

You are requested to attend a meeting of the Executive to be held in The Brittons Ash Community Centre, Bridgwater Road, Bathpool, Taunton, (Activity Room). on 29 November 2017 at 18:15.

Agenda

- 1 Apologies.
- 2 Minutes of the meeting of the Executive held on 7 September 2017 (attached).
- 3 Public Question Time.
- 4 Declaration of Interests
To receive declarations of Disclosable Pecuniary Interests or personal or prejudicial interests, in accordance with the Code of Conduct, in relation to items on the agenda. Such interests need to be declared even if they have already been recorded in the Register of Interests. The personal interests of Councillors who are County Councillors or Town or Parish Councillors will automatically be recorded in the minutes.
- 5 Somerset Waste Partnership Draft Business Plan 2018-2023. Report of the Assistant Director - Operational Delivery. (attached).
Reporting Officer: Chris Hall
- 6 Taunton Deane Borough Council General Fund 2018-2020 Asset Strategy. Report of the Asset Manager (attached).
- 7 Somerset Business Rates Pool and 100% Business Rates Retention Pilot. Report of the Assistant Director - Strategic Finance and Section 151 Officer (attached).
Reporting Officer: Paul Fitzgerald
- 8 2018/2019 Budget Options and Medium Term Financial Plan Update. Report of the Financial Services Manager (attached).
- 9 Earmarked Reserves Review. Report of the Financial Services Manager (attached).
- 10 Fees and Charges 2018/2019. Report of the Financial Services Manager (attached).

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

Bruce Lang
Assistant Chief Executive

07 August 2018

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

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

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

Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

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

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

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

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



The meeting rooms at both the Brittons Ash Community Centre and West Monkton Primary School are on the ground floor and are fully accessible. Toilet facilities, with wheelchair access, are available.

Lift access to the Council Chamber on the first floor of Shire Hall, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are available through the door to the right hand side of the dais.



An induction loop operates at Shire Hall 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 219736 or email r.bryant@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 email: enquiries@tauntondeane.gov.uk

Executive Members:-

Councillor J Warmington	(Community Leadership)
Councillor A Sully	(Corporate Resources)
Councillor M Edwards	(Economic Development, Asset Management, Arts and Culture, Tourism and Communications (Deputy Leader))
Councillor P Berry	(Environmental Services & Climate Change)
Councillor T Beale	(Housing Services)
Councillor J Williams - Leader of the Council	(Leader of the Council)
Councillor R Parrish	(Planning Policy and Transportation)
Councillor V Stock-Williams	(Sports, Parks and Leisure)

Executive – 7 September 2017

Present: Councillor Williams (Chairman)
Councillors Beale, Berry, Mrs Herbert, Parrish and Mrs Warmington

Officers: Dean Emery (Principal Revenues and Debt Recovery Officer), Jenny Collins (Senior Revenues Officer), Chris Hall (Assistant Director – Operational Delivery), Garry Bowles (Cemeteries and Crematorium Manager), Jo Nacey (Finance Manager), Tom Gillham (Assistant Director – Asset Development Projects), Paul McClean (Project Accountant), Tim Burton (Assistant Director – Planning and Environment), Fiona Webb (Regeneration and Infrastructure Manager) and Andrew Randell (Temporary Senior Democratic Services Officer)

Also present: Councillors Coles and Hunt

(The meeting commenced at 6.15 pm.)

32. Apologies

Councillors Edwards and Habgood.

33. Minutes

The minutes of the meeting of the Executive held on 3 August 2017, copies of which had been circulated, were taken as read and were signed.

34. Declaration of Interests

Councillor Mrs Warmington declared a personal interest as a Member of Bishops Lydeard and Cothelstone Parish Council.

35. Proposed Business Rates Revaluation Relief

Considered report previously circulated, concerning the proposed amendment of the Discretionary Rate Relief Policy to include a new Relief for Revaluation from 1 April 2017.

A range of Mandatory and Discretionary Rate Reliefs could reduce the amount of Non-Domestic Rates (commonly known as Business Rates) a business or organisation had to pay. The qualifying rules and levels of relief for Mandatory Reliefs were set by the Government and were the same throughout the Country.

The rules and levels of award for Discretionary Rate Reliefs were set by each Council and, as such, might vary from Council to Council. A full review and updating of the policy had been undertaken in 2015 with the policy coming into effect from 1 April 2016.

The Local Government Finance Bill 2012 had introduced the Business Rates Retention Scheme which was designed to help achieve two of Government's key priorities - Economic Growth and Localism. The scheme enabled the retention of a proportion of

the Business Rates revenue generated in a local area by the relevant local authorities.

Although 50% of Business Rates collected was paid to Central Government the remaining 50% was retained locally (40% District, 9% County, 1% Fire authorities).

With regard to the former arrangements, the Government had met the cost of Mandatory Relief in full on the basis that local authorities had no choice but to award it under set criteria. However, the costs of Discretionary Relief had to be met in full or in part, by local authorities as awards were decided upon based on the Council's own criteria.

Under the new rules Taunton Deane had to contribute 40% towards the cost of most relief - even those that it had no choice about awarding. Therefore it was important to recognise the financial risk of applying reliefs when considering any changes to the current policy.

A Business Rates Revaluation normally took place every five years. However, following a two year delay the Government had issued the new Rating List with effect from 1 April 2017.

Each Rating List had a Transitional Relief Scheme which was designed to phase in both the increases and decreases in the amount of Business Rates payable following revaluation. This phasing could last for between one and five years depending on the level of increase or decrease in rateable values.

Noted however that Transitional Relief did not provide support for changes in Business Rate Reliefs. Despite the increase in the threshold for eligibility to Small Business Rate Relief, some ratepayers would no longer be eligible to receive it due to an increase in their Rateable Value. This situation might also apply to current recipients of Rural Rate Relief.

The Chancellor had announced in the Spring Budget a number of measures to provide support to these ratepayers, along with support for public houses and businesses facing the largest increases.

Alongside the new Rating List, the Government had announced the establishment of a £300,000,000 Discretionary Fund over four years from 2017/2018 to support those businesses that faced the steepest increases in their Business Rates bills.

The intention was that every billing authority in England would be provided with a share of this fund to support their local businesses. Billing authorities would be expected to use their share of the funding to develop their own Discretionary Relief Schemes to deliver targeted support to the most hard-pressed ratepayers. The £300,000,000 would be divided over the four years as follows:-

- £175,000,000 in 2017/2018;
- £85,000,000 in 2018/2019;
- £35,000,000 in 2019/2020; and
- £5,000,000 in 2020/2021.

The Department of Communities and Local Government had published a consultation

on the design of the Discretionary Relief on 9 March 2017, seeking views on the allocation of the fund, arrangements for compensation for local authorities, and the operation of local schemes. Taunton Deane's proposed share was as follows:-

- 2017/2018 - £276,000;
- 2018/2019 - £134,000;
- 2019/2020 - £55,000; and
- 2020/2021 - £8,000.

Submitted for the consideration of Members a Discretionary Revaluation Relief Policy that was based on the following criteria:-

- (a) Relief would only be granted where the Rateable Value was less than £200,000 as at 1 April 2017 and the gross rates increase was greater than 5%;
- (b) Reductions if awarded would be to further increase the Transitional Relief that was phasing in the increased charge. Each year would be less and less over four years;
- (c) The scheme was designed solely to assist ratepayers who had seen a significant increase in bills due to revaluation;
- (d) Relief would only be granted for premises which were occupied;
- (e) Relief would not be awarded where Mandatory Relief had been granted;
- (f) Taxpayers would be invited to apply;
- (g) All relief awarded would be subject to 'state aid' €200,000 (de-minimis); and
- (h) Relief would be targeted to local businesses, not national or multi-national in nature. Local businesses were, for the purpose of the scheme, those which had premises wholly in the Council's area.

The Council would consider every application for Discretionary Revaluation Relief on its merits. Applications would be invited from taxpayers to confirm their "state aid" position.

There would be no statutory right of appeal against any award of Discretionary Revaluation Relief, although as with any decision by a public authority, this could be challenged by Judicial Review. The authority would however, upon request, review decisions made.

Further reported that this item had been considered by the Corporate Scrutiny Committee on 17 August 2017 when the proposed Discretionary Revaluation Relief Policy was supported by Members.

Resolved that Full Council be recommended to support the use of the Council's local discount powers from 1 April 2017 to award Revaluation Relief to those organisations that faced significant increases in their Business Rates bills following Revaluation.

36. **Supplementary Budget Request – Cemeteries and Crematorium**

Considered report previously circulated, concerning a request for a Supplementary

Budget to enable a number of areas within the Cemeteries and Crematorium service which required investment beyond that achievable in the existing Revenue Maintenance budget.

This would enhance the services offered to the public and extend the life of some assets through the creation of new plots and new income opportunities.

With the exception of the Children and Baby Memorial Gardens where the cost would be recovered but without surplus, the following projects had the ability to deliver income greater than the initial cost.

The Bereavement Service provided a significant contribution to the Council each year. In 2016/2017 the surplus was £584,580 which was £115,000 more than the budget. This reflected an increasing demand on the service and burial plots.

(1) Wellington Cemetery Grave Spaces

Currently there were only four new grave spaces remaining in Wellington Cemetery. Once these had been sold the site would no longer generate income but would still need to be maintained to the current standard.

With an investment of £23,000 the hard standing located at the centre of the cemetery could be removed to free up land for up to 100 new burial spaces. This work would ensure that Wellington would have a capacity for full burial for the next eight to ten years and would allow a continuation of service whilst further options for future burial land were identified.

The income generated from this project was likely to be upwards of £100,000 for the sale of graves, memorial rights and interments.

(2) St Mary's Cemetery – New Grave Spaces

£26,000 invested in this site would allow for much of the main drive to be removed and re-laid to create 120 full new grave spaces.

By carrying out these works it would mean a further choice to the bereaved for grave locations and would allow the provision of traditional type memorials on the plot to be re-introduced. The income generated from this project would be upward of £120,000.

At the current rate of burials 120 graves would extend the life of this service for approximately 20 years.

(3) Cremation Memorial Walkway and Cremation Plots

The Council's post cremation memorials and plots were limited in choice and older in fashion. Releasing an area that had never previously been looked at and memorialising closer to the car park in a prime location would generate further interest and retain more cremated remains on site.

Setting out the area in a formal garden arrangement using set, installed memorials

at a cost of £24,000 would create a tranquil and modern reverent area for remembrance. This would provide additional choice, lengthen the life of the cemetery and create a further income stream of up to £70,000.

(4) New Children and Babies Garden at the Crematorium

The present baby garden was adjacent to the workers' yard. There was little choice to memorialise or remember the deceased who were laid to rest there. Many other crematoria had formalised, dedicated gardens for this specialist area that were very popular and gave great comfort to the bereaved.

The current area at the Taunton Deane Crematorium would benefit from investment estimated at £15,000. Memorials could be provided for a longer term at a cost that would only recover the cost of purchase and installation.

It was suggested that the service could work with local child bereavement charities to ensure that they had input into the design and layout of the new garden and explore the possibility of some third party funding from them.

(5) Natural Burial/Remembrance Area

An area of Taunton Crematorium had been set out to create a natural spinney/copse for interments of ashes and some full interments. Tree works and planting had taken place to provide an alternative to the formal memorial and burial sections our cemeteries offered.

The formalisation of this natural area would give relief to the high usage the current Garden of Remembrance had seen and would extend the life of onsite ashes interments that were not witnessed.

It was proposed to install a hardwood boardwalk at a cost of £6,000 where each board could be memorialised at a cost of £200 per tread for 10 years. This then would become a working memorial and allow year round access to this site, without anyone walking through the planting. Income generated was estimated at £55,000.

Further reported that this item had been considered by the Corporate Scrutiny Committee on 17 August 2017 and details of the views expressed by Members of that Committee were submitted for the information of the Executive.

Resolved that Full Council be recommended to approve:-

- (a) A supplementary capital budget of £94,000 for the improvements to the Cemeteries and Crematorium as set out above; and
- (b) The transfer of £94,000 from the Waste Earmarked Reserve to add to the Revenue Contribution to Capital ("RCCO") budget to provide the funding for the Capital Supplementary Estimate.

37. Executive Forward Plan

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

months.

Resolved that the Forward Plan be noted.

38. Exclusion of the Press and Public

Resolved that the press and public be excluded from the meeting for the following items as it included exempt information as defined in paragraphs 1 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and that the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

39. Acquisition of Thales Interests, Lisieux Way, Taunton

Considered report previously circulated, concerning an opportunity that had arisen for the Council to consolidate its ownerships of the land at Lisieux Way Business Park in Taunton.

The Council proposed to take forward refurbishment plans of buildings, ensuring essential maintenance and upgrades were carried out, also undertaking an assessment of potential development and long-term investment opportunities for this strategic employment site.

The acquisition of Lisieux Way and planned refurbishment of buildings was the first stage of a more comprehensive regeneration project, aligned with the Taunton Deane Borough Council Corporate Plan (2017-2018) Key Themes and priorities within the Taunton Growth Prospectus - Delivering the economic vision for our County Town.

There were substantial strategic benefits of retaining important hi-tech occupiers in Taunton. Under the Council's ownership, plans for refurbishment and upgrade of utility supplies could be coordinated to progress the relocation within the site of a specialist firm that had its own bespoke major investment plans for new premises.

Historic plans indicated some sections of the site might be able to accommodate other suitable uses. The next stage of the process would involve an option review and the commissioning of master-planning expertise, to assess potential opportunities.

Any potential options for comprehensive development on site would need to be compliant, feasible and viable. As such, future findings and recommendations would be reported back to the Executive and Full Council, as appropriate.

Resolved that Full Council be recommended to approve:-

- (a) The acquisition of land and interests at Lisieux Way Business Park, Taunton from Thales UK. The land sale, as identified in Appendix B to the report, would be subject to a conditional contract based on draft terms, set out in Appendix G;

- (b) A supplementary estimate (to the value set out in the report) to the Capital Programme for this high priority Taunton Employment scheme, in addition to the existing project budget previously approved in 2013/2014 specifically for the purpose of funding the regeneration of the land off Lisieux Way. This would cover the costs of land acquisition, essential landlord works to Building 2 and professional fees set out in a Business Case at Appendix H which would be funded through capital borrowing; and
- (c) The delegation of authority to the Directors and Section 151 Officer to proceed with the proposed acquisition, completion of work programme and commissioning of next phase master-planning and feasibility studies, in consultation with the Executive Councillor for Business Development, Asset Management, Arts and Culture, Tourism and Communications and the Leader of the Council Leader, namely to:-
 - (i) Conclude and finalise the conditional contract between the Council and Thales UK, to deliver regeneration of the Lisieux Way Business Park; and
 - (ii) Appoint a Professional Team to advise on:-
 - Refurbishment and delivery of works scheduled: ensuring quality, cost control and completion of refurbishment work to Building 2, ensuring the commercial units were developed to an agreed specification, agreed programme timescales and budget; and
 - The master-planning and feasibility study : An assessment of future development options for the whole site. Procurement of specialist advisors to support the Council.

40. **Planning (Listed Buildings and Conservation Areas) Act 1990 – Listed Buildings at Tonedale Mill, Milverton Road, Wellington**

Considered report previously circulated, which sought authority to take appropriate action to secure the repair of historic buildings at Tonedale Mill, Wellington

Tonedale Mill was an historic complex of industrial buildings with substantial heritage value identified by Historic England as one of its top three heritage sites at risk in the South West. The site was currently unoccupied with all of the buildings vacant and in a poor state of repair.

In recent weeks, unauthorised works had been undertaken which had led to the conclusion that appropriate action should now be undertaken by way of the service of a Repairs Notice which would specify those works which were required as being reasonably necessary for the proper preservation of the buildings.

The owner of the buildings would have two months to comply with the Repairs Notice, after which the Council would have the option to either carry out the works itself and to put a charge on the property, and/or commence compulsory acquisition of the buildings.

Officers were already working in partnership with Historic England, and their advice

and support would be sought if further action was considered to be necessary.

Resolved that a Repairs Notice or Notices, if appropriate, be issued pursuant to Section 48 of the Planning (Listed Building and Conservation Areas) Act 1990 in relation to buildings at Tonedale Mill, Milverton Road, Wellington.

(The meeting ended at 7.54 p.m.)

Taunton Deane Borough Council

Executive – 29 November 2017

Somerset Waste Partnership Draft Business Plan 2018-2023

Report of the Assistant Director Operational Delivery – Chris Hall and Somerset Waste Partnership’s (SWP) Managing Director – Mickey Green

(This matter is the responsibility of Executive Councillor Patrick Berry)

1. Executive Summary

- 1.1 This report seeks approval of the Somerset Waste Partnership’s Draft Business Plan 2018-2023.
- 1.2 The actions in the draft business plan sets out the most significant set of changes to Somerset’s waste services since SWPs inception in 2007. Co-ordinated for maximum impact and value the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste becoming a fuel stock to generate energy.
- 1.3 Following all partners’ approval to implement Recycle More, the original delivery plan was to negotiate this with our current collection contractor (Kier). As it was not possible to reach agreement with Kier in a way which delivered the benefits that partners required, SWB have, by mutual consent with Kier, agreed to bring forward the expiry date of our current collection contract from September 2021 to 27 March 2020. SWB has undertaken a major review of the commissioning options and proposes to undertake a competitive dialogue procurement to secure a new collection contractor following the expiry of the contract with Kier.
- 1.4 Despite early expiry there are no changes to the charging process for 2018/19 and as such the budget is to be set in accordance with the usual contractual criteria. The cost increase for 2018 /19 when compared with 2017/18 is £177,000. The budget for 2018/19 had a contract increase in mind, however the increase actual increase is greater than this creating a small additional impact of £40k on the MTFP.

