a lease that is for at least 25 years. If the owner is unable to give vacant possession this will not be a relevant disposal.

However some partial occupation may be permitted.

The consultation document details a number of disposals that will not trigger the window of opportunity which all seem sensible.

In addition the scheme does allow some disposals to take place during the window of opportunity and they are if the sale is to a local parish council or a community interest group.

Section 12 Compensation for land owners

This is likely to be a very controversial area as it is proposing that an owner can apply to a local authority for compensation due to the implications of this scheme. It is suggested that any compensation will be limited to the reimbursement of expenses incurred by a landowner in complying with this legislation.

The government are asking if this is right however I think the response should quite clearly be no and that any claims should be paid for by the government. In addition this would be difficult to budget for and is not helpful to keep money in a contingency budget when local authorities are facing substantial cuts over the coming years and this money could be better spent on protecting front line services.

It is also envisaged that there should be an appeal process for land owners to appeal against a local authorities decision regarding a decision it makes about compensation.

Section 13 Enforcement of regulations

The bill states that the land will be registered as a local land charge as a preventative measure to alert potential buyers.

The government want to set up an enforcement process to deal with any potential breaches of this legislation and this could be that any transfer that hasn't complied with the legislation is void, that the transfer should be set-aside or a compensation payment or other remedies as defined by the court.

There is a proposal that a community interest group would have been entitled to be treated as a potential bidder can lodge a complaint with the civil court on the grounds that the owner has not complied with the statutory requirements of the scheme.

There is a proposal to limit the period for a claim to 6 months from the date of the sale or from the date on which the group became aware of the sale. It is also envisaged that the claim should be made against the original owner and the current owner.

It is envisaged that the court could impose an appropriate remedy and this could be paying compensation or they could order that the sale be set aside or render the transaction ineffective.



Community Right to Buy

Consultation response form

We are seeking your views on the following questions on the Government's proposals to introduce a Community Right to Buy – Assets of Community Value.¹ **If possible, we would be grateful if you could please respond by email.**

Please email: crtbuy@communities.gsi.gov.uk

Alternatively, we would be happy to receive responses by post. Please write to:

Community Right to Buy Consultation Team
Department for Communities and Local Government
5/A3 Eland House
Bressenden Place
London SW1E 5DU

The deadline for submissions is 5pm on Tuesday 3 May 2011.

(a) About you

(i) Your details

Name:	Tonya Meers
Position:	Legal & Democratic Services Manager
Name of organisation (if applicable):	Taunton Deane Borough Council
Address:	Deane House, Belvedere Road, Taunton, TA1 1HE
Email:	t.meers@tauntondeane.gov.uk
Telephone number:	01823 356391

¹ DCLG (2011) Proposals to introduce a Community Right to Buy – Assets of Community Value: Consultation paper.
see: www.communities.gov.uk/corporate/publications/consultations

(ii) Are the views expressed on this consultation an official response from the organisation you represent or your own personal views?

Organisational response	<input checked="" type="checkbox"/>
Personal views	<input type="checkbox"/>

(iii) Please tick the *one* box which best describes you or your organisation:

Voluntary sector or charitable organisation	<input type="checkbox"/>	
Local authority (i.e. district, London borough, county council)	<input checked="" type="checkbox"/>	
Parish council	<input type="checkbox"/>	
Business	<input type="checkbox"/>	
Landowner	<input type="checkbox"/>	
Land conveyancer	<input type="checkbox"/>	
Other public body (please state)	<input type="checkbox"/>	
Other (please state)	<input type="checkbox"/>	

(iv) Do your views or experiences mainly relate to a particular type of geographical location?

City	<input type="checkbox"/>	
London	<input type="checkbox"/>	
Urban	<input type="checkbox"/>	
Suburban	<input type="checkbox"/>	
Rural	<input type="checkbox"/>	
Other (please comment)	<input checked="" type="checkbox"/>	We are urban, suburban and rural

(vi) Would you be happy for us to contact you again in relation to this

consultation?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

(b) Consultation questions

Section 3 – Definition of Asset of Community Value

Q1. Do you agree that the regulations should give local authorities the power to decide what constitutes an asset of community value based on a broad definition of 'local community benefit' and a list of excluded assets?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

Q2. If yes, (a) do you agree with the factors listed above that the local authority should take into consideration when deciding whether a piece of land or building is an asset of community value?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

Further comments:

Members thought that the owner/occupation should not be a factor that needs to be taken into consideration.

(b) Should these be set out in regulations?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

Further comments:

No guidance would be appropriate to allow for flexibility

Q3. We envisage that the definition of 'land of community value' would not include a piece of land or a building which the nominator suggests has a potential use as opposed to former or current use – do you agree?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

Q4. Are there other areas that you believe should be explored further to strengthen the Community Right to Buy?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If Yes, what?

Access to funding to enable these projects to go ahead.

Q5. Do you agree that all residential property should be excluded from being listed as an asset of community value, except where the accommodation is tied to the asset of community value or is integral to the working of the asset?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

Q6. Are there other types of land or buildings that should be excluded from being listed as assets of community value?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If yes, what?

Section 4 – Ways in which assets may be nominated and listed

Q7. Do you agree that the nomination process should be open to any group or individual and that they should have a 'local connection'?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

Q8. How else could an individual or group be defined as having a 'local connection'?

Members were satisfied with the definition set out in the consultation document

Q9. Are there other process(es) by which an asset of community value should be listed?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If Yes, what?

Section 5 – Information to be included in community nominations

Q10. Should (a) the regulations specify the minimum information that should be included in a community nomination?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

Further comments:

Guidance should be sufficient as there may be other factors that a local authority would wish to take into account, this would then allow for local discretion.

(b) Or should this be left to the local authority's discretion?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Further comments:

This would be in line with the spirit of localism.

Q11. If you think the regulations should specify the contents of a community nomination, is there other information that should be included?

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Section 6 – The procedure for listing assets

Q12. Do you agree that owners should be informed before the local authority makes a decision whether to list the asset or not?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

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Q13. Should the local authority be required to follow any other procedures when deciding whether to list an asset?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If Yes, what?

--

Section 7 – Notification about inclusion and removal of a listed asset

Q14. Is there anyone else (other than the owner, occupier and nominator) the local authority should inform of inclusion or removal of a community asset from the list?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If Yes, who?

There should be a public notice to notify the community

Q15. Is there other information (other than that listed in paragraph 7.3) that should be included in the notification of inclusion of an asset on the list?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If Yes, what?

--

Q16. Do you agree that an asset should be removed from the list of assets of community value once the local authority knows that it has been sold as a result of a relevant disposal?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If No, why not?

It is not clear why it would still not be an asset of community value just because it has been sold if we are talking about the asset rather than ownership.

Q17. Should local authorities be able to remove an asset from the list if it is no longer considered to be of community value?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Further comments:

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Q18. Is there other information that should be included in the notification of removal of an asset from the list of assets of community value?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If Yes, what?

--

Q19. Are there other ways (in addition to those listed in paragraph 7.11) in which an unknown landowner, or an owner whose current address is not known, might be contacted and notified that their land has been included on or removed from the list of assets of community value?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If Yes, what?