2. Recommendations

- 2.1 The Executive is recommended to:-
 - i) Approve the Somerset Waste Partnership’s Draft Business Plan 2018-23, in particular the proposed approach to the procurement of a new collection contract.

- ii) Note that, in line with their delegated authority and in order to implement Recycle More as requested by partners, Somerset Waste Board have agreed with Kier to bring forward the expiry date of the current collection contract from September 2021 to 27 March 2020.
- iii) Approve the projected budget for 2018/19 subject to the finalisation of the figures.

3. Risk Assessment

3.1 Project risks are set out in more detail in appendix 3.

Risk Matrix

Description	Likelihood	Impact	Overall
Household growth increases the cost of the contract	Possible (3)	Major (4)	Medium (12)
<i>Household numbers are increasing and impacting the contract costs, Recycle More will limit cost increases.</i>	Unlikely (2)	Major (4)	Medium (8)
Inflation and operating costs continue to rise making the service unaffordable	Possible (3)	Moderate (3)	Medium (9)
<i>Costs are increasing and the new service model will assist in making savings and limiting cost increases in the short to medium term</i>	Possible (3)	Minor (2)	Low (6)

4. Purpose of the Business Plan

- 4.1 The Somerset Waste Partnership (SWP) is responsible for providing waste and recycling services on behalf of all six local authorities in Somerset. The partnership is governed through a Joint Committee known as the Somerset Waste Board. The SWB Constitution requires the preparation of a Business Plan on an annual basis. The plan has a five year horizon with particular focus on the next 12 months, and it provides a framework within which the board can make decisions and steer the delivery of waste partnership services. The Board has delegated authority for decision making across all services and therefore must make proposals to the partners on how savings can be made, taking into account any requirements to make savings and proposals on how this can be achieved.
- 4.2 The Board's business planning cycle usually requires a draft report to be approved by the Board in December and circulated to partners for comment prior to the adoption of the Board's Annual Budget the following February. Further to decisions taken by the Board in September 2017 the timetable for approving this plan will change for one year only, with the Draft Business plan presented for Board Approval in November 2017, scrutinised by partner authorities in November and early December and presented for final approval at the December Board meeting. Once approved or noted by all partners, the plan will be formally adopted by the

Board to provide a framework within which the Board can make decisions and steer the delivery of Waste Partnership services.

- 4.3 The Draft Business Plan and associated Action Plan, attached as appendix 1, are the means by which the partnership describes its business, evaluates changes to the operating environment, identifies strategic risks and sets out its priorities. The plan has a five year horizon with particular focus on the next 12 months. It is the primary means to seek approval for and to secure the necessary resources to implement its proposals from the partner authorities.
- 4.4 The plan also sets out the draft Annual Budget for the Waste Partnership for 2018/19, which for TDBC represents an increase of £177,000.

5. Responsibility for the Business Plan

- 5.1 The Board has delegated authority for decision making across all services and therefore must make proposals to the partners on how savings can be made, taking into account any requirements to make savings and proposals on how this can be achieved. Under the terms of the Inter Authority Agreement, the Board cannot make a decision that has an adverse financial implication on any partner without the consent of that partner. The Board cannot refuse to accept savings targets handed down – but it does have discretion on how those savings can be implemented, provided all partners sign up through approval of the draft plan.

6. Draft Business Plan 2018-2023

- 6.1 TDBC Members, along with other partners in the Somerset Waste Partnership, are being consulted on the draft plan prior to the final decision on the being taken by the Somerset Waste Board at their December meeting. The timetable for this consultation has been brought forward, for one year only, to ensure that Members are provided with a timely update on the implementation of Recycle More, and to seek their approval to the approach proposed to be taken to securing a new collection contractor.
- 6.2 All partner authorities have previously endorsed the implementation of Recycle More and delegated their waste collection functions to Somerset Waste Board. Whilst the original delivery plan was to implement Recycle More with Kier, despite considerable efforts it was not possible to reach acceptable terms with them. Recycle More depends upon having a new fleet of vehicles in place with the correct containment for the new material. Due to the importance of aligning the procurement of a new fleet with the implementation of Recycle More and due to the need to have sufficient time to undertake a robust procurement process SWB have, by mutual consent with Kier, agreed to bring forward the expiry date of our current collection contract from September 2021 to 27 March 2020.
- 6.3 The actions in the draft business plan sets out the most significant set of changes to Somerset's waste services since SWPs inception in 2007. Co-ordinated for maximum impact and value the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste

becoming a fuel stock to generate energy. The business plan sets out three related areas of activity which together will enable us to realise SWP's vision:

6.3.1 Building capability

Actions in this area aim to ensure that SWP works intelligently to enable it to realise the Board's vision, including through improving how the partnership uses data, developing and implementing a technology roadmap and doing more to understand people's behaviour. SWP is working closely with all partners to implement a new website, a new customer service system and a mobile app in order to improve the way we support customers.

6.3.2 Action on waste prevention, reuse, recycling and recovery

These actions aim to improve Somerset's recycling rate from 52% towards 60% and potentially beyond, lead to a reduction in residual waste generated per household, and generate energy from materials that cannot be recycled ending the county's long reliance on landfill. Whilst the single most significant driver for these changes will be the implementation of Recycle More, an expanded focus on waste prevention and behavioural change is also a key driver. A pilot reintroduction of working with schools to promote the 'reduce, reuse, recycle' message to children and their parents (funded by Viridor) is a key element of this work in 2018/19. Close working with all partners will be necessary to maximise the impact of or work to change people's behaviours, focussing on reducing the 50% of recyclable waste that is still in our residual waste.

6.3.3 Maintaining services and operational effectiveness

These activities ensure the day to day functions of the SWP are delivered effectively and safely. SWP must give focus to maintaining the quality of services, predicting risks and preventing issues arising. It includes a review of SWP's core services contract with Viridor ahead of its expiry in 2022, focussing on whether there is value for money in extending this agreement.

7. **Key Actions for 2018 - 23**

7.1 SWP's key aims and priorities are identified within the Draft Business Plan under three key headings:

- Building Capacity
- Action on waste prevention, reuse, recycling and recovery
- Maintaining services and operational effectiveness

7.2 The Draft Plan has been brought together against the background of the continuing difficult economic situation but with a continuing desire from partners to deliver the following key priority areas:

- Waste minimisation, high diversion and high capture
- Improved services for customers;
- Contract monitoring and review;
- Alternatives to landfill and optimising material processing;
- Investigating Recycling Centre options;

- Investigating collection service options;
- Organisational efficiency.

8. Routemap to Recycle More

- 8.1 Recycle More was approved by SWB in February 2017 following consultation with all partner authorities. Recycle More involves:
- An enhanced recycling collections including; food and beverage cartons, plastic tubs and trays (including black plastic), small items of waste electric and electronic equipment (SWEEE) and domestic batteries.
 - 3 weekly refuse collections
 - Additional capacity for properties with children in nappies or for adult absorbent hygiene products (AAHP).
- 8.2 The Board can, by a majority vote, amend the Business Plan in order to accommodate any unforeseen circumstances and to assist the Board to achieve the Aims and Objectives. Any partner council can request such an amendment at any time.

9. Consultation

- 9.1 Individual partners were previously asked to give an indication of any savings targets so that options to achieve these and associated risks could be assessed by the SWP in consultation with the Strategic Management Group. All partners have a need to control costs in this area and a number of initiatives have been underway to evaluate the opportunities and impacts of future cost management choices.
- 9.2 Specifically trials were undertaken in Taunton Deane which have, and will continue, to inform the nature of the service going forward for the entire partnership. These trials made temporary alterations to the material types that were collect at the kerbside and the frequency of collections.
- 9.3 Recycle More was approved by TDBC on 30th November 2016 the budget presented in the appended business case for 2018/19 contains no savings or costs associated with this new operating model during the roll out phase.

10. Early expiry of the current contract

- 10.1 The most significant element of the business plan relates to Recycle More. The significant work undertaken to review future service models has demonstrated that Recycle More is lower cost than our current collection operations, as well as delivering environmental benefits. The scale of these savings will inevitably be subject to the tendering process and what the market will offer in terms of contract price, on the efficiencies which a new contractor will bring (the potential for which SWP believe to be significant) and on the actual tonnages of new material that can be diverted. SWP's aim is to continue to meet with the Partner authority's approval in terms of cost reduction.

- 10.2 A robust procurement process will be essential to drive the former, and strong communications with residents will be essential for the latter. The savings delivered will also depend to some extent on the agreement reached with the incoming contractor on dry recyclate and materials volumes. It is proposed that the project will be managed with existing resources from SWP and the administering authority (SCC – in particular procurement and legal support) with external support on key commercial and technical matters. It is proposed that the costs associated with the project will be funded from the accrued income generated from the hire of refuse collection vehicles to Kier since 2015. This fund (£421k) was previously identified as providing support for overall roll-out costs for Recycle More.
- 10.3 A lengthy period of negotiations was undertaken with Kier in order to implement Recycle More through a variation to the existing contract. Despite considerable efforts, it was not possible to secure an agreement which either delivered the financial benefits required by partners or that offered the full range of materials that we wanted to see collected each week (in particular black plastic and food and beverage cartons – e.g. Tetrapaks).
- 10.4 Were we to carry on with our current collection contract with Kier to its planned expiry date of September 2021 then we would need to procure a new fleet of recycling and refuse vehicles ahead of that. However, to procure those vehicles without having procured a new contractor to deliver our collection services would be a major risk – we may end up with a fleet of vehicles which did not match how a contractor delivered services. Given that a new fleet of vehicles will cost in excess of £15m this would have been a major risk to all partners. It would also have meant that the implementation of Recycle More would be delayed to at least September 2021.
- 10.5 Updates to the Somerset Waste Board in June and September 2017 identified a significant change in the risk profile of the planned implementation and recommended negotiating with Kier to agree early expiry on mutually acceptable terms. This opened up an opportunity to align major or improvements in collection services, disposal processes and waste infrastructure to create a fresh, new start for Somerset's waste services from 2020. This opportunity will bring together enhanced recycling collections; the end of landfill and start of energy-from-waste for rubbish, and a new fleet of collections vehicles operating out of refreshed depots.
- 10.6 To enable this SWP have agreed to bring forward the expiry date of our current collection contract with Kier to 27 March 2020. The decision was reached by mutual consent with Kier. Whilst most of our contract with Kier will remain unchanged (in particular the service standards to which they must deliver) to enable this to happen a number of changes to our contract have been agreed through a Deed of Variation, the key elements of which are:-
- The contractual obligation for Kier to only use vehicles less than seven years old has been removed and it enables them to utilise non-branded vehicles (for example those from North Somerset and Bridgend i.e. vehicles appropriate to our service model) but does not relax in any way their service or safety requirements.

- Leases for depots will be transferred at no cost and SWP will purchase the plant and equipment at the depots.

11. Options following expiry of the current contract

11.1 Following a major review of the commissioning options open to SWP, the SWB has agreed to undertake a competitive dialogue procurement to secure a new collection contractor following the expiry of the contract with Kier. The other options considered in detail were:-

- a) providing the services “in house” (DLO)
- b) forming a Local Authority Company (LAC)
- c) out-sourcing the services through a procurement process (and which procurement process was most suitable).
- d) continuing with the current contract until its expiry in September 2021

11.2 The outcome of this research was presented to SWB at an informal workshop on 15 September and at the Board meeting on 29 September 2017. A summary of the reasons for rejecting alternative options is provided below:

- In-house/DLO: This option was discounted at an early stage because of the additional pension costs of the transferred staff being eligible to join the LGPS. It is estimated that this would add around £1.8M pa to the cost of the services. This makes the DLO option unattractive when compared to a LAC which could exclude membership of LGPS.
- Local Authority Company: Whilst cost modelling indicated that the LAC and out-sourced options were very similar, the risk profile of the LAC was significantly higher. For example District Council partners would be exposed to 100% budgetary risk on the fluctuation of materials values, fuel price rises, costs of severe weather, materials values, and workforce issues. These and other risks (e.g. expertise acquisition, focus on strategic priorities, and likelihood in securing the efficiencies which will be crucial to a cost-effective service) meant that the board did not consider an LAC its preferred option. It did recognise that an LAC may be an appropriate contingency plan, and that this should be considered at key milestones during the project.
- Other procurement options were discounted because a competitive dialogue procurement procedure would give bidders the opportunity to develop and refine their proposals, drive efficiencies and mitigate risks. It was recognised that this is time consuming but it was preferred for complex procurements where innovation and flexibility were required.
- Procuring an outsourced service to coincide with the expiry of the existing contract has the disadvantages that any service improvements and savings related to Recycle More would be delayed and the procurement of a new fleet and the procurement of a new contractor would be misaligned, leading to:-
 - Complex buy-back arrangements (depending on who purchased the vehicles) with the out-going contractor

- Limiting the choice of the incoming contractor to use their preferred manufacturer and specification of vehicles. This is likely to be reflected in their pricing.

12. Approach to procurement

- 12.1 A robust procurement process will be necessary to optimise the likelihood of optimising the level of financial savings to partners and to improve our environmental performance by reducing residual waste and increase our recycling rate. The critical success factors for this project are:
- Achieving best value for SWP member authorities (including any partners that borrow to purchase vehicles/assets) through the procurement and cost sharing;
 - Securing a provider who shares SWP's values and vision;
 - Attracting and sustaining the interest of credible bidders before and during the procurement process;
 - Managing the procurement to ensure compliance with procurement legislation and governance procedures, and to ensure that we progress through the phases of the procurement in a timely and effective way;
 - Managing the interdependencies with other key elements of SWP's business plan, in particular:
 - SWP's wider communications and engagement strategy (in particular how we will engage with partners and the public to improve recycling capture ahead of the move to recycle more);
 - ICT strategy (including how we improve the way we manage customer and performance data in order to enable us to improve our customer service, help target and drive behaviour change, and more effectively predict and manage service issues);
 - Day to day collection contract service/performance management (especially given we are entering the final years of our current contract with Kier).
- 12.2 The overall timetable and phasing have been informed by discussion with the commercial and procurement team at SCC and with Eunomia. Whilst it is manageable the pace at which we will be required to work in order to make this timetable work should not be underestimated.

Phase	Time	Comments
Soft market engagement	Nov 2017 – Feb 2018	To ensure SWP maximises market interest, to help shape our approach
Pre-qualification	Mar 2018 – May 2018	Mandatory phase
<i>Outline Solutions</i>	-	<i>Phase removed as not considered sufficiently beneficial</i>
Dialogue on proposed solutions	May 2018 – Dec 2018	Focussed conversations on key issues (e.g. assets, risk, efficiency and consideration of possible variants)
Final tenders	Jan 2019 – April 2019	Includes, evaluation, governance (ahead of pre-election period for DC elections in 2019) and standstill period.
Mobilisation	May 2019 – end March 2020	New provider gearing up to commence service. Note that a phased transition to Recycle More will be required from April 2020 onwards.

12.3 It is proposed that the project will be managed with existing resources from SWP and the administering authority (SCC – in particular procurement and legal support) with external support on key commercial and technical matters. It is proposed that the costs associated with the project will be funded from the accrued income generated from the hire of refuse collection vehicles to Kier since 2015. This fund (£421k) was previously identified as providing support for overall roll-out costs for Recycle More. Actual and forecast expenditure is shown below:

Item	£
Recycle More ear-marked reserve funding	421,824
Commissioning options appraisal	14,942
Develop Procurement Strategy (forecast)	7,700
Support for depot optimisation and service modelling	20,000
Commercial and technical support during procurement (forecast based on initial advice and benchmarking similar processes)	250,000
Purchase of baling plant and equipment (committed subject to early expiry)	110,000
Residual Balance	19,182

12.4 In addition to these costs there will be further costs associated with the rollout of Recycle More (in particular from additional recycling containers, communications, operational support during a phased transition). These will be more fully explored throughout the procurement process as the scale and timing of these costs will depend upon the precise scope of the services we procure (i.e. what the contractor does and what SWP has to do), how the contractor proposes to phase and manage the transition, and how these costs are spread over the life of the contract. The SWB has previously agreed that savings will not be realised until the costs of implementation are covered.

12.5 The project will be managed in line with the administering authorities (SCC) project management procedure and Contract Standing Orders. Key roles and responsibilities in the project structure are shown in Table 3.

Key roles and responsibilities

Role	Who	Responsibility
New Service Task & Finish Group	Members from each partner authority	Political steer ahead of key decision points and holding the project true to the SWB's vision.
Senior Responsible Owner	Mickey Green (SWP)	Ownership of the project. Responsible for direction and ensuring that member task and finish group are consulted appropriately
Project Manager	Bruce Carpenter (SWP)	To plan, budget, oversee and document all aspects of the project to ensure that the project delivers its aims on time and on budget
Project Board	SMG (senior officers from each partner)	To support the SRO in providing overall direction and management for the project by bringing together a range of expertise

13. Finance / Resource implications

13.1 The Board is almost exclusively funded from contributions from partners and, apart from one-off funding bids, has no automatic block grant from Central Government. It is therefore dependent on agreement between partners on the level of funding provided by each of them in line with the cost sharing formula. Business planning and budget setting are therefore usually part of the same process but, due to the revised timetable, this year the Business Plan will be approved in December 2017 and the Budget finalised in February 2018 as is normal practice. The budget presented in this report will remain draft until February and is for one year only.

13.2 Section 7 of the Business Plan shows the projected year budget for Somerset Waste Partnership. A draft Annual Budget for the forthcoming year will be brought to the December meeting of the Somerset Waste Board. While the figures shown are subject to refinement, historically projections at the stage have been very close to the final budget due in February 2018, with only minor variations for final customer numbers. It is therefore considered a very low risk to approve the Business Plan ahead of the final Annual Budget for 2018/2019.

13.3 The current estimate for collection partners is between a 4.1% and 5.3% budget uplift from the 2017/18 budget. Each collection partner's contribution varies, primarily according to household growth and garden waste customer growth. All recycle more one-off costs are excluded from these figures (these are set out later in the report). The key drivers for the variance are:

- Collection inflation – estimate 2.66% (mostly fixed). The key drivers for this are CPI and fuel increases.
- Household growth estimated average 0.95% (final figures will be available on 1st December).
- Garden customers growth estimated at 3% (although this provides a corresponding income to each partner).

- Recycling credits – whilst no growth is assumed, a 3% price increase is reflected current assumptions.

13.4 The Executive have the option not to approve the Business Plan as they do in any other year, this course of action would be unheard of in the history of the Waste Partnership and would lead to significant risks in terms of service delivery to our communities. If the Somerset Waste Partnership are unable to agree the Business Plan and possibly the budget, it would lead to considerable negative financial and reputational implications for all partners.

13.5 The Annual Budget, once finally approved, will become the new measure for the financial performance of the Waste Partnership for 2018/19. SWP will continue to share the costs among partners in the approved format

13.6 The cost increase for 2018 /19 when compared with 2017/18 is £177,000. The budget for 2018/19 was set with a contract increase in mind, however the increase actual increase is greater than this creating a small additional impact of £40k on the MTFP.

14.1 Legal Comments

14.1 The waste collection contract is one of the Authority's largest contracts. The Waste Partnership fulfils the Authority's statutory responsibilities in regard to waste collection.

15. Links to corporate Aims / Priorities

15.1 SWP is one of the Authority's key partnerships and takes client and operational responsibilities for the delivery of our recycling and waste priorities.

16. Environmental Implications

16.1 The role of SWP has a direct impact on the environment and all actions within the plan are considered against their environmental benefits.

17. Asset Management Implications

17.1 There are no implications as a result of the report

18. Equalities Impact

18.1 Equalities Impact Assessments will be carried out as appropriate with the development of each Business Plan activity prior to proceeding with that activity. In most cases the decision to proceed based on the outcome of the impact assessment will be delegated to the Managing Director and Senior Management Team of SWP. Where significant issues are identified through the assessment process that would have implications for major projects or programmes the decision to proceed will return to the Board prior to commencing development

19. Risk Management

19.1 The SWP risk register is reviewed annually and taken to the Somerset Waste Board for approval. The Project risk register is attached at Appendix 3.

20. Partnership Implications

20.1 The Somerset Waste Partnership is one of the Council's key partnerships. The Partnership undertakes the client and operational responsibilities for the delivery of our waste collection obligations and our recycling and waste reduction priorities.

21. Scrutiny Committee comments

21.1 This report was heard and supported by Scrutiny Committee on 16 November 2017. There were a number of questions that were raised in respect of the contractual arrangements for kerbside collection services.

21.2 There were frustrations aired that the report was not available within the usual publication timeline and that this did not give Members the amount of time necessary to consider the report. This was acknowledged with the explanation that until Monday, 13 November TDBC, like all other partners, were bound by confidentiality and could not publish the report in the public domain until such time as the deed of variation had been sealed by Somerset County Council as the Host Authority for the Partnership. Members understood this necessity and appreciated the desire to keep all the report publically accessible.

21.3 There were a number of detailed questions relating to the process that was being proposed and these were responded to with the support of the managing Director of SWP who was present for the meeting.

21.4 There was a particular question in relation to the Inter Authority Agreement and the funding mechanism across partners. The original collection contract achieved a significant discount for all partners where a single collection model was implemented across Somerset, the business case evidenced a better financial deal even when taking into account a level of support for WSC. This resulted in a mechanism of charging that gave WSC a lower individual cost. Members were also told that as savings had been achieved in the contract over the years WSC had not benefited from the savings, and would not do so until the removal all of the business case support. The final elements of this support are expected to be removed under the retendering process.

Appendices:

1 – SWP Business Plan 2018/23

2 – Budget 2018/19

3 – Project Risk Register

Democratic Path:

- **Scrutiny - Yes**
- **Executive – Yes**
- **Full Council – No**

Reporting Frequency: Annually

Contact Officer

Name	Chris Hall
Direct Dial	01823 356499
Email	c.hall@tauntondeane.gov.uk

Name	Mickey Green
Direct Dial	01823 625707
Email	mickey.green@somersetwaste.gov.uk

Background papers

Somerset Waste Board Constitution and Inter-Authority Agreement
<http://www1.somerset.gov.uk/council/boards.asp?boardnum=32>

Risk Scoring Matrix

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

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

Appendix 3 Project Risk register

<i>Risk</i>	<i>Mitigation</i>
Kier continue to change their stance on matters that were considered agreed – this places the deed of variation at significant risk and prevents SWP progressing the approval with partners to procure a new provider, and prevents early market engagement taking place eating further into the timeline.	Kier and SWP have agreed that 13 th November will be the day that the deed is sealed. This is an operational decision to achieving Recycle More which was approved by each partner. Having the final deed signed preventing further changes on their part and allowing SWP to gain the partner approval required to procure a new service model.
We fail to have a competitive procurement process and achieve our objectives due to a lack of interest from one or more of the limited set of contractors who have significant experience in delivering comparable kerbside sort recycling collections (and in particular three weekly refuse collections).	We need to attract and maintain interest from the market in order to maximise competition, and this is being reflected in the procurement strategy, in particular in the way we will approach soft market engagement stage and the competitive dialogue stage, and how we reflect the procurement pipeline for similar services from other local authorities. An LAC remains our contingency plan.
We fail to achieve the project objectives (economic, efficiency and environmental/social) through the procurement	The competitive dialogue approach is designed to maximise the likelihood of us securing our aims by ensuring that we can explore key elements of the contract (including around efficiency, materials and yield) to ensure that we maximise our chances of securing our objectives. An LAC remains our contingency plan.
Due to the time it takes to procure Recycle More member authorities decide to no longer support recycle more.	Member task and finish group close involvement in the process helps ensure that our approach reflects the collective desires of partners.
Depot configuration and optimisation required for most efficient delivery of RM doesn't align with current sites and we are unable to secure suitable alternatives within time and/or budget	Depot optimisation strategy being developed as part of initial phase of procurement, and to be reflected in dialogue stage of procurement.
Administering authority contract standing orders are not appropriate to the specific circumstances of this procurement (in particular a 70:30 price : quality split)	Close working with SCC's commercial and procurement team as we develop the detailed procurement strategy, informed by expert commercial advice and soft market testing.
The costs of procurement exceed those currently forecast.	Careful ongoing management of expenditure and close review through project board and member task and finish group.



SWP Business Plan 2018 – 2023

Draft for Approval for Partner Authority Consultation

Business Plan

Table of Contents	
Page 3	About Somerset Waste Partnership; Key Stakeholders; SWP Vision
Page 4	Key Issues and Challenges
Page 6	Key Aims and Priorities
Page 7	Action Table
Page 10	Draft Budget Table 2018/19

Change History	
25/10/2017	Draft for Approval for Partner Consultation

1. About Somerset Waste Partnership

1.1 10th Anniversary

October 2017 saw the 10th anniversary of the formalisation of the Somerset Waste Partnership (SWP) and the signing of the inter-authority agreement between the six partner authorities. The authorities had been working together for ten years prior to that, but the formalisation cemented the relationship, enabling service developments that have saved millions of pounds in avoided costs for Somerset.

Somerset still has the first and only county-wide waste partnership, including all collection and disposal authorities, in the country. Since working together Somerset has increased its recycling rate three-fold, putting the county at or near the top of the national rankings for several years running.

1.2 Background to SWP

Somerset Waste Partnership (SWP) was established in 2007 to manage waste services on behalf of Mendip, Sedgemoor, South Somerset and West Somerset District Councils, Taunton Deane Borough Council and Somerset County Council. This made it the first county-wide waste partnership in the country.

SWP has delegated authority to deliver household waste and recycling services throughout Somerset, including management of kerbside collections, recycling sites and disposal sites. These duties are in turn contracted to Kier (collection services) and Viridor Plc (recycling sites, landfill sites and recycling or disposal of food waste, garden waste and residual waste).

SWP is accountable to the Somerset Waste Board (SWB), which consists of two members from each of the partner authorities.

For further information about Somerset Waste Partnership and the Somerset Waste Board please visit www.somersetwaste.gov.uk

2. Key Stakeholders

- Residents of Somerset
- Members and officers of partner authorities
- Kier MG CIC
- Viridor Plc

3. The SWP Vision

We will:

- Drive material up the waste hierarchy and, where sustainable markets exist, into the circular economy*.
- Avoid landfill and encourage high participation in waste avoidance, reuse, recycling and food waste collection schemes.

Business Plan

- Engage with local people, support economic wellbeing and use efficient, sustainable and affordable solutions at every stage of the process.
- Encourage and facilitate innovation, joined up strategy, policy and operations across the county

*A circular economy is one where resources once used are not disposed of, but become feedstock materials or energy for making new products, thus reducing reliance on raw materials and waste disposal. A “closed loop process” is a variation of this where recovered materials are recycled into the same product. The benefits of a circular economy include reduced energy consumption, resource security and lower environmental impacts. A circular economy works most effectively where there are clear incentives for all persons on the loop (manufacturers, retailers, consumers, local authorities, reprocessors) to move the material around the loop.

4. Key Issues and Challenges

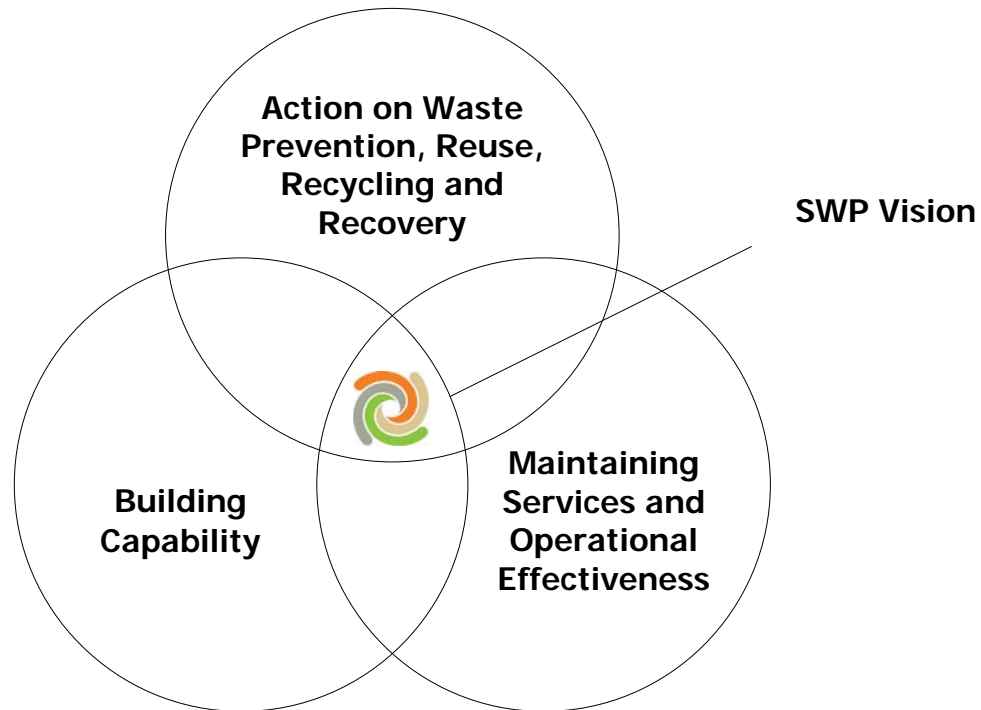
Issue	Impact	Proposed Response
Legislative impact of withdrawal from the EU	The Great Repeal Bill will see all EU legislation not already enshrined in domestic law transferred to UK statute. This is likely to include the Circular Economy Roadmap, which will be passed into EU law before Britain exits.	No early changes to legislative framework identified. SWP will continue to monitor.
DCLG and non-household waste charging	The Department of Communities and Local Government continue to indicate they intend to stop Local Authorities charging for DiY waste, currently classified as “Industrial”. This intent has been reinforced in the 2017 Anti Littering Strategy, which included the statement “Stopping councils from charging householders for disposal of DIY household waste at civic amenity sites (rubbish dumps) – legally, household waste is supposed to be free to dispose of at such sites.”	SWB may decide to put the case to the DCLG for retaining current arrangements, or accept the financial gap (estimated at up to £600k p/a) with subsequent decisions to be made on how that will be managed. This risk will be addressed as part of the scheduled review of the Core Services contract scheduled in this Business Plan. SWP and the SWB will continue to monitor communications from the DCLG on the matter and engage where appropriate.
Community Recycling Site Charges	In 2015 DCLG brought in an order to prevent local authorities from designating some sites (known in	SWB must consider the impact of this change and how it will affect the network of recycling sites. This will

Business Plan

	<p>Somerset as “Community Recycling Sites (CRSs)”) as provided under discretionary “wellbeing” powers within the Local Government Act 2003. This removed the option to introduce charges for entry to sites (even where this option was promoted by the community as an alternative to closure). The effect of this is that the charging at Dulverton and Crewkerne CRSs will not be permitted after April 1st 2020</p>	<p>be done as part of a wider review of the Core Services contract.</p>
WRAP Consistency Framework	<p>The framework, which strives to increase consistency in collection services across the country, continues to be a topic for discussion at governmental level.</p>	<p>SWP to monitor and adopt appropriate recommendations with implementation of service changes.</p>
Deposit/Return Schemes	<p>“Deposit/Return” schemes for items such as glass and plastic bottles are being considered for England by the government following announcement of a scheme to be adopted in Scotland. This initiative could affect the requirements for kerbside services with, if implemented, a potential drop in material volumes.</p>	<p>While supportive of the need to explore these options SWP’s considerations will be highlighted in a response to the “call for evidence” issued by Defra. SWP to monitor developments and consider impact on service design as part of any future procurement strategy for future collection service arrangements.</p>
Financial Pressure	<p>Ongoing financial constraints continue to impact all partner authorities.</p>	<p>SWP will continue to consider cost as a priority issue in all decisions.</p>
Somerset Demographic changes	<p>Somerset’s population is growing and, combined with longer life expectancies and an increased emphasis on community based care, there will be pressure on waste services. Some of the pressures will be on specific services, such as clinical waste (including an increase in adult hygiene waste) and assisted collections.</p>	<p>SWP will consider strategic impacts of demographic changes on waste services as part of the procurement process for future service arrangements.</p>

5. Key Aims and Priorities for 2018/19

The action table sets out the most significant set of changes to Somerset’s waste services since SWPs inception in 2007. Co-ordinated for maximum impact and value the changes span all three major contracts for waste collection, treatment, disposal and infrastructure (including vehicles). It also develops SWPs capability, in some instances working in partnership with others, to support Somerset residents in wasting less and recycling more, with residual waste becoming a fuel stock to generate energy.



5.1 Building Capability	Outcome	Timing, Resources
<ul style="list-style-type: none"> • Improving Intelligence <ul style="list-style-type: none"> ○ Review performance data procedures ○ Improve integrity of service data • Developing systems: - <ul style="list-style-type: none"> ○ Develop ICT strategy ○ New Customer Service systems (ITouch) ○ Website Upgrades (e.g. self service) ○ Develop and Launch Mobile App ○ Round Management and performance software • Understanding behaviour <ul style="list-style-type: none"> ○ Waste Composition Analysis (rolling three year cycle to commence with Waste Transfer Stations) • Internal Review <ul style="list-style-type: none"> ○ Review SWP staffing structures ○ Manage SWP Office move 	<p>SWP is an organisation that is able to work intelligently to improve delivery of the financial, social and environmental benefits of an effective resource management service.</p>	<p>These activities will run through the financial year. In the main costs will come from existing budgets.</p> <p>Items that fall outside of existing budgets are: -</p> <ul style="list-style-type: none"> - New Customer Service System. This will result in a circa £24,000 annual increase in overall budget but should deliver significant efficiencies in terms of customer request handling, and will provide a means which we can build a mobile App to support delivery of future service changes. - Round management and Performance Software. Because of the potentially significant and direct contribution to the delivery of the new service arrangements, the costs will initially be drawn from the Recycle More Earmarked Reserve (as described in previous Board papers) and estimated at £20,000.