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Section 8 – Content and publication of the list of assets of community value and the list of land nominated by unsuccessful community nominations

Q20(a). Do you agree that local authorities should decide the most appropriate ways to publicise the lists and bring them to the attention of the community and other interested parties, beyond what is set out in the Bill?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

(b) If not, what further requirements should be set out in regulations?

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Section 9 – Right of appeal for landowners

Q21. Do you agree with the suggested period (28 days) for requesting an internal review?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

Q22. Is there any other information (in addition to what is listed in paragraph 9.3) the owner should provide?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If Yes, what?

A reason why the information the owner is relying upon under a review, was not available at the time to assist the local authority in making its original decision.

Q23. Do you agree with the proposed timescale of 6 weeks for the local authority to complete the internal review?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

Q24. Do you agree that the review should normally be undertaken by an officer in the local authority who is equal in rank to or more senior than the officer who took the decision to list the asset and who was not involved in the original decision-making?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

Q25. Do you think that the landowner should be entitled to an oral hearing as part of the internal review?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If Yes, in what circumstances?

But only in limited circumstances such as any disability, illiteracy, or language difficulties, in other words to ensure that the local authority meets its responsibilities under equalities and diversity.

Q26. Should anything else be included in the internal review process?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If Yes, what?

--

Q27. Should formal provision be made for landowners to appeal to a court or tribunal if they are dissatisfied with the outcome of the local authority's internal review?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

Further comments:

Members thought that a tribunal would a more cost effective route to appeal than through a court. It was noted that judicial review would always be available.

Section 10 – Length of the windows of opportunity and protected period

Q28. Do you agree with the proposed length of the interim period (6 weeks)?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

Q29. Are there any other kinds of groups that should be allowed to make a request to be treated as a potential buyer during the interim window of opportunity period, thereby triggering the full period?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If Yes, who?

Members thought that these groups could be restrictive and that others with a local connection should also be allowed providing they can show that they can access sufficient funding.

Q30. Do you prefer option (a) 3 months; or option (b) 6 months; or option (c) other?

3 months	<input type="checkbox"/>
6 months	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

If 'other', how long should the full window of opportunity be?

Q31. Do you agree with the proposed length of the protected period (18 months)?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

Section 11 – Exempt disposals and permitted sales within the full window of opportunity

Q32. To what extent should we allow for cases of partial occupation (as set out in paragraph 11.3)?

Comment:

Members agreed that this should be for each local authority to decide on a case by case basis as it may not be easy to determine on a national basis.

Q33. Are there other disposals (in addition to those listed in paragraph 11.4) that should be exempt?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If Yes, what?

--

Q34. Are there other circumstances (in addition to those in paragraph 11.6) under which sales should be permitted within the window of opportunity?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If Yes, what?

--

Q35. Do you agree with the list of groups in paragraph 11.7 that could be eligible to purchase an asset during the window of opportunity?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

--

Section 12 – Compensation for landowners

Q36. Do you agree with the proposal in paragraphs 12.3 and 12.4 (that compensation should be based on costs incurred as a result of the procedural requirements of the scheme)?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

--

Q37. Do you agree that compensation claims should be considered and paid for by the local authority?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If No, why not?

Members were unhappy that the local authority should have to put money into a contingency fund in case of claims especially at a time when budgets are tight and the money could be better spent on protecting frontline services. Therefore members thought that any compensation should be paid for by central government.

Q38(a). Do you agree that only private landowners should be entitled to claim compensation?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If No, why not?

The reason is due to the loss in value of the land regardless of ownership therefore it should not matter who the owner is as any land owner would suffer in the same way.

(b) What do you think the definition of 'private landowner' should be?

--

Q39. Do you agree with the proposed time limit of 90 days for making a compensation claim?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, how long do you think the time limit should be?

--

Q40. Do you agree with the proposal in paragraph 12.8?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

--

Q41. Do you agree with the proposal in paragraph 12.10?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If No, why not?

--

Q42(a). Should landowners be entitled to appeal against a local authority's decision about compensation?

Yes	<input checked="" type="checkbox"/>
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No	<input type="checkbox"/>
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(b) If Yes, on what basis?

To ensure that all of the correct information was taken into account when making the decision.

Section 13 – Enforcement of the regulations

Q43. Do you agree that an enforcement regime is required?

Yes	<input checked="" type="checkbox"/>
No	<input type="checkbox"/>

If Yes:

Q44. Do you have any comments on the process of enforcement?

No the consultation document seems to have covered this.

Q45. Are there alternative approaches to enforcement that you would propose?

Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>

If Yes, what?

--

Section 14 – Support and Guidance

Q46. What support would be most helpful?

Access to funding to enable local authorities to be able to bid for some of these properties in order to allow them to remain as assets of community value.

(c) Additional questions

Do you have any other comments you wish to make?

END

Taunton Deane Borough Council

Executive – 13 April 2011

Transformation Projects- Funding Update Report

Report of the Client and Performance Manager

(This matter is the responsibility of Executive Councillor Terry Hall)

1. Executive Summary

The report explains the funding arrangements through procurement savings for the financing of the Southwest One Transformation Projects.

The first call on procurement savings is to repay the cost of the Southwest One Transformation Projects. This includes repaying £772k borrowing from reserves, used to part finance these projects.

Procurement savings are being delivered later than originally anticipated.

This report highlights the variance in the anticipated timing of repayment of these reserves from procurement savings and seeks support for the recommendation to defer repayment of the remaining £496k of the reserves.

This report was considered by Corporate Scrutiny on 24 March 2011 who endorsed the recommendations. Some of the figures have changed slightly from the report that went to Corporate Scrutiny.

2. Background

- 2.1 The Southwest One partnership was created to deliver five key Transformation Projects in addition to the operational back-office services element of the contract. The delivery of these projects is integral to Southwest One's ability to deliver savings and move the back office services of the three partner authorities onto a shared service platform. These Transformation Projects are the SAP BOP (Back Office Processing) system, SAP CRM (Customer Relationship Management) system, PEM (People Excellence Model), Locality Based Service Delivery proof of concept and the Procurement Transformation.
- 2.2 The funding for these projects is being generated from the savings being delivered through the Procurement Transformation project.
- 2.3 The original modelling exercise undertaken by IBM in 2007 indicated that procurement savings in excess of £13m could be delivered over the 10-year period of the Southwest One contract. This figure was reduced to £10m in order to ensure that we were being sufficiently cautious in the modelling of likely savings. An estimated year-by-year savings profile was then identified in 2007 for the delivery of this £10m over the ten year period of the Southwest One contract.

- 2.4 The level of savings is not contractually guaranteed by Southwest One, as their ability to deliver savings will be materially affected by the actions / inactions of TDBC services and, most significantly, by changes in the level of our spend in future years.
- 2.5 The Southwest One contract does however provide a financial incentive for Southwest One to maximise the implementation of savings opportunities through a 'gain-share' arrangement. (This arrangement only comes into affect once the combined identified and agreed savings of TDBC and SCC reaches £75m).
- 2.6 The progress of the procurement transformation project and the delivery of savings is a key corporate project. As such quarterly progress reports are being submitted to and monitored by the Corporate Management Team and Corporate Scrutiny.