<p>5.2 Action on Waste Prevention, Reuse, Recycling and Recovery</p>		
<ul style="list-style-type: none"> • Implementing future collection arrangements (Recycle More model) <ul style="list-style-type: none"> ○ Should the Board decide to tender the opportunity, procure provider for collection services (including appropriate risk management and mitigation arrangements) ○ Explore early introduction of household battery collections and trialling ways to increase capture of small waste electricals ○ Initiate vehicle procurement • Reducing cost and impact of waste <ul style="list-style-type: none"> ○ Targeted waste prevention and minimisation activities (including tested approach of Food waste stickers on bins) ○ Pilot SWP Education Service ○ Continue to explore effective media for communicating messages (including insert in Council Tax mailings) ○ Refresh SWP Waste Prevention Strategy, to focus on systemic implementation of activities with a significant measurable benefit over the full five year period of this plan ○ Develop SWP Communications Strategy 	<p>Somerset’s recycling rate improves from 52% towards 60% and potentially beyond; residual waste per household reduces, and energy is recovered from materials that cannot be recycled ending the county’s long reliance on landfill.</p>	<p>These activities will be funded either from existing budgets or from the Recycle More Earmarked Reserve, with the exception of the trial reintroduction of education services, which will be funded via the Community Sector Integration Plan fund provided through the Viridor contract.</p>

<ul style="list-style-type: none"> • Infrastructure <ul style="list-style-type: none"> ○ Oversee development of infrastructure required to deliver new residual waste treatment. 		
<p>5.3 Maintaining Services and Operational Effectiveness</p>		
<ul style="list-style-type: none"> • Viridor Core Services Contract Review <ul style="list-style-type: none"> ○ This contract, which includes management of the Recycling Centre network, ends in 2022 and SWP has the opportunity to extend it to 2031, should we choose to do so. • Active management of collection service contract (monitoring performance to ensure no degradation in tail end of contract) • Review waste service Fees and Charges structures and implications of varying charges (including inclusion of administration costs) • Recycling Site Maintenance 	<p>These activities ensure the day to day functions of the SWP are delivered effectively and safely. SWP must give focus to maintaining the quality of services, predicting risks and preventing issues arising.</p>	<p>These items are funded through existing budgets.</p>

<ul style="list-style-type: none">• Assess impact of changes to legislative framework, including removal of powers to designate Community Recycling Sites and to charge for non-household waste at Recycling Sites.• Plan for Broadpath Landfill Site closure• Plan for Dimmer transition (from landfill to Waste Transfer Station – scheduled Feb 2019)		
--	--	--

7. SWP Budget 2018 - 19

The following table shows the projected year budget for Somerset Waste Partnership. A draft Annual Budget for the forthcoming year will be brought to the December meeting of the Somerset Waste Board. While the figures shown here are subject to refinement, historically projections at the stage have been very close to the final budget due in February 2018, particularly for collection partners, with only minor variations for final customer numbers. It is therefore considered a very low risk to approve the Business Plan ahead of the final Annual Budget for 2018/2019.

7.1 Revenue Not Included

Control of income from residents for waste related services is retained by the collection authorities and is therefore not shown in this paper. The most significant portion of this is annual Garden Waste subscriptions, which will generate income for the district council of around £55.40 for each wheeled bin subscription in 2018/23. This is a significant offset of the cost of providing the service. Other income streams are Bulky Waste collection fees and sale of Garden Waste sacks.

7.2 Full Draft Budget Summary 2018/19

Summary Annual Budgets 2018/2019								
	Rounded £000s	Total	SCC	MDC	SDC	SSDC	TDBC	WSC
Expenditure			£000	£000	£000	£000	£000	£000
Salaries & On-Costs	972		481	110	111	155	108	7
Other Head Office Costs	275		126	30	32	45	31	11
Support Services	125		54	14	15	22	15	5
Disposal - Landfill	11541		11541					
Disposal - HWRCs	9484		9484					
Disposal - Food waste	1481		1481					
Disposal - Hazardous waste	225		225					
Composting	1811		1811					
Kerbside Recycling	9162			1878	1893	2812	1848	731
Green Waste Collections	2579			500	619	691	640	129
Household Refuse	6155			1264	1269	1880	1265	477
Clinical Waste	119			24	26	36	25	8
Bulky Waste Collection	84			19	16	24	18	7
Container Maintenance & Delivery	228			51	42	72	51	12
Container Supply	447			98	90	144	96	19
Pension Costs	69			2	2	62	2	1
Depot Costs	186			38	40	56	39	13
Village Halls	6				6			
Transfer Station Avoided Costs	321		321					
Recycling Credits	2460		2460					
Capital Financing Costs	231			52	41	78	39	21
Total Direct Expenditure	47961		27984	4080	4202	6077	4177	1441
Income			£000	£000	£000	£000	£000	£000
Sort It Plus Discounts	-80			-16	-17	-24	-17	-6
Transfer Station Avoided Costs	-321			-65	-69	-97	-67	-23
May Gurney Secondment Saving	-44		-20	-5	-5	-7	-5	-2
Recycling Credits	-2432			-520	-487	-757	-494	-174
Total Income	-2877		-20	-606	-578	-885	-583	-205
			£000	£000	£000	£000	£000	£000
Total Net Expenditure	45084		27964	3474	3624	5192	3594	1236

Taunton Deane Borough Council

Executive – 29 November 2017

Taunton Deane Borough Council General Fund 2018-2020 Asset Strategy

This matter is the responsibility of Cllr Mark Edwards, Deputy Leader, Portfolio Holder for Business Development, Asset Management and Communications

Report Author: Tim Child, Asset Manager

1. Purpose of the Report

- 1.1 To seek the views of the Executive on the draft Taunton Deane Borough Council 2018-2020 Asset Strategy.
- 1.2 To seek comments on the proposed revised governance and decision making process to ensure the strategy can be delivered through more agile and proportionate decision making.

2. Recommendations

- 2.1 That the Executive recommends Full Council to formally adopt the Taunton Deane Borough Council 2018-2020 Asset Strategy, the principles within and the recommendations; and
- 2.2 The Executive be recommended to agree the favoured decision making route moving forward as either:-
 - a) Detailed asset specific final protocol decisions that flow from the approved strategy, including key decisions being undertaken by delegation to a Director in consultation with the Portfolio Holder for Asset Management (no call-in);
 - or
 - b) Detailed asset specific final protocol decisions that flow from the approved strategy, including key decisions being undertaken as Executive Portfolio Holder decisions (call-in possible).

In (a) the Director, or in (b) the Portfolio Holder may if appropriate choose to take a decision through Committee due to a decision being likely to be contentious.

3. Risk Assessment (if appropriate)

- 3.1 A full risk matrix is available within the Asset Strategy document.

4. Background

- 4.1 The issues identified within the draft strategy are very significant and actions need to be taken to address them via the protocols within the strategy. It is critical that delivery of the strategy when adopted is not delayed due to lengthy decision making cycles.
- 4.2 The Asset Strategy attached requires the GF asset portfolio to be managed more proactively and commercially moving forward to enable disposal of poor performing assets, acquisition where there is a sound business case, investment in a proactive and informed manner and much greater commercialism in respect of the 'let' portfolio. Unless this strategy is adopted then significant additional budget will need to be secured to maintain this portfolio.
- 4.3 What is key is the ability for the Council to make informed and proportionate decision making but in a way that does not stifle the delivery of the strategy and the need for more 'agile' decision making. For the previous 3 years this has been a significant issue which has impacted on delivery.
- 4.4 From a speed of delivery perspective and in terms of generating the receipts and increasing the revenue income, decision making option (a) is clearly the Officer preference. If decision making option (b) is the outcome agreed by Council, the portfolio holder and officers will review any impact to the delivery of the Asset Strategy if it is deemed that the use of Scrutiny 'Call in Procedure' negates the delivery of the strategy. If this is found to be the case then any change to decision making would be subject to a new Council decision.
- 4.5 If a decision is required under the constitution to be taken by Full Council then only Full Council can take it unless Full Council specifically agrees to make it via a specified delegation to an officer (requiring consultation with a member(s)) as may be stipulated.

5.0 Governance Process

- 5.1 As per the strategy, protocol decisions will result in an options appraisal as per the arrangements set out within the options appraisal flowchart (appendix B to Strategy). All options appraisals will be undertaken using a standard format.
- 5.2 Ward Councillors will be consulted where assets in the Ward are being appraised and given an opportunity to discuss any concerns, with the Asset Management Team working with them to address any apprehensions and suggestions the Ward Councillor may have, including considering alternative options or what compromises may be possible. However, if their support on the outcome for the asset in question cannot be mutually agreed, i.e. disposal and they disagree, then it will be for the portfolio holder to decide how to proceed. In addition to Ward Councillor/s, Portfolio Holders whose portfolios are impacted will also be consulted.

- 5.3 An Asset Management Group (AMG) for the GF portfolio will be re-established and will include relevant portfolio holder/s who will consider these options appraisals and agree how to proceed.
- 5.4 Delivery of the strategy and realisation of the benefits will be reliant on adequate staffing resource, asset data in easily reportable datasets and the prioritisation of projects to focus on delivery of the strategy with less emphasis on non-key tasks. The current way of working will need to change.
- 5.5 The strategy makes it clear that disposals are just one consideration and will be pursued alongside investment in assets, acquisitions and being more commercial with the let portfolio but Officers do need the ability to implement the strategy.
- 5.6 Investment plans and the results from options appraisals will be reported to the Council through the AMG along with a dashboard updating on progress against delivery of the non-asset specific actions within the protocols.
- 5.7 The Action Plan will be reviewed quarterly by the AMG and reported to Scrutiny, Cabinet and Full Council annually.

6.0 Links to Corporate Aims/Priorities

- 6.1 Key Theme 4 – An Efficient and Modern Council – Make better use of our land and property assets; investing in, transferring or selling assets where it makes sense to do so;

7.0 Finance/Resource Implications

- 7.1 Finance and Resource inferences are set out within the Asset Strategy document.

8.0 Legal Implications

- 8.1 To be reported at Committee.

9.0 Environmental Impact Implications

- 9.1 None

10.0 Safeguarding and/or Community Safety Implications

- 10.1 None

11.0 Equality and Diversity Implications

- 11.1 None

12.0 Social Value Implications

- 12.1 Social / community value of assets is a key element of the options appraisals and subsequent decision making.

13.0 Partnership Implications

13.1 None

14.0 Health and Wellbeing Implications

14.1 None

15.0 Asset Management Implications

15.1 The Council's Asset Portfolio will be managed in a proactive manner, realising opportunities to make best use of assets that will be fully appraised via a suite of protocols within the TDBC GF 2018-2020 Asset Strategy.

16.0 Consultation Implications

16.1 The Asset Strategy and proposals for Decision Making are being presented to and debated at Corporate Scrutiny.

Democratic Path:

- Scrutiny/Corporate Governance or Audit Committees – Yes
- Cabinet/Executive – Yes
- Full Council – Yes

Reporting Frequency: Once only Ad-hoc Quarterly
 Twice-yearly Annually

Contact Officers

Name	Tim Child
Direct Dial	07808 847 360
Email	t.child@tauntondeane.gov.uk



TAUNTON DEANE BOROUGH COUNCIL GENERAL FUND ASSET STRATEGY 2018 -2020

To ensure that the Council's land and property assets are managed and maintained in a consistent, strategic manner that supports the corporate strategy

DRAFT

Final Draft for Executive

November 2017

By: Tim Child, Asset Manager

V.1.2 2017-11-09

Contents

1.0	Executive Summary	Page 1
2.0	Introduction	Page 2
2.1	Introduction – Background	Page 2
2.2	Introduction – Purpose	Page 3
2.3	Scope	Page 4
2.4	Asset Management Objectives	Page 4
2.5	Asset Management Tools	Page 7
2.6	Risk Management	Page 8
3.0	Stock Profile, Condition and Performance	Page 10
3.1	Stock Profile	Page 10
3.2	Stock Condition	Page 11
3.3	Compliance	Page 12
3.4	Stock Performance	Page 12
4.0	Energy Performance	Page 16
5.0	Our Key Property Protocols – To Support Delivery of Strategy	Page 17
5.1	Investment / Capital Programme Protocol	Page 18
5.2	Disposal and Acquisition Protocol	Page 19
5.3	Commercialism ‘Let Property’ Protocol	Page 20
6.0	Review and Monitoring	Page 21
6.1	Governance and Reporting	Page 21
6.2	Review	Page 21
6.3	Authority and Control of Information	Page 21

Appendix A – **Being reviewed**

Appendix B – Options Appraisal Flowchart

1.0 Executive Summary

- 1.1 The Council's current Asset Strategy prepared in 2013 is no longer fit for purpose due to changes in the internal and external environment and is being impacted by increasing financial pressures. Thus the creation of a new Corporate Strategy with significantly improved intelligence and data of the asset portfolio is of paramount importance. Supported by a move nationally towards transferring assets to local communities, it is essential Taunton Deane Borough Council (TDBC) is equipped with a new comprehensive strategy with agreed asset options to drive forward new ways of managing the General Fund (GF) portfolio by proactive asset management.
- 1.2 This 2018-2020 Asset Strategy recognises existing opportunities and identifies how these can be prioritised by utilising a new suite of protocols; an Investment Capital Programme protocol, a Disposal and Acquisition protocol and a Commercialism 'let property' protocol, which include key performance indicators to enable robust monitoring.
- 1.3 The Council holds a non-housing asset portfolio within the GF consisting of 320 assets at 1st November 2017, with 251 being land and infrastructure assets, with the remaining 69 being "building assets" or land assets generating a notable income- Deane House has been excluded due to changes. **It is these 69 assets that are included within this strategy in terms of the data provided but the protocols coming out of this strategy relate to the entire GF portfolio.** The entire portfolio is very diverse and the rental income is comparatively low, but the portfolio still requires significant management and presents substantial liabilities but with exciting prospects to create capital receipts and commercial opportunities. The 69 assets require £17,617,751 of expenditure over the next 30 years for replacing key components (roofs, doors, windows etcetera, along with associated management costs, reactive repairs, servicing and compliance elements) of which £3,031,817 is required within the next 5 years. For this part of the portfolio (69 assets) by accounting for the rental income to offset this investment requirement, a Net Present Value is shown of minus £3,563,988 over the next 30 years. **This general picture is likely to be reflective of the entire portfolio and the Asset Strategy addresses how this level of business intelligence must be applied across the whole portfolio. The Council now holds stock condition data on all 320 assets and hence now for the 1st time truly understands the costs of holding such assets.**
- 1.4 This Asset Strategy recognises a number of key challenges which lie ahead and which need to be overcome to enable the asset portfolio to be viable

rather than being unsustainable due to the low income in relation to forecast expenditure. Furthermore the strategy identifies new priorities and through the three protocols referenced, a clear route map for doing things differently to improve the performance of the portfolio; invest or acquire where it makes sense to do so, maximise return where possible and dispose where appropriate. The explanation and criteria on which protocol will be applied on an asset by asset basis with a priority for progressing each asset is being developed but on the adoption of this Strategy there will be a clear and agreed programme having been agreed for those high priority assets enabling transactions to progress and deliver asset specific tangible deliverables. **It is essential these new ways of codifying and managing assets are adopted to enable the challenges to be effectively managed and opportunities delivered. Furthermore it is critical that decisions can be made quickly and supported by clear business cases to enable the strategy to be delivered and the savings and receipts to materialise.**

2.0 Introduction

2.1 Background - Why develop a new Asset Strategy?

The Asset Strategy sets out the Council's approach to the strategic management of its land and building assets. It has been reviewed to reflect:

- Financial pressures – Medium Term Financial Plan pressures and a general acknowledgement that spend on property assets would need to increase due to awareness of cost forecasts over next 30 years.
- Localism Act 2011 and the move to empower local communities - If local groups own or manage community buildings and land it will help foster a sense of belonging and bring together people from different backgrounds. Community ownership and management of buildings can also play a part in raising local people's aspirations, in enhancing the local economy, environment and have the capacity to strengthen the community, voluntary and social enterprise sector. In 2016 the Council adopted a Community Asset Transfer policy after much consultation with the communities and this policy needs to be reinforced and delivered.
- A much more sophisticated understanding of the portfolio since a new Property & Development function was created in 2014:
 - Risks - Future cost liabilities / public perception if not managing property assets efficiently and effectively and now with stock condition data.
 - Opportunities – To do things differently including improved generation of financial and non-financial returns.

- The existing Asset Strategy is now out-of-date and does not meet the Council's key requirements based on the internal and external environments having changed. Therefore, a new Asset Strategy is required to support the delivery of the current Corporate Strategy – Key Theme 4 – An Efficient and Modern Council – Make better use of our land and property assets; investing in, transferring or selling assets where it makes sense to do so.
- Over the past 2 years the Council's approach to strategic asset management has been developing against the backdrop of the current economic and political climate, the need to adopt new ways of working to manage the Council's assets and to include the wider objectives of community empowerment within the context of a wealth of guidance and instruction from central government in relation to asset management.

Implementation of the new Asset Strategy will identify opportunities to:

- Increase revenue income.
- Reduce costs – smaller but better performing asset base in terms of both financial and non-financial return.
- Invest wisely – component replacement or wider investment by being proactive and by identifying where both financial and non-financial returns can be improved. By being proactive there will be better management of future capital requirements.
- Identify assets to sell commercially and enable this to be done efficiently and effectively.
- Identify assets to transfer to local communities to help forge stronger local engagement.

2.2 Purpose - Why do we need Asset Management?

Proactive Asset Management provides a structured process to ensure best value is achieved from land and building assets which better serve the strategic needs of the organisation and this Asset Strategy sets out how this will be achieved for the period 2018 - 2020.