3. Funding arrangements for the Transformation Projects

- 3.1 The total cost of the Transformation Projects over the ten years of the contract will be £3.65m. (This total includes an additional £150k costs, which were not included in the report to Corporate Scrutiny on 24 March 2011. The £150k relates to additional project costs, which have been incurred since we signed the original contract).
- 3.2 The £3.65m total cost is comprised of capital costs totalling £2m and revenue costs totalling £1.65m. £700k of the revenue costs required up front funding and the remaining £950k is to be spread over the lifetime of the Southwest One contract and funded by ongoing procurement savings.
- 3.3 The up front funding requirements for the Transformation Projects were agreed by the Executive on 14 November 2007 (agenda item 7 refers). These provided for the £2m capital requirement to be funded through prudential borrowing, which are to be repaid within 5 years from procurement savings. The up front £700k revenue costs were to be funded from reserves, as detailed below. The intention was to repay the reserves in full by 31 March 2011 from procurement savings.

General Fund Reserves £200k
Housing Revenue Reserves £200k
Self Insurance Fund £300k

- 3.4 The £300k was not in fact taken from the Self Insurance Fund. Instead, at the end of 2008/09, £372k was borrowed from the Core Council Review Reserve. This was in addition to the £200k already borrowed from the General Fund Reserve and the £200k from the Housing Revenue Reserve i.e. the total borrowed from reserves was £772k. This was agreed by the Corporate Governance committee on 30 June 2009, agenda item 7 refers. (The additional £72k was required to fund revenue costs, which were not able to be funded at that point by ongoing procurement savings).

3.5 The original 2007 savings model anticipated that by 31 March 2011 £1.76m in procurement savings would have been delivered. Based on this forecast, the Council planned for the borrowings from reserves to be repaid in full during 2010/11.

4. Procurement savings delivered

4.1 When each new procurement initiative is agreed and implemented we remove the anticipated annual savings from the relevant budgets. To date we have removed anticipated savings totalling £944k. (£933k was reported to Corporate Scrutiny on 24 March 2011. The difference of £11k relates to additional anticipated savings that have been identified since 24 March 2011, which have been removed from budgets).

4.2 The original model anticipated our receiving savings totalling £1.76m by 31 March 2011. This clearly leaves a shortfall of £816k (£1.76m - £944k).

4.3 Of the £944k savings removed from budgets, £668k has been used to meet revenue costs of the Transformation Projects. The remaining £276k is available to repay the borrowings from reserves.

4.4 The delay in the delivery of the savings has been known for some time. Additionally, the changed economic climate may have a significant impact on the delivery timescale and value of the savings we can achieve in future. The Strategic Procurement Team are therefore in the process of re-profiling our spend in order to produce a revised savings forecast. This exercise will be undertaken in conjunction with the Budget Review Programme and the results of this exercise are expected in late May 2011.

4.5 A summary of the Transformation Project costs, funding arrangements and anticipated savings is contained at Appendix A to this report.

5. Operational contract savings

5.1 The operational services element of the Southwest One contract is also delivering savings to the Council through an annual, cumulative reduction of 2.5% in the amount we pay for the delivery of the in-scope services. Over the lifetime of the contract, based upon 2007/08 prices, this will deliver savings totalling approximately £6.4m.

5.2 To date this annual reduction in cost has delivered approximately £1.3m in savings, based upon 2007/08 prices. These savings have already been used to reduce our overall budget requirements for previous years and are not available to repay reserves.

6. Repayment Proposals

6.1 £200k of the £276k available from procurement savings to repay reserves has been used to repay in full the amount borrowed from the Housing Revenue Reserve. This was agreed as part of the 2011/12 budget setting by Full Council on 22 February

2011. It is recommended that the balance of £76k be repaid to the General Fund Reserve.

- 6.2 This will leave repayments totalling £496k due to the General Fund and Core Council Review Reserves. It is recommended that these repayments be rescheduled so that £300k will be repaid during 2011/12 and the balance of £196K during 2012/13. This is realistic and corresponds with the level of savings achievable from the current agreed and implemented savings initiatives. Should the position significantly improve we can look to repay the reserves more quickly.
- 6.3 The repayment arrangements for the capital borrowing (i.e. 5 years) remain unchanged.
- 6.4 These proposals have been considered and endorsed by the Corporate Scrutiny Committee on 24 March 2011, although since that date there have been minor changes to the figures, as explained above.

7. Finance Comments

- 7.1 The expected savings the procurement project can produce needs to be reviewed to accommodate the significant changes in local government finances and to support budgetary planning over the next 5 years. This exercise has been factored into the budget review project which is currently underway. It is expected that a re-profiled savings forecast, agreed with Southwest One and CMT that shows expected savings over the budget period, including any costs such as gain-share, will be available late May / early June 2011.
- 7.2 The Council's Section 151 Officer has seen this report and is satisfied the recommendation is prudent and leaves the Council's reserves in an acceptable position.

8. Legal Comments

- 8.1 There are no legal implications in this report.

9. Links to Corporate Aims

- 9.1 This report has no direct links to Corporate Aims.

10. Environmental and Community Safety Implications

- 10.1 This report has no environmental and community safety implications.

11. Equalities Impact

- 11.1 Equalities impact has been considered. It is concluded that there are no equalities impacts associated with the return of these reserves.

12. Risk Management

12.1 Specific risk management processes are in place between the Authority and Southwest One to manage risk within the partnership.

13. Partnership Implications

13.1 The delivery of procurement savings is the responsibility of Southwest One Strategic Procurement Service. The Southwest One partnership is one of the Authority's key partnerships.

14. Recommendations

14.1 That the Executive agree to;

- Use £200k of the £276k available to repay reserves to repay in full the borrowings from the Housing Revenue Reserve, which has in fact already been agreed as part of the 2011/12 budget setting process;
- Use the balance of £76k to help part repay the borrowings from the General Fund Reserve; and
- Reschedule the repayment of the outstanding amount, totalling £496k, due to the General Fund and Core Council Review Reserves so that £300k will be repaid during 2011/12 and the balance of £196k during 2012/13.

Contact: Officer Name Richard Sealy, Client & Performance Manager
 Direct Dial No 01823 358690
 e-mail address r.sealy@tauntondeane.gov.uk

Transformation Projects Funding Summary

<u>Transformation project costs</u>	
Capital costs	£2.0m
Revenue costs	£1.65m
TOTAL COSTS	£3.65m

<u>Funding arrangements</u>	
Capital – funded by prudential borrowing repayable in 5 years	£2.0m
Revenue – borrowed from reserves (£200k from General Fund Reserve) (200k from Housing Revenue Reserve) (£372K from Core Council Review Reserve)	£772k
Revenue – being funded directly from ongoing procurement savings	£873k
TOTAL FUNDING	£3.65m

<u>Variance between anticipated & actual procurement savings</u>	
Anticipated procurement savings @ 31st Mar 2011 based on the original model	£1.76m
Amounts actually removed from budgets based on anticipated savings from implemented procurement initiatives	£944k
SHORTFALL	£816k

<u>Allocation of the £944k savings</u>	
Revenue costs funded directly from ongoing procurement savings	£668k
Available to repay reserves	£276k
TOTAL	£944k

Taunton Deane Borough Council

Report to Executive – 13 April 2011

Support for the Frederick's Somerset Micro Enterprise Loan Fund

Report of the Economic Development Specialist

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

1. Executive Summary

- 1.1 The Council has been approached by The Fredericks Foundation to support the Fredericks Somerset Micro Enterprise Loan Scheme for start up and micro businesses.
- 1.2 The Committee is requested to support the Council's investment in the scheme and to lend its support to the initiative to stimulate demand in Taunton Deane.

2. Background

- 2.1 Appendix 1 presents correspondence received from the Fredericks Foundation inviting the Council to take an active role in the Fredericks Somerset Micro Enterprise Loan Scheme. The correspondence summarises the history of the company, its aims, and its establishment in the South West, and Somerset in particular
- 2.2 The Foundation, which is a registered charity, was set up by an entrepreneur with the aim of helping start up companies and existing micro businesses, through a loan fund scheme. The service is particularly targeted at individuals who have experienced difficulties in accessing credit from the High Street Banks, who might be people that are unemployed, with a bad credit rating or with little personal finance. Loans are offered at a preferential rate, but the scheme offers ongoing support and mentoring to the clients both to assist them to grow their business, and to ensure that the loan is repaid.
- 2.3 Appendix 2 presents further background information on the Foundation, and gives examples of some of the businesses that have benefited from its support, including two from Somerset.
- 2.4 Fredericks Somerset was set up in 2009 with funding from the Fredericks Foundation (£50,000), West Somerset Council (£30,000), and Somerset County Council (£20,000), making a total fund of £100,000 available. Since its launch

the scheme has offered finance to three start ups, one of which is in Taunton Deane. It is administered by Frederick's locally and is managed by a Steering Group comprising funders and local businesses who themselves act as mentors and business advisors.

- 2.5 The Corporate Scrutiny Committee considered this item on 24th February and had a full discussion on whether supporting the Fredericks Foundation would be the best means for the Council to encourage and nurture new business growth. A full summary of the Committee's discussion is reported in Section 4.

3. Proposal

- 3.1 The Council is requested to take an active role in the scheme primarily through a contribution of funding to enhance the loan fund, but also through local promotion and networking to stimulate demand amongst clients and potential mentors.
- 3.2 Members will note from the attached letter that the Council is asked to contribute £30,000 to the capital loan fund and set aside an additional £20,000 to top up that fund at the appropriate time. Furthermore the Council is asked to contribute £7,000 per annum towards the revenue cost of the Client Manager.
- 3.3 Officers have, however, since receiving the attached letter discussed with the Foundation the level of financial contribution that might be forthcoming from the Council. The conversation included the significant budget constraints facing the Council and the difficulties of 'setting aside' funding and making a long term commitment. It is therefore proposed that the Council supports the scheme but in a reduced capacity and on the following terms:
- **A one-off contribution of £30,000 to the Fredericks Somerset capital loan fund,**
 - **A contribution of £3,000 per annum for a period of 2 years towards the revenue cost of the Client Manager**
- 3.4 Should Members decide to support the scheme along the above lines the one-off contribution of £30,000 would be taken from LABGI reserves, and the annual £3,000 contribution would be taken from the Economic Development Revenue budget.
- 3.5 It is suggested that Members receive a half yearly report on the progress of the scheme, and take a view at the appropriate time on whether to invest further loan funding and revenue support.

4 Corporate Scrutiny Committee Considerations

- 4.1 During discussion of this item on 24th February Members made the following comments:

- i. The Council should match the funding of Somerset County Council;
 - ii. More detail should be provided of the three start-ups that had been supported by the Foundation;
 - iii. Any support offered by the foundation, should be across Taunton Deane and not specific to Wards; and
 - iv. Any funding should be spent within Taunton Deane and not Somerset.
 - v. Some Members were minded to retain the sum of £30,000 in-house. Organisations that supplied a viable business case could then be considered for funding.
- 4.2 The Corporate Scrutiny Committee felt that more information about the Fredericks Foundation was needed, with specific examples of how the foundation had helped organisations. This was required before the Executive could consider funding the Fredericks foundation.
- 4.3 Correspondence has since been exchanged with the Director of Operations at Fredericks in relation to all of the above points. In summary he has responded as follows:
- i The Council's contribution could be staggered over a number of financial years up to the amount agreed and in accordance with demand
 - ii Examples of businesses supported recently are included in Appendix 2, including two from Somerset.
 - iii The Council's contribution would be available to businesses throughout the Borough.
 - iv The Council's contribution would be available only to businesses in the Borough
 - v To quote The Director of Operations: *Our opinion is that grants don't impose the same business discipline of earning the money to repay and therefore lead to less sustainable business and shorter relationships with those businesses. The other reason is that the money doesn't get recycled so doesn't fund as many businesses. If TD has the staff, the capacity to do the due diligence, the technology to administer the loans and the appropriate licences then you can do it yourself. In my experience there are distinct advantages for the local authority to be at arm's length from the lending decisions. Our decisions are purely commercial whereas a local authority is open to criticism whichever way a decision goes.*

4 Author's Comments

- 4.1 Should the Council agree to support the programme it is important that it is firmly tied in with new business support arrangements from Government agencies. The Government announced in January that Business Link services will change radically in November, moving from the current regional presence towards a nationally administered on-line support mechanism. The use of voluntary business mentors will be at the centre of that new service. Department for Work and Pensions has recently announced the New Enterprise Allowance (NEA) for long term unemployed, to encourage them to start their own business. The NEA includes a weekly allowance to support the new business; a loan scheme for capital costs, and the services of a business mentor.
- 4.2 Should the Council support the scheme it is proposed that a legal agreement is entered with The Foundation to ensure appropriate measures are in place to protect the Council's interest. Through that agreement Officers will ensure that management and monitoring procedures are put in place, with effective and regular communication, clear targets, and a means to withdraw the Council's finance should the scheme not be delivering the Council's objectives.
- 4.3 Members should note that in the event that a decision is taken to close the loan fund Fredericks would be required to repay to the Council all loan repayment received by that date as well as any balance of the capital sum. 3 years after the closure of the fund Fredericks will agree with the Council the value of write offs in relation to the Council's contribution.
- 4.4 Utilising the Council's LABGI reserves on the project would enable the Council to deliver its dual aims of supporting business growth and job creation on the one hand, alongside increasing the investment value of the reserve on the other. Whilst the Council will not reap a direct financial return from the investment the scheme should enable the reserves to be self sustaining and supporting many businesses over years to come.

5. Finance Comments

- 5.1 The use of LABGI reserve is appropriate (current uncommitted balance is £400,000). As the level of the loans given by the funds is so low, it is suggested that the £30,000 capital element be paid over two years and that a claw back option be part of the legal agreement.

6. Legal Comments

- 6.1 It is recommended that the Council enters a legal agreement with the Fredericks Foundation over the terms of the Council's contribution.

7. Links to Corporate Aims

- 7.1 This proposal links to the Regeneration Aim of the Corporate Strategy.

8. Environmental and Community Safety Implications

8.1 There are no direct environmental or community safety implications arising from this report.

9. Equalities Impact

9.1 The Scheme will enable people from a disadvantaged background and people who are from a background of deprivation and a low income, to start their own business and find a route out of their current situation. The scheme may have particular relevance to people within race, gender, disability and age equality target groups, as those groups typically face the most difficulties starting their own business.