The definition of Asset Management adopted by this strategy is:

“Asset management is the management of our physical assets to meet the service and financial objectives of the Council”

Therefore this Strategy provides:

“The effective targeting of resources to have the greatest effect in raising performance, maximising value for money and maximising the wider potential of assets”

The strategy recognises that effective asset management includes the 3 key themes:

- Proactive Asset Management – Those activities which maximise the returns from assets and where possible, through increasing income and reducing costs, disposing of assets that have a poor return financially and/or non-financially, acquiring assets where supported by a sound business case, and ensuring that assets are held in such a way to maximise the benefits to the community.
- Investment and Capital Programme – Those activities to proactively maintain the stock to maintain or improve its condition where there is a business case to do so and to invest more widely in wider works where again a strong business case supports such a course of action. Unless this course of action is adopted, financial and non-financial returns cannot be maximised.
- Supporting wider objectives – Being clear where and how asset management is supporting wider objectives, such as benefitting the community, shaping the built landscape and supporting the Council in its service delivery.

2.3 Scope

This Asset Strategy and its stated objectives will apply to decisions across the whole of the Council's GF land and property asset portfolio.

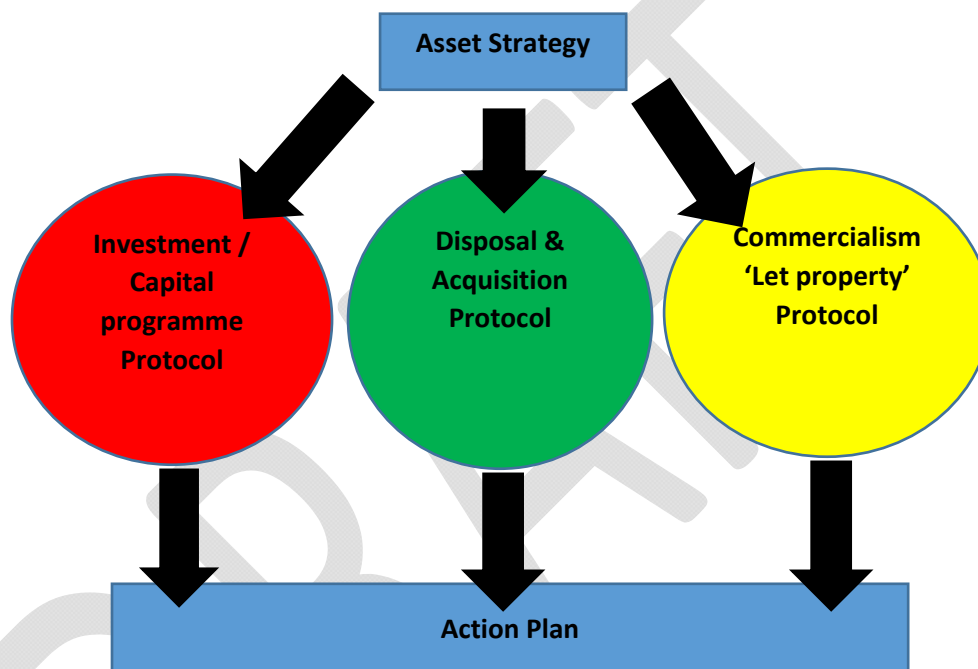
2.4 Asset Management objectives within this Asset Strategy

As a result of carrying out extensive due diligence work over the past 12 months we have revised our asset management objectives, reflecting the challenges we face, and the known risks and opportunities.

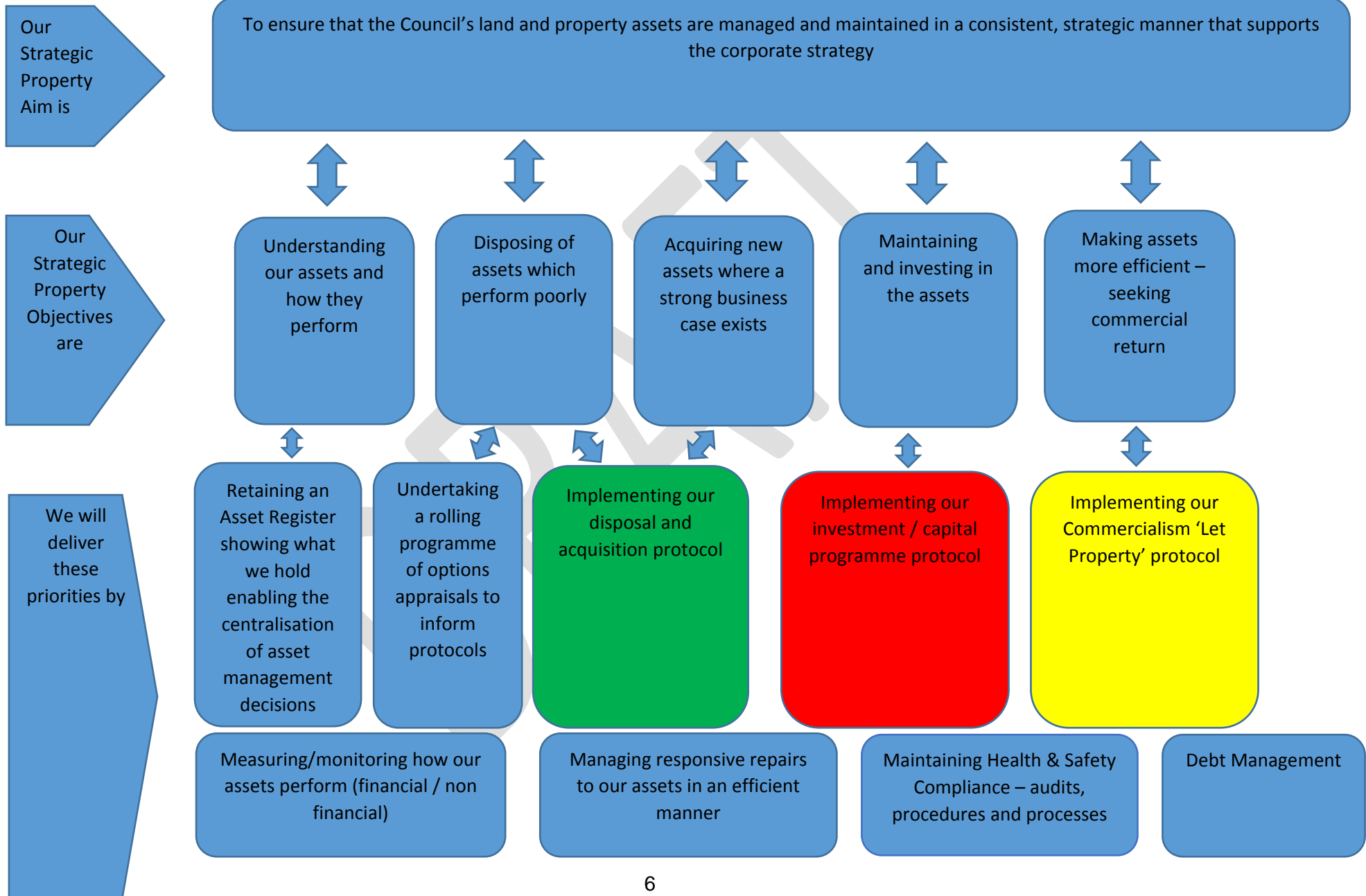
The overall objective of the Council in the management of its property portfolio is to utilise and manage its land and property assets in accordance with best practice and through doing so generate best value out of its portfolio. This is achieved by recognising and adopting the following priorities:

- Understanding our assets, how they perform and making the most of any opportunity to improve performance of that asset
- Disposing of assets which perform poorly – financially / non financially, to deliver required capital receipts and reduce outgoings
- Acquiring new assets where a strong business case exists
- Maintaining and investing in the assets where growth opportunities have been identified
- Making our assets more efficient – seeking a commercial return where appropriate and reasonable

The Asset Strategy will be delivered through three interrelated protocols which are detailed below. These protocols underpin the Asset Strategy and inform the Action Plan.



The approach to Asset Management for the period 2018 – 2020 addresses issues beyond those covered by the 3 protocols. Those aims are clearly set out on the following pages.



2.5 Asset Management Tools

The Strategy sets out the asset management tools which will support effective decision making and delivery, including:

- Robust and up to date stock condition data

Data for the strategy is based on stock condition data procured through external consultants. This included estimated costs over 30 years for 69 most significant building/income generating assets and where the most significant liabilities are expected to arise (excluding Deane House). Data is not included at this stage for other mainly land and infrastructure assets although there is now a reasonable understanding of likely liability in these areas – something which has never existed before. This data from the survey will be held electronically and kept up to date through routine periodic inspections by the Council's Asset Surveyors to inform future capital programmes and inform data on general asset performance.

- Data management to support compliance

In addition to the Council's legal duties and obligations, providing a safe environment for tenants, our communities and staff is a fundamental principle. Effective compliance management is in place, beginning with complete, accurate and controlled asset data records and the development of efficient procedures for the Asset Surveyors team to ensure compliance is maintained through a rolling programme of inspections.

- Understanding of asset performance – new Asset Performance Tool

The Council with support of external property consultants has developed an approach to understanding asset performance. A portfolio wide model is now in place to provide information on financial and non-financial performance but also for specific individual assets. This strategy sets out how this Performance Tool and the data within will be used to inform future plans. Where stock is performing poorly, on either a financial or non-financial basis, alternative options will be explored for these properties before investment decisions are made. This ensures resources are targeted where they will provide maximum value to the Council and communities. This model also shows where let property is providing a poor return and identifies what actions need to be taken to reverse a decline in asset value.

- Skills and expertise

Ensuring adequate staffing levels with the correct skill sets and knowledge of the GF portfolio has proven a real challenge for Asset Management over the past 4 years, most notably within the Estate Management Team. Delivery of this strategy will be dependent on appropriate staffing levels, sufficient expertise and knowledge of the portfolio built up over time along with an organisation wide focus on Asset Management delivering the strategy rather than other day-to-day activities and supporting robust prioritisation.

The operational delivery of compliance and of delivery of the identified capital programme sits outside of Asset Management and within the Property Investment Team which sits within the wider Property & Development service area.

2.6 Risk Management

The strategy recognises that assets can also become liabilities, threatening the Council's viability.

Risk Matrix

Description	Likelihood	Impact	Overall
Failure to manage Health & Safety compliance could put tenants, staff, contractors and our wider communities at risk.	3	5	15
<i>The mitigations for this are to ensure adequate staff resource is in place to undertake necessary audits, commission work and that robust processes and procedures exist.</i>	2	4	8
Failures to meet statutory standards can carry penalties and will damage the Council's reputation.	3	4	12
<i>The mitigations for this are to ensure adequate staff resource is in place to undertake necessary audits, commission work and that robust processes and procedures exist.</i>	2	4	8
Poor investment decisions made without understanding of an asset's performance and without a strategic view on the future use of that asset.	4	4	16
<i>The mitigation is for suitably qualified professional staff / consultants to undertake options appraisals before committing to significant capital spend.</i>	2	4	8
Failure to achieve capital receipts target.	4	5	20
<i>The mitigation is to ensure robust management arrangements are in place and ensuring decision makers remain committed and supported by officers even when decisions might be difficult.</i>	2	4	8
Failure to deliver capital programme within budget.	4	4	16

<i>The mitigation is to effectively manage programme, plan strategically, ensure budgets are set appropriately and through procurement ensure best value from contractors.</i>	2	4	8
Failure to secure necessary 'buy in' from Officers and Councillors that assets need to be managed differently to deliver the Strategy.	4	5	20
<i>The mitigation is to properly communicate the issues and the way forwards and ensuring understanding of implications if not followed..</i>	2	5	10
Lack of appropriate decision making arrangements slowing down delivery of the Strategy.	4	5	20
<i>The mitigation is to ensure that Officers furnish decision makers with a robust business case and on agreement to proceed, whilst updating the Asset Management Group, giving Portfolio Holder and Officers the ability to progress within agreed parameters.</i>	4	2	8
Staff resourcing and retention during period of corporate transformation impacting on delivery of this Asset Strategy.	5	5	25
<i>The mitigation is to utilise consultants and / or additional resource to deliver key projects where business case supports this.</i>	3	5	15

Risk Scoring Matrix

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

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

Key risks to the delivery of our asset management objectives are:

- Data management
- Affordability and cost control
- Re-investment in the wrong stock
- Lack of strategic approach to managing the asset portfolio and reluctance to adopt a more commercial approach in line with best practice
- Lack of buy in by the wider Council
- Lack of sufficient internal and / or external resource to deliver strategy
- Most significantly, adequate staffing resource with necessary skills and knowledge of portfolio along with the ability of staff to focus on strategic work rather than day-to-day estate management

Key risks will be monitored closely and actions taken to address if necessary.

3 Stock Profile, Condition and Performance

3.1 Stock Profile

The Council's 69 significant assets as at 1st November 2017 consists of industrial units, offices, pavilions, community buildings, allotments and car parks.

As at 1st November 2017 the rental income is circa £337,306 per year across 69 assets, which equates to £10,119,187 over the 30 years, un-inflated.

For a list of all the Council's GF assets as at November 2017 please see report in Appendix A.

To summarise, the portfolio is very diverse and the rental income is relatively modest on the vast majority of those assets, both for the 69 and for the 320.

Set out below is the reasoning behind why assets are held:

- To support the community – delivering the Council's Corporate Strategy
- To generate an income – supporting the Council's services and supporting the delivery of objectives and principally to enable reinvestment in the portfolio
- Legislative requirements

Retention of assets is not purely based on the financial return, however it mustn't be assumed that the Council have to hold the asset for it to benefit the community and deliver the Council's objectives.

3.2 Stock Condition

Data on the condition of our assets is based on a 2017 stock condition survey of 320 assets (69 for the more detailed work) commissioned through property consultants. In addition, the property consultant and a specialist asbestos consultant have undertaken specific compliance (asbestos and fire risk assessment) surveys to the assets.

For the 69 most significant assets the stock condition data is included within the table below setting out the capital requirements in five year bands from 2016/2017 for a period of 30 years:

Element	Year 1-5	Year 6-10	Year 11-15	Year 16-20	Year 21-25	Year 26-30	Total
Total	£3,031,817	£1,800,519	£4,805,809	£3,902,436	£1,299,019	£2,778,149	£17,617,751

No allowance has been made in this data to reflect where a tenant could reasonably be expected to fund works under the terms of their lease and where the tenant has the means to do so. For different reasons, the exceptions to this assumption are few and far between.

This data shows that this part of the portfolio (69 assets) requires circa £17.6m capital spend over the next 30 years in addition to the usual responsive repairs, cyclical maintenance and compliance works.

These costs within the table above disregard reactive maintenance works and cyclical servicing etc. These have been estimated at £1,893,000 over the 30 years, and included within the overall investment figures.

3.3 Compliance / Management

As owner of property assets there are a number of legal and moral responsibilities the Council must abide by.

To demonstrate that the Council are meeting those obligations, a robust regime of compliance checks and routine monitoring has been introduced which includes, but is not limited to:

- Asbestos surveys and re-inspections
- Gas safety
- Electrical safety
- Fire Risk Assessments
- Water Hygiene
- Energy performance certification

Following the recent inspections, this liability just for those 69 assets has been estimated as £2,274,300 over the 30 years, and included within the overall investment figures. In addition to this an additional allowance has been made to cover associated management costs.

3.4 Stock Performance

Following the stock condition exercise it was considered important to build on these findings and assess the performance of the 69 most significant assets against a range of social and financial criteria. The financial modelling was undertaken by property consultants and Asset Management undertook the non-financial modelling.

The modelling will provide a framework for future asset management decisions relating to the Investment & Capital Programme protocol, Disposal and Acquisitions protocol and Commercialism 'let property' protocol. Along with the financial modelling, the property consultants have provided the Council with an Asset




Performance Model which will be operated by Asset Management and kept current with periodic updates to aid decision making and assess performance of the portfolio and individual assets on an ongoing basis.

Financial Modelling

Income and expenditure has been forecast for a 30 year period from 2016. Rental income was included in the model alongside other holding costs such as stock condition data, responsive maintenance, compliance costs and management costs.

The data shows a Net Present Value (NPV) across the portfolio of 69 buildings of minus £3,563,988 over the 30 year period assuming inflation at 2% per annum and a discount rate of 6% which represents industry standard approach.

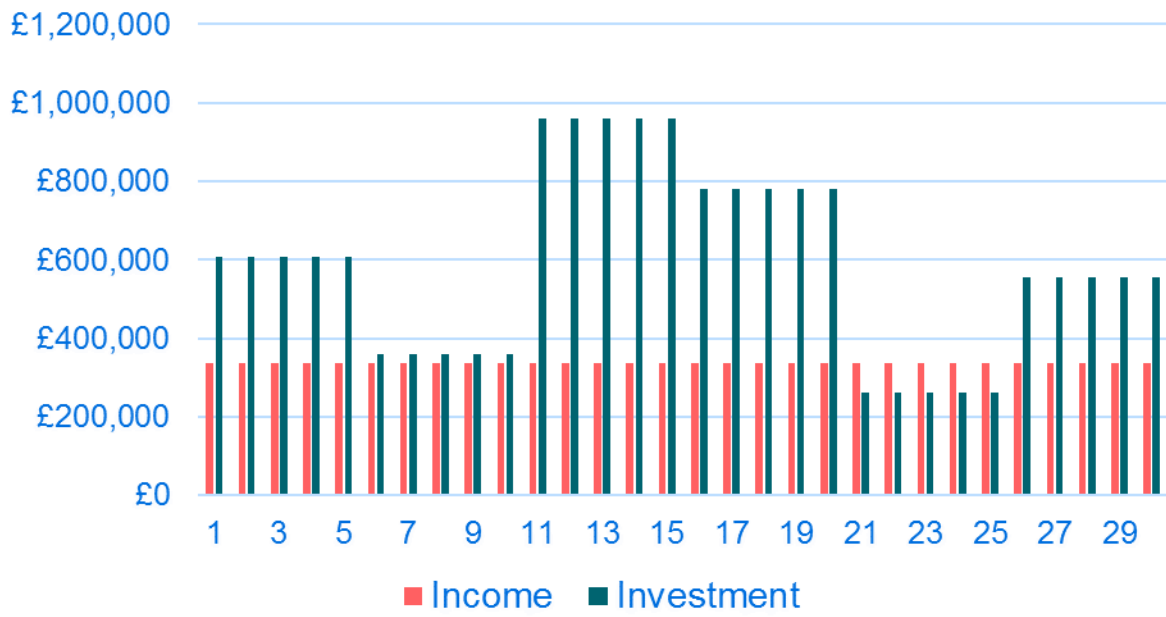
Of those 69 assets for which we have NPV data, they have been banded by way of their financial performance as:

Red  = NPV of more than - £100,000 = 19
Amber  = NPV of less than - £100,000 = 33
Green  = Positive NPV = 17

52 of the 69 assets modelled do not perform from a financial point of view and many of these are let out.

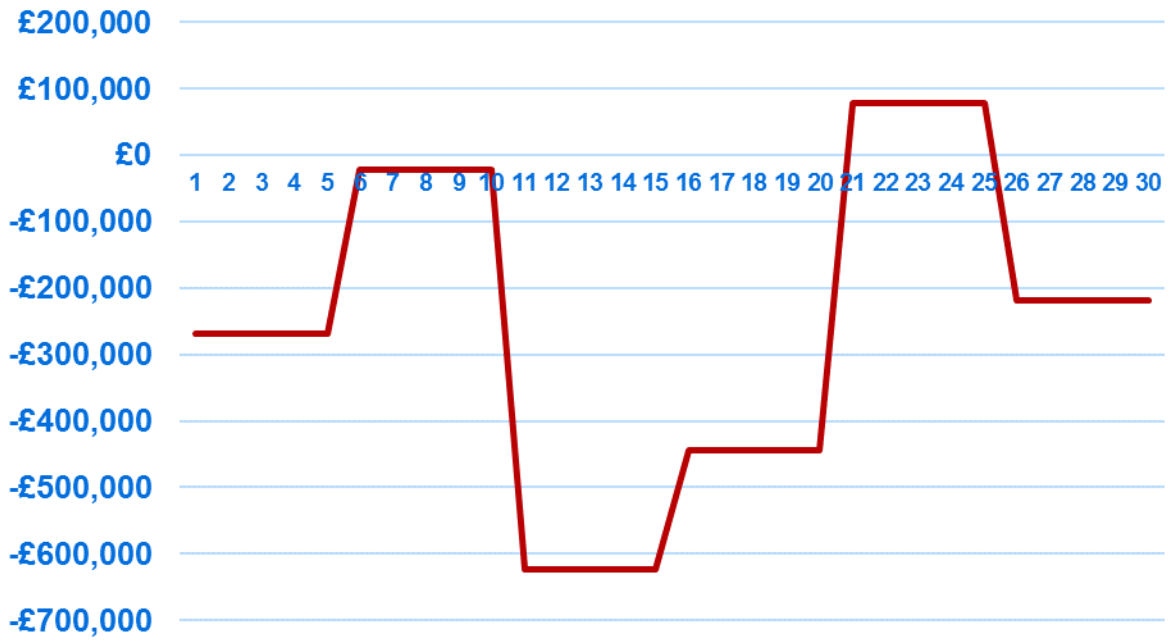
The following graphs show the cash flow analysis of the 69 assets (as at 1st November 2017) over the next 30 years:

Rent V's Rental Income

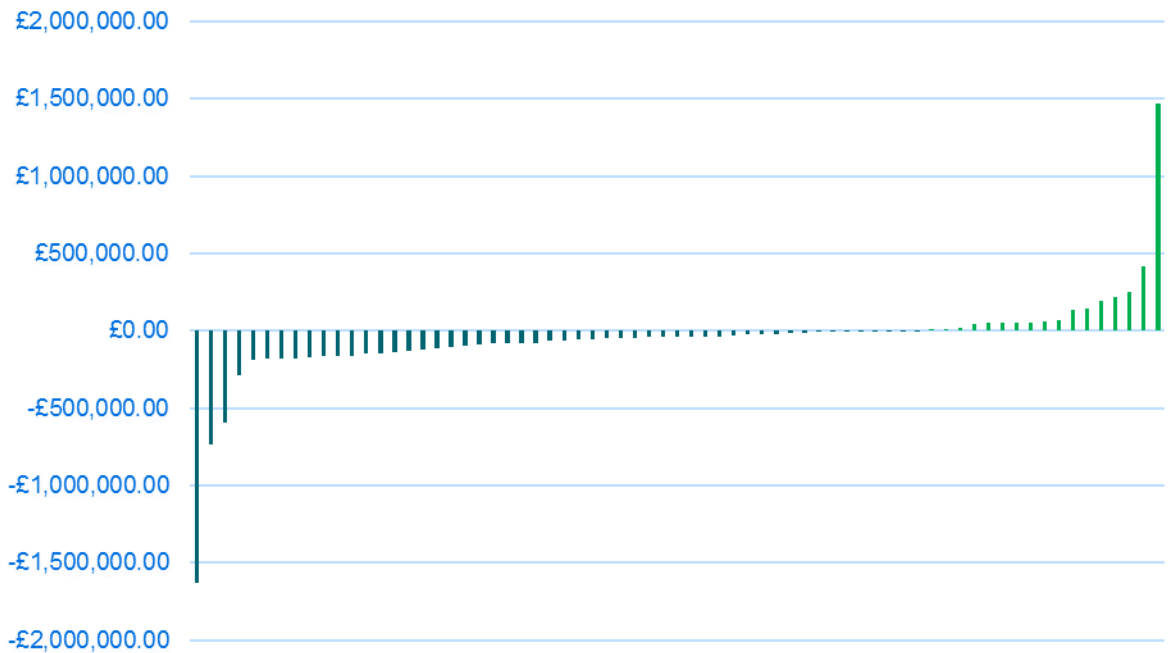


DRAFT

30 Year Cashflow



This shows that for every year other than the period 2037-2041 the income from the portfolio will be insufficient to meet the capital requirements. The strongest performing Council asset is Market House generating a positive NPV of £1,472,423 over 30 years. This range of financial performance of individual assets is demonstrated on the graph below.



Non-Financial Modelling

In addition to the financial performance, all 69 assets have also been measured in respect of non-financial performance. This is measured by the social, economic or environmental contribution to the wellbeing of an area. Scoring has been applied as follows:

0 – Either no or marginal social, economic or environmental contribution towards the wellbeing of the area.

1 – Social, economic or environmental contribution towards the wellbeing of the area – but with covenants to protect existing use (if needed) could be transferred to a third party.

2– Social, economic or environmental contribution towards the wellbeing of the area – even with covenants to protect existing use, unlikely to be appropriate to transfer to a third party i.e. the Council would need to retain a significant a level of control over future use so a transfer is not appropriate.

The results, whilst subjective, show as follows:

- Score of 0 = 10 assets
- Score of 1 = 57 assets
- Score of 2 = 2 assets (Crematorium related – same site)

Therefore there are 10 assets which from a non-financial point of view there is no benefit of retaining.

There are only 2 assets which the Council needs to absolutely retain.

Conclusions - Financial

1. Without increasing property budgets considerably, the Council cannot afford to adequately maintain its assets.
2. A majority of assets have negative Net Present Values and therefore anticipated expenditure is greater than income over the next 30 years, therefore as assets are performing poorly.

Conclusions – Non Financial

1. Whilst many assets contribute towards the social, economic or environmental wellbeing of the area, 15% do not materially contribute and 83% do but could continue to do so even if they are no longer under the Council's direct control.
2. In the majority of instances, a positive contribution towards social, economic and environmental wellbeing of the area should not necessarily be seen as a reason not to dispose / transfer.

This modelling is now in place and will be the main tool used for future decision making.

4. Energy Performance – Energy Performance Certificates (EPC)

The Energy Act 2011 states that from 2018, all buildings which do not meet the minimum energy performance standards cannot be let until they have been upgraded. The secondary legislation which combines with this Act, is the Energy Efficiency Regulations 2015 and made it unlawful for properties with a rating of F or G to be let without implementing cost effective, energy efficiency improvements. This comes into effect on 1st April 2018 for new leases and lease renewals /extensions where there is already an EPC and 1st April 2023 for all existing leases.

A two tier market is now starting to emerge with well -informed Tenants staying clear of buildings with a rating in the F or G danger zone. There is also concern that properties currently with an E Rating might when re-assessed achieve only an F. In order to future proof the marketability and value of the Council's asset portfolio a strategy needs to be in place, which sets the minimum rating the Council wish to achieve for each property.

It is also essential that a list of assets which currently fall short of that target rating is prepared so the potential impact on revenue can be identified, should those buildings not reach the EPC safe zone by 2018. Each qualifying asset needs to be assessed and a report prepared on what works are required to meet the target rating, as well as an estimated cost for carrying out those works.

The wider implications of this legislation need to be considered as it will be important to consider the approach the Council wishes to take in respect of new lettings, the existing form of lease /similar agreements, enforcement of repairing obligations and other such lease covenants. For new leases granted the Council should seek to ensure:

1. The new lease oblige the occupier to carry out EPC upgrade works which ensure the property meets the minimum standards imposed by this legislation, during the term and also at expiry, whenever that may be
2. The new lease clearly states that the Tenant must not make any changes to the building which would impact on the EPC rating of the unit.

An EPC is not required if any of the following conditions are met:

- listed or officially protected and the minimum energy performance requirements would unacceptably alter it
- a temporary building only going to be used for 2 years or less
- used as a place of worship or for other religious activities
- an industrial site, workshop or non-residential agricultural building that doesn't use much energy
- a detached building with a total floor space under 50 square metres

- due to be demolished by the seller or landlord and they have all the relevant planning and conservation consents

The Council currently holds an EPC for some of its portfolio but there is as yet no plan in place which addresses the requirements of this legislation so this is considered to be a significant and imminent financial risk to the Council. Work has started and exposure estimated with a new strategy developed and this now needs to be acted on. This indicates that there are 69 assets which will require an EPC with just 5 currently in place and with an estimated required spend of circa £20,000 to commission these necessary surveys. Necessary spend to bring properties up to required standard will be in addition.

5. Our Key Property Protocols – To Support Delivery of Strategy

This Section deals with all assets, whether buildings (included in the Asset Performance Analysis), other buildings, land or infrastructure.

For all assets one or more of the following Protocols will be applied with a decision made following the undertaking of option appraisals as per the option appraisal suite included in attached appendix B. An options appraisal will be triggered through the delivery of a prioritised programme of option appraisals starting with those assets with a NPV of below -£50,000, identified spend of £5,000 in next 5 years, a lease event (lease end, break, rent review), poor EPC rating or good site redevelopment potential. This is shown in the flowchart in appendix B.

To deliver this strategy a series of non-asset specific actions as detailed in the 3 protocols will need to be followed alongside asset specific actions.

The number of significant building assets is actually very low with relatively few disposal opportunities which could generate significant receipts. There are a few disposal opportunities but greater opportunities exist in respect of increasing income generation from let property alongside a significant opportunity to pass land and infrastructure assets to the local communities and it is these areas where resources should be directed.

The protocols to be delivered are as follows:

5.1 Investment / Capital Programme Protocol

Statement – To manage assets proactively by creating a capital programme based on stock condition data and to invest more widely on improving assets where there is a sound business case.

Importance – Without this protocol the assets will fall into disrepair, costs can't be forecast, costs over an extended period will likely be greater and the general quality of the assets will deteriorate negatively impacting on the surrounding communities.

Actions –

- Consider centralising capital / maintenance budgets for all assets to ensure we are making the most of our assets. Will require greater scrutiny over practicality at sites where maintenance budgets might impact on operational needs e.g. car parks.
- Agree appropriate capital budgets to meet all protocol requirements.
- Agree centralised capital programme based on stock condition data but targeted where possible at those more strongly performing assets that the Council is most likely to retain. There will inevitably be some exceptions, but where this is the case, the Council must be confident that any proposed works 'add value'. Have a detailed plan for 1 year and indicative plan for the next 5 year period.
- Capital works to be dealt with separately to maintenance works but with an appreciation by each of the other i.e. don't repair something unnecessarily when a component is soon due for replacement.
- Agree approach for investment in assets ahead of component replacements if there are realisable benefits – to generate a rent, increase passing rent or facilitate generating a capital receipt. Possible opportunities with some of the 21 shelters held by the Council.
- Exploring opportunities for generating external funding to support the capital programme.
- Use local contractors where possible.
- Options Appraisal prior to committing spend where expenditure is anticipated of more than £5,000 on any asset over a 5 year period.
- Secure or commission Energy Performance Certificates for all qualifying assets and develop an Energy Performance Strategy with necessary funding in place to ensure compliance.

Performance Indicator – 90% spend against forecast planned spend.

5.2 Disposal and Acquisition Protocol

Disposals

Statement - To rationalise the asset portfolio by disposing of poor performing assets or assets with realisable development potential

Importance - The Council holds many poorly performing assets with only 17 of the 69 most significant having a positive NPV over a 30 year period. In almost all

instances these could be disposed of without adversely impacting on the community.

Actions -

- Capture Market Values for all assets at time of asset valuations.
- Options appraisals for all assets with either a negative NPV or a non-financial score of zero. Options appraisals on all those priority assets currently identified and ongoing on all lease / licence end or break dates following the approach outlined on attached Options Appraisal flow chart.
- Promote transfer of assets through adopted Community Asset Transfer policy.
- Land Review – Seek to dispose of as much non-operational land and infrastructure as possible by either community asset transfer or commercial sales. Receipts (if any) likely to be low (below £10,000 per transaction) but will remove potential liability and in the longer term will enable the resource to be more focused on the more valuable assets. In some instances assets can be better managed within communities.
- Ensure capital receipts are achieved to support transformation contribution but also an additional amount per annum to develop an ear marked reserve for unexpected investment works and to acquire assets where there is a sound business case to do so.
- Respond quickly to speculative approaches from 3rd parties.

Performance Indicators – Deliver capital receipts as directed by Leadership Team

Acquisitions

Statement – To acquire assets where there is a sound business case to do so

Importance – It is important to be able to respond to opportunities and invest when appropriate in high performing assets (financial and non-financial).

Actions –

- Develop protocols/ permissions/ parameters
- Respond to opportunities to acquire income generating assets which would provide a good return.

Performance Indicator – N/A

5.3 Commercialism ‘Let Property’ Protocol

Statement - Maximise rental income and minimise liability for costs across the Let Portfolio currently of 69 assets

Importance - A major contributor to the negative NPV of the asset portfolio. In some instances a higher rental might generate more entrepreneurial approaches by tenants and therefore benefit the community as a whole through the tenant

perhaps diversifying, investing or becoming more commercial.

Actions -

- At lease events (lettings, rent reviews, breaks and lease ends) ensure that the Council acts fairly but commercially. This would in almost all circumstances result in either a significant increase in rent, letting to a new tenant or using the event as an opportunity to gain vacant possession and then market for disposal.
- Enforce lease obligations robustly through periodic landlord inspections. Do not lease property on terms where the Council has concerns over the tenant's ability to comply with lease obligations.
- Explore opportunities to group assets by locality and use income generated from let property to maintain surrounding environments.
- Explore opportunities to let space where opportunities not yet being realised e.g. surplus operational space, masts, advertising hoardings and kiosks etc.
- Improved vetting of tenants before lettings proceed.
- Ensure Tenants comply with existing lease obligations in respect of Energy Performance. For new leases ensure that obligations passed on to Tenants as appropriate. Ensure all vacant properties can be let in accordance with requirements coming into force in 2018 in order to safeguard all future letting opportunities.

Performance Indicator – Increase rental income by a minimum of 10% per annum.

Outside of these protocols, there is also to be a specifically identified and monitored workstream based on submitting appeals to the 2015 Rating list, either direct or through supporting and encouraging tenants to do so. Excessive and incorrect Rateable Values impact on the value of the asset portfolio, ability to let assets and prove costly to the Council in its capacity as asset owner.

6 Review and Monitoring

6.1 Governance and Reporting

Investment plans and the results from options appraisals will be reported to the Council through a newly created Asset Management Group (AMG) along with a dashboard updating on progress against delivery of the non-asset specific actions within the protocols. Success will be measured through a range of Key Performance Indicators (KPI's) which include:

- Minimum 90% spend against forecast planned spend.
- Deliver capital receipts as directed by Leadership Team.

- Acquisitions – N/A.
- Increase rental income by a minimum of 10% per annum.
- Overall KPI - Improve NPV of portfolio by 10% per annum (starting 2018/2019).

These KPI's to be reported annually to Scrutiny and reviewed quarterly by AMG.

6.2 Review

The strategy covers the period 2018-2020 in line with the Council's Corporate Strategy.