10. Risk Management

Risk	Low/Medium/High	Mitigating Action
Financial mismanagement by the Fredericks Foundation	Low	Credit checks and references will be obtained by Officers prior to committing funding
Poor take up of loans by businesses	medium	The legal agreement will enable TDBC to withhold a proportion of its funding in line with the low demand. Furthermore, Officers will promote the funding amongst target communities.
Expenditure of TDBC element of the Fund on inappropriate projects	Medium	Officers will take a seat on the Fredericks Somerset Steering Group and have an input to all funding decisions.

11. Partnership Implications

11.1 Joining Fredericks Somerset would demonstrate strong partnership working with those local authorities that are already in the scheme.

12. Recommendation

12.1 That the Council takes an active role in Fredericks Somerset, and authorises officers to enter a legal agreement with the charity setting out the terms of a contribution along the lines set out in paragraphs 3.3 to 3.5 of this report.

Contact: David Evans
Tel. 01823 356545
Email: d.evans@tauntondeane.gov.uk

David Evans
Economic Development Specialist
The Deane House
Belvedere Road
Taunton TA1 1HE

21 January 2011

Dear David

Fredericks Somerset – Micro-Enterprise Loan Fund

I would be delighted if Taunton Deane Council would consider taking an active role in the Fredericks Somerset loan fund, both by contributing loan capital and by providing some ongoing revenue funding. We would also welcome the involvement of your department in helping us to engage with the business community of Taunton, and in ensuring we focus on the Council's priority areas. It is essential to the fund that lending decisions are taken with the benefit of local knowledge; and that start-up businesses in particular have the support of a mentor to help them thrive.

A loan fund is an extremely cost-effective way to support local enterprise where individuals or companies are unable to secure business funding from a High Street bank because of the way that it recycles the capital as it is repaid. Fredericks Somerset works closely with the mainstream lenders but recognises that certain individuals or businesses because of credit history, lack of security or business sector, will fall outside their lending criteria. A loan rather than a grant enables the establishment of a continuing relationship with the borrower and also imposes some essential business discipline upon the entrepreneur to generate the income to pay for their requirements.

Fredericks Foundation was established in 2000 as a registered charity by IT entrepreneur Paul Barry-Walsh whose companies Safetynet and Netstore were pioneers in data security and management. In its early years the charity focused on the unemployed, many of whom have a disability, are lone parents or may have a criminal record. We recognise that finance is only one element in the equation and that on-going support and advice is key to sustaining new businesses. In 2008, as the financial crisis set in, we recognised that many more people would be likely to fall into the bracket: unable to obtain credit.

The charity felt that it was as valuable to save jobs in these circumstances as it was to create new. Fredericks therefore introduced a new loan product open to existing businesses facing a temporary cash flow problem or looking to expand.

Also in 2008 Fredericks Foundation was approached by Wessex Reinvestment Society and by Gloucestershire Development Loan Fund for assistance with running their enterprise loan funds. The model we have developed to achieve this is our 'hub' model, in which the back office, compliance and administrative side of the fund is managed at Fredericks head office in Surrey, whilst the loan fund is dedicated to identifiable geographical areas, each with an Advisory Board and locally recruited Lending Panels.

The aim for each hub is to be self-sustaining, which means recycling and replenishing the capital pot if necessary; and raising revenue to cover the cost of a Client Manager who assesses the business plans and works with clients pre and post loan to ensure their best chance of success. We have established 4 hubs during the past 18 months:

Gloucestershire; Somerset; Wiltshire; and Oxfordshire.

At its launch last year the Fredericks Somerset loan fund comprised £50,000 allocated by the Foundation, £30,000 allocated by West Somerset Council and £20,000 allocated by Somerset County Council. The fund currently offers loans up to £10,000. To date we have agreed 3 loans – 2 in West Somerset and 1 in Taunton Deane with a combined value of £10,500. Fredericks Foundation's full time Client Manager, Annie Popham, is based in Hemyock and currently spends two and a half days per week of her time on Somerset clients, attending business events (including Somerset Chamber and LEP), promoting Fredericks Somerset and networking with banks, BusinessLink advisors and other potential referrers.

The proposal is that Taunton Deane Council:

- Contributes £30,000 to Fredericks Somerset's capital loan fund
- Sets aside an additional £20,000 capital to top up the fund if the initial £30,000 is loaned within the first 2 years (repayment terms are on average 3 years)
- Provides a contribution of £7,000 per annum towards the revenue cost of the Client Manager

I will be pleased to discuss these proposals with you further and provide additional information as requested. Thank you very much for your consideration.

Yours sincerely

Bob Wallis

Director of Operations

Appendix 2

Background Information on The Fredericks Foundation and Examples of Businesses supported

Fredericks Foundation was set up in 2001 by Paul Barry-Walsh, a successful entrepreneur in his own right who wanted to help others who aspire to run their own business but are unable to obtain the necessary support to do so. Historically a large proportion of the start-up client base has been the long-term unemployed, lone parents, disabled or otherwise financially excluded.

As a result of the economic downturn, as well as helping the long-term unemployed, Fredericks Foundation has branched out to assist existing companies in need of finance who are unable to obtain it from their bank.

The charity is funded in a number of different ways, including substantial donations from its founder on a regular basis. Over the years it has been in receipt of funds from the European Social Fund and the Phoenix Fund, and it has a number of affiliated businesses that annually donate 1% of their profits as well as giving up some of their time in support of the work of Fredericks. Administration costs are mostly met by the charity, although local sponsors are sought for the cost of the 'hub' arrangements, whilst local organisations are approached for the capital loan fund. In the case of Fredericks Somerset the charity is meeting most of the administration costs as well as a large part of the capital fund.

Fredericks Foundation now has operations across much of the South of England.

Fredericks Foundation will consider a loan and business support if the applicant can demonstrate that he/she has made a genuine application for funds to their bank or a mainstream lender – and that that application been turned down. The business can be at any stage: it may require money to start-up; capital to expand; or funds to bridge a gap. Be it a sole trader, a partnership or a limited company it may be eligible for a loan.

For start-up businesses Fredericks offers up to a maximum of £10,000, though the average loan is less than £5,000. For established businesses with a financial track record the maximum loan is £20,000.

Applicants are charged a 5% fee at the outset of the loan, which contributes to running costs, and an interest rate of 15%. That interest rate is intending to offset non repayment of loans. Lending decisions are made by an independent volunteer panel drawn from the local business community and sponsors with experience in banking, accounting and entrepreneurial sectors.

Alongside the loan businesses are provided with ongoing support, including a personal mentor who encourages, listens and advises clients who have taken out a loan. Few clients have skills in all the disciplines required to set up a business, eg marketing, bookkeeping, time management etc, and many need help with these areas from people with matching skills and experience. Mentoring effectively is a skill in itself, and Fredericks help with training and equipping.