6.3 Authority and Control of Information

The Council will ensure internal controls are in place to ensure effective delivery. These cover the following areas:

- Robust and up to date stock condition data
- Investment planning process
- Options appraisal and disposals & acquisitions protocols
- Commercialism 'Let Property' protocol
- Regular review of strategy

Responsibility for this strategy is with the Asset Manager, who will report progress at TDBC AMG meetings.

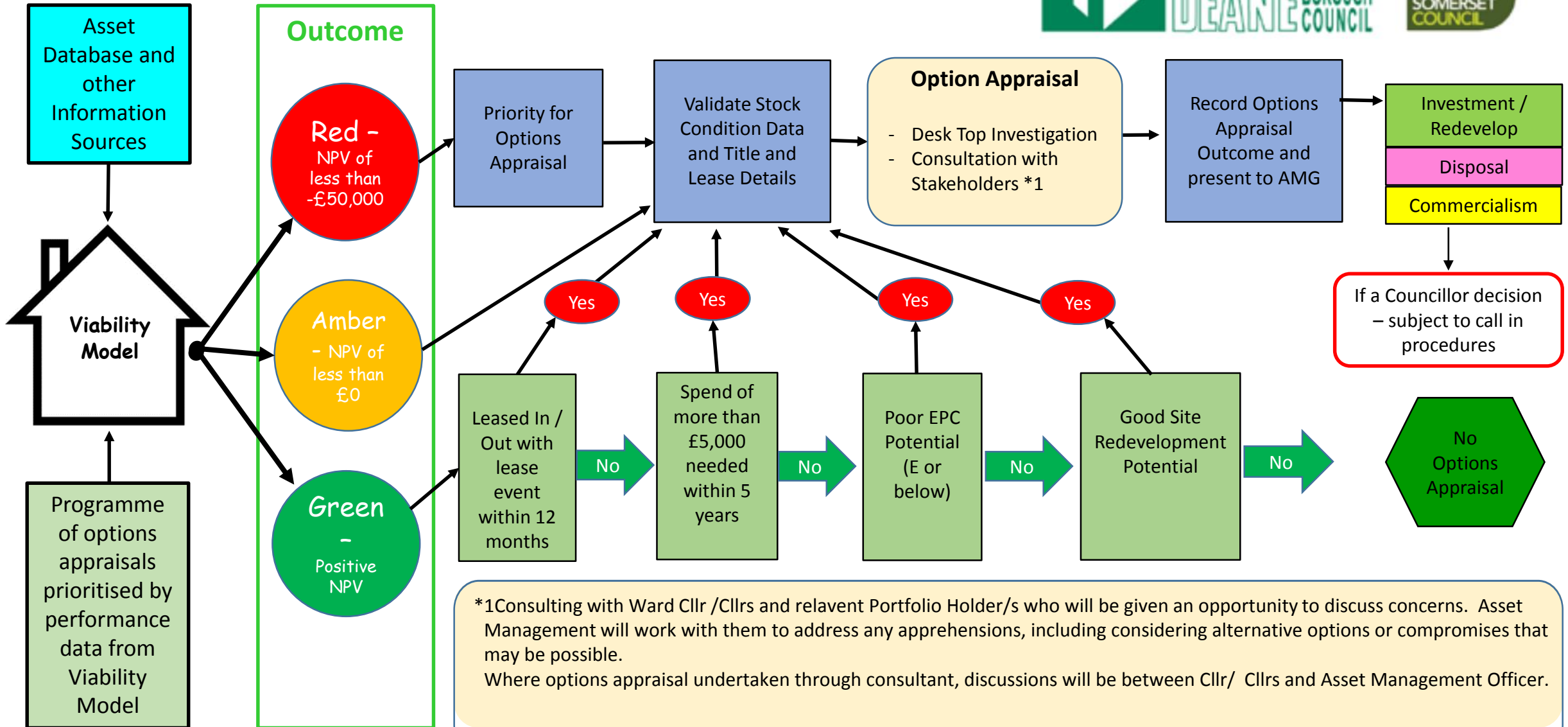
Appendix A – Asset List

To be included once reviewed

Appendix B – option appraisal suite

DRAFT

Appendix B - Options Appraisal Process Overview



Taunton Deane Borough Council

Executive – 29 November 2017

Somerset Business Rates Pool and 100% Business Rates Retention Pilot

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

Report Author: Paul Fitzgerald, Assistant Director Strategic Finance and S151 Officer

1 Executive Summary / Purpose of the Report

1.1 Following a recent meeting with Group Leaders, we submitted a bid to DCLG to become a pilot for 100% Business Rates Retention in 2018/19 with our county-wide district and County neighbours. The purpose of this report is to provide Councillors with the rationale and detail behind the bid. It is important to be clear that 100% BRR does not mean all of the business rates collected will be kept in the area, but the councils would keep 100% of the business rate growth above our funding baseline.

2 Recommendations

2.1 Executive recommends to Full Council to:

- a) Endorse the urgent decision made by the Leader of the Council and S151 Officer that the Council participates in the pooling arrangement together with other Somerset authorities (Somerset County Council, Mendip District Council, Sedgemoor District Council, South Somerset District Council, West Somerset Council) under the 50% Business Rates Retention scheme for 2018/19.
- b) Endorse the urgent decision to apply to Government for the Somerset Business Rates Pool comprising the county and five districts to become a pilot area for 100% Business Rates Retention in 2018/19 financial year.
- c) Approve delegated authority to the S151 Officer, in consultation with the Leader, to decide whether to remain in the Pool and, if approved by Government, the 100% BRR Pilot scheme when the Government's Provisional Settlement details are announced in December 2017.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails in its bid to become a Pilot authority with its district and County neighbours	Possible 3	Minor 2	Medium 6
<i>The Council's MTFP assumptions are set without the assumption that the Council will be successful in the joint bid</i>	Low 1	Minor 2	Low 4

Risk Scoring Matrix

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

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

4 Background

The Pooling System

- 4.1 The current 50% Business Rates Retention system was introduced in 2013/14 financial year as part of a wider suite of changes implemented following the Local Government Finance Review. This system has therefore formed a key part of the annual budget setting and reporting for several years.
- 4.2 This system includes the potential for groups of local authorities to apply to pool business rates resources. Taunton Deane Borough Council joined a business rates pool (comprising TDBC plus Bath and North East Somerset, North Somerset, Somerset County Council (SCC), Mendip District Council (MDC), Sedgemoor District Council (SDC), and South Somerset District Council (SSDC)) with effect from April 2015.

- 4.3 The previous pooling arrangement ended on 31 March 2017, having been in operation for two years, as one of the member authorities became a member of a new pilot for 100% BRR in 2017/18. A smaller pool was formed in 2017/18 comprising SCC, MDC and SDC.

A New BRR Pool for 2018/19 and 100% BRR Pilot Scheme

- 4.4 On 1 September DCLG issued an invitation to local authorities to pilot 100% business rates retention in 2018/19 – for one year only – and to pioneer new pooling and tier-split models. The prospectus and supporting information is available on the Government's website:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/654936/Pilots_1819_Prospectus.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/643595/Supplementary_information_pooling.pdf

- 4.5 The first set of pilots for 100% BRR were launched in 2017/18. The Government has indicated it would like to see other authorities form pools and apply for pilot status. In assessing applications the Government has set out criteria. This includes aspects that would suggest (but of course not guarantee) the potential for a successful Somerset bid, such as:

- proposed pooling arrangements operate across a functional economic area i.e. the county council(s) and all relevant district councils
- the Government is particularly interested in piloting in two-tier areas
- Government intends to focus on rural areas
- there is a variation in the types of business rates base represented

- 4.6 The pilot areas will retain 100% of business rates growth above the baseline. Under the 50% system, half of this growth is paid over to Government. This provides an opportunity therefore to keep more funding locally, and the Government has indicated it is looking for authorities to show how the additional retained resources would be of benefit locally:

- the proposals would promote the financial sustainability of the authorities involved
- there is evidence of how pooled income from growth will be used across the pilot area

- 4.7 Following the publication of the prospectus the S151 Officers within the six local authorities in Somerset sought to assess the potential gains from establishing a wider Pool and applying to be a pilot for 100% BRR. We engaged LG Futures, as specialist advisors, to undertake an initial assessment and having considered the

analysis, advantages and disadvantages, the S151 Officers believe the case for a countywide pool and becoming a pilot is overwhelming. We therefore considered it was worth investing in further analysis and preparing an application to become a pilot for 100% BRR in 2018/19. We engaged LG Futures on a 'no win no fee' arrangement whereby we will only pay them if our application to become a pilot area is successful.

- 4.8 Ongoing discussions have taken place between S151 Officers and internally at officer and member level within individual local authorities. The S151 Officers do not believe there are any wider impacts either on local businesses or partners requiring consultation.
- 4.9 It is expected DCLG will announce successful applications for new pools and pilot areas through the provisional Local Government Finance Settlement in December 2017. This will set the starting point for the new business rates pool and will confirm the tariffs, top up and levy rates for each council, together with their spending baselines and should confirm the benefits arising through this pooling arrangement.
- 5.0 Councils have the opportunity, during the 30-day financial settlement consultation period, to decide to withdraw from a pooling arrangement if they decide that it does not offer the benefits they had thought. Through the application to become a 100% BRR pilot we have had to indicate what, if any, pooling arrangement we prefer and at this stage we have indicated that we wish to establish a new Somerset-wide pool even if the pilot bid is unsuccessful.
- 5.1 If following the provisional Local Government Finance Settlement the benefits and risks are no longer favourable the pool application could be withdrawn with no pool in place for 2018/19. In this scenario it is anticipated authorities would have the opportunity to apply to form a new pool in the following or later years if they wish. It is not known whether pilots for 100% BRR will be extended beyond 2018/19, or whether new applications to be a pilot will be invited in later years.

6 Financial Implications

- 6.1 It is important to highlight that the financial implications are based on indicative estimates of future business rates income, which can be affected by a variety of variable factors. The actual financial gains of pooling will not be confirmed until the end of the financial year in question. However the modelling suggests the potential financial benefits are considerable, albeit not without risk.
- 6.2 The principle put forward by the authorities within the pool is that each council should be no worse off than if it were to remain outside the pool. This means that the pool shares the risk of maintaining the safety net position for each individual council as a 'first call' on pooling gains. Each council is exposed to risk of volatility in its business rates income, most notably in respect of appeals. Each Council has made financial provisions in respect of any remaining outstanding

appeals on the 2010 Valuation List in 2016/17, and will assess the appropriate level of provision required for outstanding appeals prior to the pool coming into existence.

- 6.3 The funding baseline, tariffs and top ups for individual authorities and the pool will be confirmed as part of the Provisional Settlement in December, and business rates budgets will be set in January 2017 using up to date information to support the estimates used. This will confirm the expected benefits of pooling and of being a pilot for 100% BRR. The prospectus indicated that the Safety Net for a 50% pool will remain at 92.5% of Baseline, and that under a 100% Pilot the Safety Net would rise to 97% of Baseline – reducing the risk of losses.
- 6.4 The Government have recently confirmed that any new 100% BRR pilots for 2018/19 will benefit from a 'no detriment' clause within the funding agreement (as with the five pilots agreed in 2017/18), which will remove the risk of volatility in respect of 100% BRR gains in 2018/19. The fine detail of the 'no detriment' clause will be clarified in practice if the application is successful.
- 6.5 The analysis undertaken to assess the potential financial benefits, and potential benefit sharing arrangements, has indicated that a Somerset Pool would benefit by an estimated £4.4m (compared to acting as individual authorities) and a further £10.3m if the bid to be a pilot area for 100% BRR is successful. This is summarised in the table below, with TDBC potentially gaining by approximately £0.7m if projected income estimates prove to be accurate.

	Projected Potential Gain in 50% BRR Pool £m	Projected Additional Gain under 100% BRR Pilot £m	Total Projected Gain if 100% BRR Pilot £m
Mendip	0.8	0.9	1.7
Sedgemoor	1.0	1.1	2.2
South Somerset	0.5	0.5	1.0
Taunton Deane	0.2	0.5	0.7
West Somerset	0.6	0.7	1.3
Somerset County	1.2	6.6	7.8
TOTALS	4.4	10.3	14.7

- 6.6 The proposed priority areas for allocating the additional resources are set out in the submission. It is anticipated that the Councils will have some flexibility on specific use, and will demonstrate the benefits to DCLG as part of the learning under the pilot scheme.

7 Legal Implications

7.1 None for the purposes of this report.

8 Environmental Impact Implications

8.1 None for the purposes of this report.

9 Safeguarding and/or Community Safety Implications

9.1 None for the purposes of this report.

10 Equality and Diversity Implications

10.1 None for the purposes of this report.

11 Social Value Implications

11.1 None for the purposes of this report.

12 Partnership Implications

12.1 The creation of a Pool across the county will require joint governance and collaborative working.

13 Health and Wellbeing Implications

13.1 None for the purposes of this report.

14 Asset Management Implications

14.1 None for the purposes of this report.

15 Consultation Implications

15.1 None for the purposes of this report.

16 Scrutiny Comments / Recommendation(s)

16.1 Due to timing of meetings, Scrutiny comments are not yet available.

Democratic Path:

- **Corporate Scrutiny Committee – Yes**
- **Executive – Yes**
- **Full Council – Yes**

Reporting Frequency: Adhoc

Contact Officers

Name	Paul Fitzgerald	Name	Jo Nacey
Direct Dial	07774 335746	Direct Dial	01823 356587
Email	p.fitzgerald@tauntondeane.gov.uk	Email	j.nacey@tauntondeane.gov.uk

Somerset Business Rates Pilot Business Case

October 2017

Contents

1. Membership Details/Housekeeping.....	1
2. Governance Arrangements	1
3. Additional Supporting Evidence	2

Supporting Information:

Appendix A – Proposed Pilot Area

Appendix B – Signatures from the Somerset authorities

Appendix C – Use of the additional resources

Appendix D – Rurality

Appendix E – Economic Activity

Appendix F – Business Rates Base Profile

As separate documents:

Annex A – Governance Arrangements for a Somerset Pool

Annex B – Governance Arrangements for a Somerset Pilot

Introduction

The Somerset county area is pleased to present its business case for 100% business rates retention pilot status for 2018/19. Our business case follows the structure set out in DCLG's invitation of 1 September 2017.

1. Membership Details/Housekeeping

- (i) **Membership.** Our proposal is for a Somerset pilot consisting of Somerset County Council, Mendip DC, Sedgemoor DC, South Somerset DC, Taunton Deane BC and West Somerset Council, as shown in **Appendix A**. It is therefore representative of all authorities in the Somerset two tier county area, allowing the pilot to take advantage of existing working relationships between the authorities and act in the best economic and wider interests of the area as a whole.
- (ii) **Support.** **Appendix B** sets out the supporting signatures from each of the applicant authorities.
- (iii) **Alternative pooling arrangements.** If the application for a Somerset pilot was unsuccessful, a pool consisting of the same membership is requested to be put in place for 2018/19. This pool would use the pooling governance arrangements as set out in **Annex A**.
- (iv) **No detriment.** It is Somerset's understanding that all of the new pilots for 2018/19 will now receive this protection.
- (v) **Lead authority.** Mendip District Council would act as the lead authority.
- (vi) **Preceptors.** The Devon and Somerset Fire and Rescue Service would remain at a 1% local share and operate outside of the pilot.

2. Governance Arrangements

- (vii) **Governance agreement.** The key points from the proposed pilot governance arrangements (see **Annex B** for the full document) are set out below.
 - Districts will increase their share to 50% and the county will increase its share to 49%. This would allow existing budget commitments to be met, whilst providing additional resources for additional local priorities.
 - Providing that there are sufficient resources, no authority shall receive less than if it was operating under the current 50% scheme.
 - In the highly unlikely event that the pilot makes an overall net loss, or the pilot has outstanding liabilities, this will be pro rata'd across all authorities, taking into account resource levels, had the pilot not been in operation.
- (viii) **Longer term pool operation.** Within the current spending review period there are limitations as to what can be achieved in terms of pooling gains and losses, given authorities have budget plans in place. However, beyond this period, a single county business rates baseline, meaning risks and rewards would be shared across the county area would be possible. This type of approach would

reduce the volatility to individual authorities of business rates collected (e.g. due to appeals) and also events such as future resets (and the subjective way in which NNDR Baselines will need to be determined). Whilst all authorities would hope for a favourable revised baseline following a reset, in reality it is just as likely that they could receive a baseline that would not provide sufficient resources to reach their Baseline Need figure (under a full reset). Therefore, a single NNDR Baseline across the larger area would smooth potential winners and losers and provide a more stable funding system.

The creation of a Somerset Pilot would help begin the process towards this longer term view, by establishing the necessary working practices, such as consistent approaches to forecasting and appeals.

Whilst the guidance states that pilots would be for 2018/19 only, if permitted, Somerset would seek to continue the arrangements in 2019/20. This would allow the forecast benefits to continue for a further year, providing greater scope for improvement and investment locally and allowing further progress in a joined-up approach to the collection and use of business rates income.

- (ix) **Sharing additional growth.** Pilot status would be used to promote financial stability and sustainability, through: (i) providing resources for a local productivity and infrastructure fund, (ii) providing additional resources to invest in service areas to improve budget sustainability and reduce future years' budget pressures and (iii) increasing the resources available for investment in economic regeneration schemes.