Examples of loans made to date

Alison Flind www.lushmotors.co.uk

Loan agreed: £3,000 for refurbishment to the Purple Cortina

Ali Flind has been running her IT business 'Lush Designs' since 2005 and has owned her Purple 1974 Cortina since 2008. The Purple Cortina has been a hobby project which Ali has used to make extra money by hiring the car out for weddings and film work. Ali now wants to turn this hobby into another income stream and feels the business has the potential to grow alongside Lush Designs with the right investment in the car to prevent deterioration. Ali has a 7 year old son and she works from home. She has recently moved to a bigger home and has recently taken on more IT work to support the higher rent. Ali feels now is the time to work harder at growing both sides of the business.

Belinda McCarthy <http://someset-wedding-photographer.co.uk>

Loan agreed: £4,500 for new equipment and lights

Belinda started her photography business in April 2010 but she was unable to secure a bank loan to complete the work on her new studio or buy the lighting equipment and second camera needed to upgrade her wedding kit. This referral came to Fredericks Somerset from Alan Geal of Barclays Bank in Yeovil. Alan wanted to support Belinda but the business had been going for less than a year and she could not offer match-funding for a loan. Since applying to Barclays and then to FF she has been able to fund the completion of the studio out of income so the amount required has decreased accordingly.

Dominic www.dgprofessionalcleaning.co.uk

Loan agreed: £2,500 for cleaning equipment

Dominic worked for 8 years for a cleaning services company where he was initially very happy but latterly he became concerned on how the owner ran the business and in particular his attitude to customer service. According to Dominic this led to the business losing a considerable amount of business and Dominic was made redundant.

He decided to get back to work immediately through self employment and borrowed £5k from a family member. He set up as a window cleaner in December 2008. Through the use of good quality literature and going door to door Dominic developed his round.

The funds borrowed from a family member were set aside for a tax bill so repayment had to be made quiet quickly. In hindsight Dominic accepts that he burdened himself with a debt that could not be scheduled over a period that the business could afford to repay but he was very anxious to get back to work but for himself.

He did manage to set aside £1,000 and his wife sold her horse that she had raised since a foal. This still left a shortfall and Dominic approached Fredericks for a loan of £2,500 but with repayments scheduled over an affordable period for the business. £2,000 was utilised to repay the relative and the balance to further advertise the business.

Dominic's wife works as his bookkeeper and is very supportive. Over the past 12 months Dominic has continued to develop the business and has agreed contracts to do office cleaning on top of his original window cleaning side.

Fiona and Jeremy: The First Aid Team
Loan Agreed: £5,000 for training equipment
May 2010

Both Fiona and Jeremy have run their own businesses in the past. For Jeremy it was an IT consultancy and for Fiona it was a mobile inflatable games company. A period without an IT contract in 2002 inspired Fiona to set up Stormit, but the cost of setting up this business whilst paying for a large mortgage and four children led them into debt.

Fiona has held a First Aid Certificate for more than 30 years. Jeremy has also obtained his PTLLS qualification which will give him an edge in securing contracts with schools or local authorities. It is a City & Guilds qualification expected as a minimum requirement for any teacher. Fiona has marketing and business development skills, Jeremy has IT skills and is confident with people as a trainer.

They have identified that the UK population is very poorly educated in First Aid and Immediate Response skills and that whilst the St John's Ambulance and British Red Cross cover more than 50% of the market, that there is a lack of versatile training providers. They believe there are opportunities both for training and for sale of bespoke First Aid kits for a variety of corporate and individual users. From 2011 First Aid will become a compulsory element of the National Curriculum. They will target organisations, small business, schools and colleges, sports clubs and mums and toddler groups. They have their own website at www.thefirstaidteam.co.uk.

Peter Fitchett: Absolute Rubbish
Loan for purchase of waste disposal and collection equipment
June 2010

Having left school and temporarily worked at a pizza parlour Peter joined the British Army in 2000. When he left in 2003 he did various jobs including working as a sales manager at motor cycle dealership. Between June 2006 & April 2007 Peter was in prison but due to his good behaviour he was granted an early release. Since his release he has been a ground worker and sales manager at fitness first. During the evening he took classes obtaining level 2 Gym instructors and level 2 sign language interpreters.

In April 2009 he made redundant from his role as a sales manager. Since then he has been working on his business plans to be a licensed waste carrier for both commercial and domestic waste. As part of this process he has attended Businesslink workshops and worked with The Princes Trust with a view at the end to them providing him with start up capital. However due to a change in their funding criteria he had to look elsewhere. Hence his approach to Fredericks Foundation.

Matt Carey: Yurt Manufacture and Sale (Moorcroft Engineering)
Loan agreed £5,900 for product development
June 2010

Matt is a versatile craftsman who cuts, steams and shapes all the wooden components of the Yurts and cuts and sews the canvas covering and lining. He has also restored some of his tools and machinery to save on set-up expenditure.

He started learning about Yurts over 5 years ago and in 2006 set up a company with a partner to manufacture and sell them. This partnership, however, broke up and Matt now wants to set up on his own both to sell and hire the yurts he will make, having learned some tough lessons from his previous business.

Matt currently shares the rent on a workshop in a farm building in Brede, near Rye in East Sussex. As Matt's business grows it may be that he will take over the workshop fully. He has a good relationship with the farm owner who allows him to use other areas of land for his steamer (used to shape the poles) and for trial erection of the Yurts.

He needs finance to build some larger Yurts that he can hire to weddings and corporate events; and he needs to invest some money in developing stock of a small scale children's Yurt. He plans to visit shows and find sites where he can erect a Yurt to show it off to customers who are likely to have sufficient disposable income. He will also look at partnership arrangements with hotels and stately homes who may be interested in making referrals. Matt is confident in his knowledge and in the quality of the Yurts he builds. He is going to set up an advisory website to help customers take decisions about the Yurt they want to buy.

Nick Kingstone: Kingstone Building and Decorating Loan Agreed: £2,500 to buy and sign write a van

Nick is a very personable, conscientious 26 year old who has been working in the construction industry since he was 15 years old. He is married with three children. Nick is very determined to get himself off benefits and look after his family.

In 2007 Nick started up a business, with a partner, and in their first year they made a very good profit. The business continued to prosper until 2009 when Nick broke his knee and was unable to work for several months. His business partner was unable to sustain the business on his own and due to this and other pressures the business failed.

Since then Nick has been working with In Biz to try to get the business up and running again this time as a sole trader. Nick started Test Trading with In Biz on 30th November 2010 and was able to secure three contracts immediately, two in December and one in January. These have come via contacts he has in the area and as they are very local jobs, he was able to take them on with the help of a friend who was willing to transport him and his tools until Nick was able to secure funding for his own vehicle.

Nick's loan from Fredericks Foundation has enabled him to buy and sign write a van and he has already secured more contracts. Nick also has the support of a mentor.

21/06/2011, Report:Performance Monitoring - Outturn Report 2010/2011

Reporting Officers:Dan Webb

21/06/2011, Report:2010/2011 Budget Outturn Report

Reporting Officers:Shirlene Adam

21/06/2011, Report:Windfall VAT Receipt

Reporting Officers:Maggie Hammond

10/08/2011, Report:Carbon Management Plan

Reporting Officers:Kevin Toller

10/08/2011, Report:The future of The Deane House

Reporting Officers:Joy Wishlade

16/08/2011, Report:Future proposals for Deane DLO

Reporting Officers:Brendan Cleere

14/09/2011, Report:Review of Essential Users and Car Allowances

Reporting Officers:Martin Griffin

14/09/2011, Report:Update report - Into Somerset Partnership

Reporting Officers:David Evans

14/09/2011, Report:Proposed Passivhaus Development

Reporting Officers:Lesley Webb

14/09/2011, Report:Proposed redevelopment of Halcon North, Taunton

Reporting Officers:Tim Burton

14/09/2011, Report:The future of floodlighting across the Borough

Reporting Officers:David Evans

14/09/2011, Report:Quarter 1 Performance Report

Reporting Officers:Dan Webb

14/09/2011, Report:Installation of Solar PV on Council House stock

Reporting Officers:Kevin Toller

14/09/2011, Report:Budget Review Project - High Level Principles

Reporting Officers:Simon Lewis

12/10/2011, Report:Taunton Town Centre Supplementary Planning Document

Reporting Officers:Tim Burton

12/10/2011, Report:Corporate Management Team Restructure

Reporting Officers:Penny James

12/10/2011, Report:Parking Strategy

Reporting Officers:Joy Wishlade

16/11/2011, Report:Quarter 2 Performance Report

Reporting Officers:Dan Webb

16/11/2011, Report:Capital Cash Flow Funding - SW1 Transformation Projects

Reporting Officers:Paul Harding

16/11/2011, Report:Budget Review Project - Year 1 Budget Savings

Reporting Officers:Simon Lewis

07/12/2011, Report:Housing Revenue Account 30 year Business Plan

Reporting Officers:Stephen Boland

07/12/2011, Report:Budget Review Project - 4 Year Proposals

Reporting Officers:Simon Lewis

09/02/2012, Report:Housing Revenue 30 year Business Plan

Reporting Officers:Stephen Boland

14/03/2012, Report:Quarter 3 Performance Report

Reporting Officers:Dan Webb

Executive – 13 April 2011

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Cavill, Edwards, Hall, Hayward and Mrs Herbert

Officers: Shirlene Adam (Strategic Director), Richard Sealy (Client and Performance Manager), David Evans (Economic Development Specialist) and Richard Bryant (Democratic Services Manager)

Also present: Councillors Morrell and Stuart-Thorn

(The meeting commenced at 6.15 pm.)

37. Apology

Councillor Mrs Lewin-Harris.

38. Minutes

The minutes of the meeting of the Executive held on 16 March 2011, copies of which had been circulated, were taken as read and were signed.

39. Declaration of Interests

Councillor Mrs Adkins declared a personal interest as an employee of Somerset County Council.

40. Transformation Projects – Funding Update Report

Considered report previously circulated, concerning the funding arrangements through procurement savings for the financing of the Southwest One Transformation Projects.

The Southwest One partnership had been created to deliver five key Transformation Projects in addition to the operational back-office services element of the contract. The delivery of these projects was key to Southwest One's ability to deliver savings and move the back-office services of the three partner authorities onto a shared service platform. The Transformation Projects were:-

- SAP BOP (Back Office Processing) system;
- SAP CRM (Customer Relationship Management) system;
- PEM (People Excellence Model);
- Locality Based Service Delivery proof of concept; and
- Procurement Transformation Project.

Originally savings of £13,000,000 were anticipated over the 10 year period of the Southwest One contract. This figure had been reduced to £10,000,000 to ensure that the Council was being sufficiently cautious in the modelling of likely savings.

The Southwest One contract did not contractually guarantee the level of savings, but did provide a financial incentive for Southwest One to maximise the implementation of savings opportunities through a 'gain-share' arrangement.

The Procurement Transformation project was a key corporate project and quarterly progress reports were therefore submitted to both the Corporate Management Team and the Corporate Scrutiny Committee.

The total cost of the Transformation Projects over the ten year period would be £3,650,000. This figure included an additional £150,000 of project costs which were not included in the report submitted to the Corporate Scrutiny Committee on 24 March 2011. These costs had arisen since the original contract was signed.

The total cost figure comprised £2,000,000 of capital costs and £1,650,000 of revenue costs. £700,000 of the revenue costs required up front funding and the remaining £950,000 would be funded by continuing procurement savings.

The up front funding for the Transformation Projects had been agreed by the Executive in 2007 and consisted of £2,000,000 through prudential borrowing, to be repaid within 5 years from procurement savings. The up front £700,000 revenue costs were to be funded from reserves as detailed below:-

- General Fund Reserves - £200,000;
- Housing Revenue Reserves - £200,000; and
- Self Insurance Fund - £300,000.

Noted that the £300,000 had not been taken from the Self Insurance Fund. Instead £372,000 was borrowed from the Core Council Review Reserve, making a total borrowing of £772,000.

The original savings model anticipated that £1,760,000 in procurement savings would have been delivered by 31 March 2011. The Council had therefore planned for the borrowings from reserves to be repaid in full during 2010/2011.

Reported that when each new procurement initiative was agreed and implemented, the anticipated annual savings from the relevant budgets were removed. To date, the Council had removed anticipated savings totalling £944,000. Noted that this figure was £11,000 higher than that reported to the Corporate Scrutiny Committee. The difference was due to additional anticipated savings which had been removed from budgets.

With the Council anticipating receiving savings totalling £1,760,000 by 31 March 2011, there was clearly a shortfall of £816,000 (£1,760,000 less £944,000).

Of the £944,000 savings removed from budgets, £668,000 had been used to meet revenue costs of the Transformation Projects, whilst the remaining £276,000 was available to repay borrowings from reserves.

The Strategic Procurement Team was carrying out a re-profiling of the Council's spend in order to produce a revised savings forecast. Results of this exercise were expected in May 2011.

Further reported that the operational services element of the Southwest One Contract was also delivering savings to the Council through an annual, cumulative reduction of 2.5% in the amount paid for the delivery of the in-scope services. Over the lifetime of the contract, based upon 2007/2008 prices, this would deliver savings totalling approximately £6,400,000.

To date this had delivered approximately £1,300,000 in savings, which had already been used to reduce our overall budget requirements for previous years and were not therefore available to repay reserves.

Following approval by Full Council on 22 February 2011, £200,000 of the £276,000 available from procurement savings to pay reserves had been used to repay in full the amount borrowed from the Housing Revenue Reserve. It was recommended that the balance of £76,000 be repaid to the General Fund Reserve.

It was intended that the outstanding repayment of £496,000 due to the General Fund Reserve should be rescheduled so that £300,000 would be repaid during 2011/2012 and the balance of £196,000 during 2012/2013. This was realistic and corresponded with the level of savings achievable from the current agreed and implemented savings initiatives.

These proposals had been considered and endorsed by the Corporate Scrutiny Committee.

Resolved that it be agreed to:-

- (a) Use £200,000 of the £276,000 available to repay reserves to repay in full the borrowings from the Housing Revenue Reserve (which had already been agreed as part of the 2011/2012 budget setting process);
- (b) Use the balance of £76,000 to help part repay the borrowings from the General Fund Reserve; and
- (c) Reschedule the repayment of the outstanding amount, totalling £496,000, due to the General Fund and Core Council Review Reserves so that £300,000 would be repaid during 2011/2012 and the balance of £196,000 during 2012/2013.

41. **Proposals to introduce a Community Right to Challenge – Consultation Document**

A consultation paper had recently been released by the Department for Communities and Local Government concerning proposals to introduce a Community Right to Challenge.

The Right would hand the initiative to communities and the bodies that represented them who had innovative ideas about how services could be shaped to better meet local needs, or could be run more cost effectively. It would ensure these ideas received a fair hearing and gave communities the time they needed to organise themselves and develop their ideas to be able to bid to run the service.

The statutory framework for the Community Right to Challenge was provided in Part 4, Chapter 3 of the Localism Bill. This bill was introduced on 13 December 2010 and was outside the scope of this consultation.

However the bill included a number of powers to specify further detail underpinning the Community Right to Challenge in regulations. This consultation paper invited views on these aspects. A précis of the consultation document was submitted for the information of Members.

The consultation paper had previously been considered by the Community Scrutiny Committee on the 8 March 2011 and their responses to the various questions asked by the Government were set out in the response form attached to the report.

During the discussion of this item Members commented as follows on the suggested responses:-

Section 6 – It was felt that there should be a timescale set down in legislation which gave protection to the community (as some Councils might not deal with challenges promptly); and

Section 8 – Again it was felt that there should be the protection of a national (legislative) limit on the maximum period between an Expression of Interest being accepted and a relevant authority initiating a procurement exercise. It was also thought that local arrangements could be put in place if desired to improve on this “national safety net”.

Resolved that, subject to the incorporation of the above views, the suggested response to the Community Right to Challenge consultation document be submitted to the Department for Communities and Local Government before the closing date on 3 May 2011.

42. **Proposals to introduce a Community Right to Buy – Assets of Community Value – Consultation Document**

A consultation paper had recently been released by the Department for Communities and Local Government concerning proposals to introduce a Community Right to Buy – Assets of Community Value.

These provisions would entitle community groups to identify and nominate public or private assets of community value to their local area to be included in the local authority list of Assets with a Community Value.

Once an asset on the list came up for sale, a community group would then have a window of opportunity to bid or buy that land or property.

The statutory framework for the Community Right to Buy was provided in Part 4, Chapter 4 of the Localism Bill. This bill was introduced on 13 December 2010 and was outside the scope of this consultation.

However the bill included a number of powers to specify further detail underpinning the Community Right to Buy in regulations. This consultation paper invited views on these aspects. A précis of the consultation document was submitted for the information of Members.

The consultation paper had previously been considered by the Community Scrutiny Committee on the 8 March 2011 and their responses to the various questions asked by the Government were set out in the response form attached to the report.

During the discussion of this item Members commented as follows on the suggested responses:-

Section 12 – It was strongly felt that compensation claims should be limited to cover expenses incurred due to the extra time it would take to go through this additional process when selling an asset (for example, interest lost on receipt). There should not be any compensation for “changes in value” due to this new proposal. If compensation became payable, the Executive was of the view that it should be funded nationally and not by the local authority. As such, the suggested response to question 37 needed to be much stronger.

With regard to questions 40 and 41, it was suggested that the responses to these questions were double-checked against the full copy of the consultation paper.

Resolved that, subject to the incorporation of the above views, the suggested response to the Community Right to Buy consultation document be submitted to the Department for Communities and Local Government before the closing date on 3 May 2011.

43. **Support for the Fredericks Somerset Micro Enterprise Loan Fund**

Considered report previously circulated, concerning support for the Fredericks Somerset Micro Enterprise Loan Scheme for start up and micro businesses.

Correspondence had been received from the Fredericks Foundation inviting the Council to take an active role in the Fredericks Somerset Micro Enterprise Loan Scheme. The letter had also summarised the history of the company, its aims and its establishment in the South West.

The Foundation was a registered charity and its loan scheme was targeted at individuals who had experienced difficulties in accessing credit from banks, who could be people who were unemployed, had a bad credit rating or had little personal finance. Loans were offered at a preferential rate and also offered ongoing support and mentoring, to enable clients to increase their business and to ensure the loan was repaid.

Submitted for information further background information on the Foundation together with a number of examples of some of the businesses that had benefitted from the scheme, two of which were from Somerset.

Fredericks Somerset had been set up in 2009 with funding from the Fredericks Foundation (£50,000), West Somerset District Council (£30,000) and Somerset County Council (£20,000).

Since its launch, the scheme had offered finance to three start ups, one of which was in Taunton Deane. It was administered locally and managed by a Steering Group, comprised of funders and local businesses, who also acted as mentors and business advisors.

The Council had been asked to take an active role in the scheme primarily through a contribution of funding, as well as through local promotion and networking, to stimulate demand amongst clients and potential mentors.

Reported that a contribution of £30,000 to the capital loan fund had been requested, with an additional £20,000 set aside to top up the fund as necessary. An additional £7,000 per annum was requested towards the revenue cost of a Client Manager.

Officers had discussed the Council's budget constraints with the Foundation and the difficulties of making a long term commitment. As a result, it was proposed that the Council should support the scheme on the following terms:-

- A one-off contribution of £30,000 to the Fredericks Somerset Capital Loan Fund, to be paid in agreed stages; and
- A contribution of £3,000 per annum for a period of two years towards the revenue cost of the Client Manager.

If this proposal was supported, the one-off payment of £30,000 would be taken from the Local Authority Business Growth Incentive (LABGI) reserves and the annual £3,000 contribution would be taken from the Economic Development Revenue budget.

Noted that it was proposed that a legal agreement was entered into with the Foundation to ensure appropriate measures were in place to protect the Council's interests, including a means to withdraw the Council's finance should the scheme not be delivering the Council's objectives.

When this matter had been discussed at the Corporate Scrutiny Committee meeting on 24 February 2011, a number of issues were raised by Members which were outlined in the report. These issues had been referred to the Director of Operations at Fredericks and the responses received were submitted which addressed the various concerns.

Should the Council agree to support the programme it was important that it was firmly tied in with new business support arrangements from Government agencies. Later in the year Business Link services would change radically towards a nationally

administered on-line support mechanism. The use of voluntary business mentors would be at the centre of that new service.

In addition, the Department for Work and Pensions had recently announced the New Enterprise Allowance (NEA) for the long term unemployed, to encourage them to start their own business. The NEA included a weekly allowance to support the new business, a loan scheme for capital costs, and the services of a business mentor.

Utilising the Council's LABGI reserves on the project would enable the Council to deliver its dual aims of supporting business growth and job creation on the one hand, alongside increasing the investment value of the reserve on the other.

Resolved that it be agreed that:-

- (a) Taunton Deane took an active role in Fredericks Somerset; and
- (b) a legal agreement be entered into with the charity setting out the terms of financial support along the following lines:-
 - (i) A one-off contribution of £30,000, to be paid in agreed stages; and
 - (ii) A contribution of £3,000 per annum for a period of two years towards the revenue cost of a Client Manager.

44. **Executive Forward Plan**

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

Resolved that the Forward Plan be noted.

45. **Chairman's Thanks**

The Chairman noted that this was the last meeting of the Executive prior to the Local Government Elections on 5 May 2011. He thanked Members and officers for their support over the past year.

(The meeting ended at 7.08 pm.)