Further details of how the additional resources are to be used is provided in **Appendix C**, these include:

- Using the Local productivity and Infrastructure Fund to finance strategic investment that supports economic growth and increased prosperity in Somerset;
- A range of projects to support further economic growth and prosperity across the districts areas;
- Supporting transformational activity to improve services to customers, modernise ways of working and providing cost efficiencies to support financial stability and sustainability

3. Additional Supporting Evidence

- (x) **Benefits to the area, wider national benefits and financial case.** As with all the existing pilot areas and those that will apply for 2018/19, local forecasts suggest that Somerset will benefit financially from becoming a pilot area. Latest business rates income projections suggest a Somerset Pilot in 2018/19 will provide at least an additional £10m for the area.

As set out above, it is expected that a Somerset pilot will bring a number of local benefits. A summary of the local benefits and wider benefits to DCLG and the Treasury are listed below:

Increased economic prosperity in the area/nationally

- Reduced worklessness (and benefit payments)
- Increasing tax revenue (personal and corporation)
- Increased business rates revenues

Learning points for the business rates retention scheme

- Trial of a 50% district and 49% county split of business rates revenues
- Identifying the potential to manage appeals' risk at a county-wide level, including determining appeals' provision and apportioning losses evenly
- The establishment of a technical working group to improve the administration of business rates locally
- Regular contact/meetings with DCLG by the working group to discuss identified local best practice, including learning points and how the pool is dealing with emerging issues relating to both the pilot and any national issues e.g. policy changes/appeal trends

Additional resources for Somerset

- Higher levels of investment in economic regeneration, leading to future gains under the business rates retention scheme
- Greater financial stability and confidence, through shared working practices and increased local knowledge.

(xi) **Two-tier areas.** Somerset supports government in recognising the need for pools to act and be structured differently to how they largely operate at the moment. It also proposes to amend the local split to reduce gearing (i.e. the ratio of baseline need to NNDR baseline), in order to reduce windfall gains and the potential to hit the safety net.

However, a key aim of a Somerset pool would be to consider how to begin to share risks and rewards across all authorities, thereby making the level of business rates income between individual billing authorities and their preceptor of lesser importance.

Somerset therefore proposes a 50% district and 49% county split for the two-tier area. This approach therefore reflect the fact that the current system creates too highly geared district councils and does not provide sufficient growth to county councils, whilst recognising that in the short term, existing budget commitments need to be met.

(xii) **Somerset characteristics and business rates base.** The proposed pool is highly rural. West Somerset and Mendip are classified as 'mainly rural', South Somerset and Sedgemoor as 'largely rural', and Taunton Deane as 'urban with significant rural'. Further details are provided in **Appendix D**.

Appendix E sets out the economic profile of the area. It shows that Somerset is characterised by relatively sparse clusters of business activity. The areas of most dense employment correspond to the largest population settlements, notably the towns of Taunton, Yeovil and Bridgwater.

The proposed pool is a largely self-contained labour market, with 85% of employed

residents within the county also working within the county.

Some of the districts are reliant on other pool members as a key source of employment: for example, 18% of Sedgemoor's employed residents, and 16% of West Somerset's employed residents, commute to work in other authorities in the proposed pool. The main commuter destination for both these districts is Taunton Deane. In turn, 11% of employed residents in Taunton Deane commute to other pool authorities, the main destinations being Sedgemoor and South Somerset. Mendip's economic activity is also heavily interdependent with Bristol, Bath and Wiltshire, in addition to the rest of Somerset. This indicates the labour market extends beyond the administrative boundaries of these individual districts, and that there are interdependencies that would incentivise a joined-up approach to economic development. These incentives for coordinated development could be greatly reinforced by pooling.

Appendix F provides evidence of particular business rates taxbase characteristics for Somerset which includes:

Power station

Somerset is home to three generations of nuclear power stations located in the district of West Somerset: Hinkley Point A (HPA), Hinkley Point B (HPB), and Hinkley Point (HPC). The decommissioning of HPA commenced in 2000. HPB is currently the only operating power station at Hinkley Point. Commissioned in 1976, it has a net electrical output of 0.87GW and is currently operating below maximum capacity. The station was due to be decommissioned in 2016, but its life has been extended until 2023. HPC will be the first new nuclear power station in the UK for a generation, capable of generating 7% of the UK's total energy requirement.

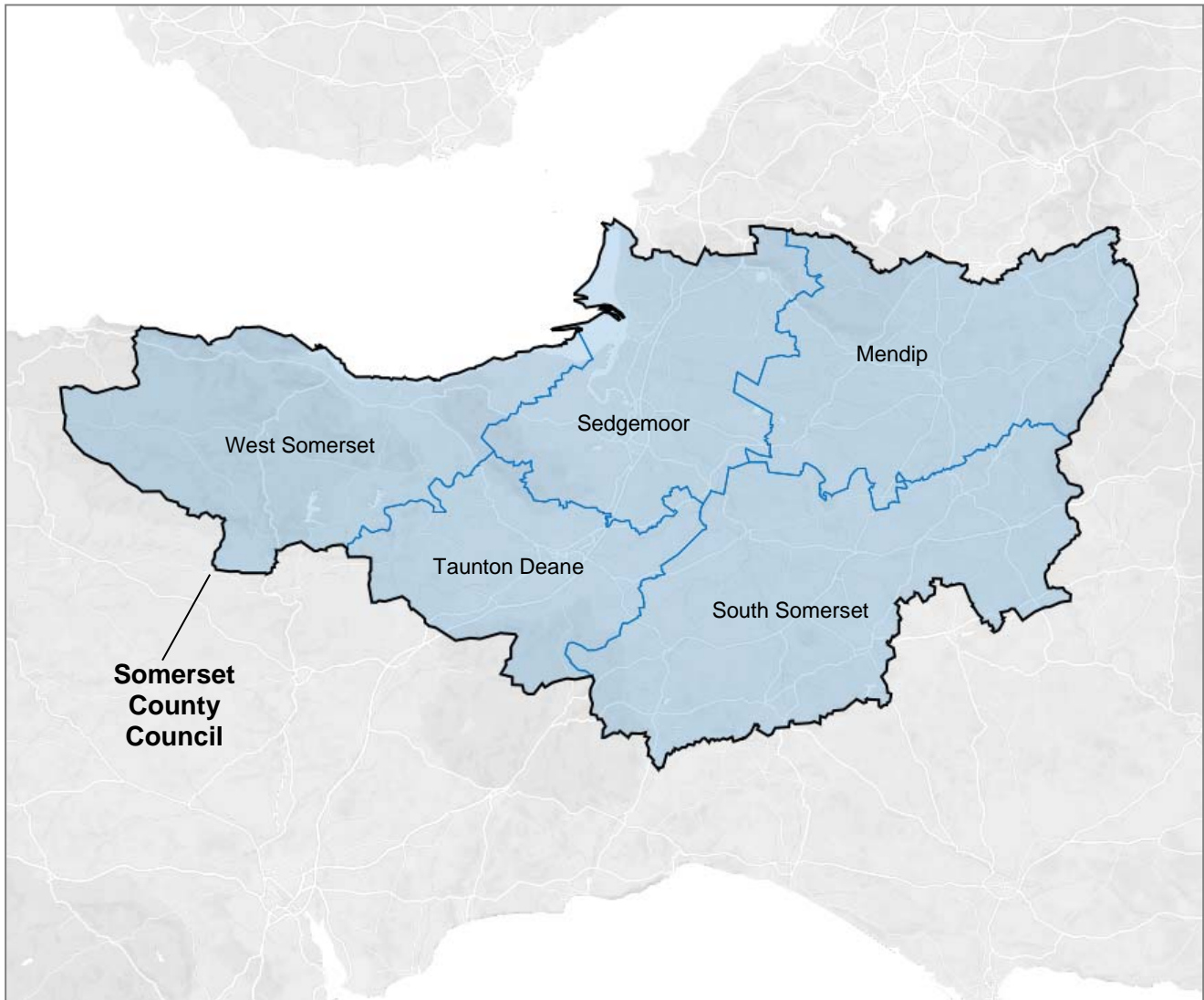
Enterprise Zone

Sedgemoor is hosting a government supported Enterprise Zone based on Huntspill Energy Park. Expansion, infrastructure and development is required to deliver this site.

(xiii)

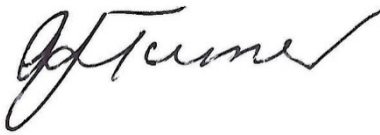
Appendix A – Local Authority Pilot Membership

Figure 1 – Map of proposed pilot area

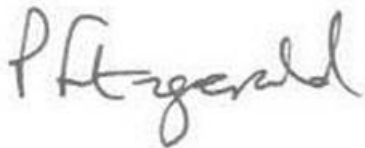


Appendix B – Signatures

The relevant signatures from all of the Somerset authorities in support of this business case and a 2018/19 Somerset Business Rates Pilot are provided below.



Alison Turner
Group Manager – Finance and s151 Officer
Sedgemoor District Council



Paul Fitzgerald
Assistant Director – Strategic Finance and S151
Officer of Taunton Deane Borough Council and West
Somerset Council and S151 Officer of South
Somerset District Council

Taunton Deane
BOROUGH COUNCIL



Paul Deal
Corporate Financial Advisor (S151 Officer)
Mendip District Council



Kevin Nacey
Director of Finance and S151 Officer
Somerset County Council



Appendix C – Use of the additional resources

Local Productivity and Infrastructure Fund

Of the additional 50% additional resources received under pilot status, it is proposed that a proportion of the resources will be used for a local productivity and infrastructure fund to finance strategic investment that supports economic growth and increased prosperity in Somerset.

A programme of investment via the fund would be commissioned with the overall aim of raising productivity in the Somerset economy in line with the objectives of the Heart of the South West Productivity Strategy and the Somerset Growth Plan.

This programme of investment will be aligned with the three thematic objectives from the Productivity Strategy:

- Leadership and knowledge (i.e. supporting business growth and innovation; improving management practices and performance across the economy);
- Connectivity and infrastructure (i.e. developing a more resilient and better connected infrastructure); and
- Working and learning (i.e. developing skills and employability across the workforce).

The six authorities will be able to identify individual schemes for the programme, with encouragement given to the promotion of schemes jointly by authorities in partnership. The Somerset Growth Board will act as a joint advisory body, recommending investment priorities arising from this in line with these three overall objectives from the Productivity Strategy.

The Somerset Growth Board's membership comprises representation from each of the six Somerset local authorities (cabinet member for ED typically), plus Exmoor National Park Authority, a FE sector representative and business representation (Somerset Chamber and FSB to represent small business and Leonardo and Yeo Valley to provide large business voices).

Alignment with Heart of the South West Joint Committee

Groupings of both the Somerset and the Devon local authorities are developing proposals for the second wave of business retention pilots and are considering alignment with our shared Productivity Strategy. In the limited time available for submissions there is realistically not the scope to establish a plan area approach to the allocation of part of retained sums to delivery of the Productivity Strategy. However once the proposed Joint Committee is established there may be scope to negotiate a common top slicing arrangement thus extending the local productivity and infrastructure fund across the Heart of the South West area.

We are really keen to work with colleagues in Devon in future years. There was insufficient time to co-ordinate a single bid but we want to convey to you our desire to work within the LEP boundaries as we see the need for increased collaboration in order to gain the maximum advantage. This is something into which Somerset is committed to invest resources and funding.

Alignment with National Funds

The local productivity and infrastructure fund provides a mechanism for Somerset partners to leverage funds from the proposed UK Shared Prosperity Fund (Government’s successor to EU Funds) and national programmes linked to the developing UK Industrial Strategy.

Local Authority Schemes

In addition to the local fund, the Somerset authorities have also identified how they will use their own share of the gains from pilot status.

Authority	Scheme
Mendip	<p>Mendip District Council has undergone a strategic programme of transformation and renewal over past years, and is now seeking to drive further economic growth and prosperity across its key market towns including Frome, Glastonbury, Shepton Mallet, Street and the City of Wells. Planned growth across the district is equivalent to 9,400 jobs and 9,635 homes over the period 2006-2029.</p> <p>The local economy has significant self-employment and numbers of micro businesses, as well as key strengths in agri-food/tech and tourism, yet, it also home to the £1.7bn global company, Clarks International, Clarks Village (4.3m visitors in 2016) Mulberry, the iconic Glastonbury Festival and a growing cluster of creative, IT and high-tech companies.</p> <p>Increased economic funding would be targeted towards:</p> <ul style="list-style-type: none"> • Unlocking and investing in key employment, mixed use and/or regeneration sites to accelerate growth and future investment (e.g. Bath & West Food Enterprise Zone, Frome Saxonvale, and Shepton Mallet) • Supporting innovation, incubation and ‘grow-on’ workspace initiatives to drive leadership, growth and business investment • Investing further in digital and mobile infrastructure; developing digital and cyber skills, and supporting businesses exploring investment in automation and robotics to increase productivity.
Sedgemoor	<p>Sedgemoor District Council will continue to encourage growth, which links clearly into the Corporate Strategy as well as the external strategies such as the Somerset Growth Plan and the LEP Productivity Plan. The 100% Business Rates Retention pilot offers opportunities to plan for the delivery of long term economic growth centred on our economic development strategy which seeks to drive up the value and productivity of our economic sectors and diversify into new sectors. In terms of delivering a medium term sustainable budget Sedgemoor is developing a Commercial</p>

Authority	Scheme
Sedgemoor (cont.)	<p>Investment Strategy which will focus on generating additional income from new initiatives.</p> <p>The new nuclear power station project (Hinkley C) has already created opportunities driven through our planning performance agreement and section 106 mitigation packages to transform the educational infrastructure in our locality and to focus on upskilling of individuals and businesses to participate in the supply chain. This aims to build potential for future business and avoid a construction boom and bust. We see opportunities into the future to support the wider regional economy in the Great West as well as in the Heart of the SW LEP area and see Sedgemoor being an important player in the delivery of the Productivity Plan / Industrial Strategy.</p> <p>We are part of the Hinkley Housing Zone along with Taunton Deane and West Somerset Councils but this has capacity pressures. Approved plans exceeding national OAN are in place with high delivery rates. However housing delivery will hit a barrier due to road and schools capacity. Sound infrastructure delivery plans are in place but current funding models often don't enable infrastructure delivery before housing occupation. Low land values cause viability & cash-flow issues. HIF & match funding will accelerate delivery of 17600 homes by forward funding essential highways, transport, schools & flood infrastructure which will otherwise become a break on development enabling recycled funds for further delivery. Delivery mechanisms include direct delivery and a range of tenures e.g. custom-build, self-build and homes for rent.</p> <p>The Business Rates Retention Pilot will generate additional resources for delivering priorities which include;</p> <ul style="list-style-type: none"> • The Parrett Barrier - funding contribution to match CIL receipts and EA FDG to deliver scheme in next 7 years - priority • Public realm and town centre regeneration initiatives such as the Celebration Mile, Bridgwater • Enhanced local accessibility e.g. rail station accessibility and walking and cycling 'gap' schemes to complete networks and routes to reduce base traffic off the network- Bridgwater • Dunball Roundabout improvements • Junction 24 improvements on the M5 to enable new a commercial area at Huntworth • Economic development incentives to accelerate growth and secure inward investment • M5 corridor improvements • Transport schemes, including schemes to East and West of Bridgwater to deliver planned growth on the A38 corridor / J 22 linked to the expansion and development of housing growth. Also

Authority	Scheme
	<p>our duty to cooperate with N Somerset and the expansion of Bristol airport, and transport investment in Cheddar to support housing growth and minerals extraction. Review complete Summer 2018</p>
<p>South Somerset</p>	<p>The Council is implementing a significant transformation programme which is improving our services to customers, modernising how we work and providing cost efficiencies to support financial sustainability. We plan to use some of the pooling gain towards the funding of this programme.</p> <p>Yeovil is the principal growth point for South Somerset, serving around 165,000 people and providing a wide range of jobs and services . The council wish to encourage growth and diversification in the economy based upon the current strength in aerospace and advanced manufacturing. The adopted Local Plan and Economic Strategy promise District-wide growth of 11,249 jobs and 15,950 homes over the period 2006 -2028; around 5,513 of those jobs and 7,441 of those homes are to be provided in Yeovil. Projects that we are looking to support are:</p> <ul style="list-style-type: none"> • Yeovil - Access improvements to the town centre to open up a number of brownfield regeneration sites for employment, mixed use and housing development. • Yeovil - Creation of a public service and business hub and associated mixed uses. • A 303 Corridor Wincanton and Ilminster - employment land - acquisition and development.
<p>Taunton Deane & West Somerset</p>	<p>Taunton Deane Borough Council and West Somerset Council have ambitious plans for growth, productivity and prosperity. West Somerset is hosting the construction of the first new nuclear power station in a generation, at Hinkley Point, and has set a priority to maximise the economic legacy from the project, while managing the impacts of the construction on our communities. Taunton has recently been designated as a Garden Town, the first in the South West, in recognition of the Council's commitment to delivering transformational levels of housing and economic growth. The Hinkley Housing Zone covers both authority areas, as well as the neighbouring Sedgemoor district.</p> <p>Whilst both authorities are already investing significant available funding, including New Homes Bonus and use of borrowing powers, there remains a significant funding gap to achieve our growth ambitions and address community concerns.</p> <p>Becoming pilot areas for business rates retention would enable both authorities to accelerate delivery of a range of schemes, creating homes, jobs and prosperity. Examples of schemes that we envisage as benefitting</p>

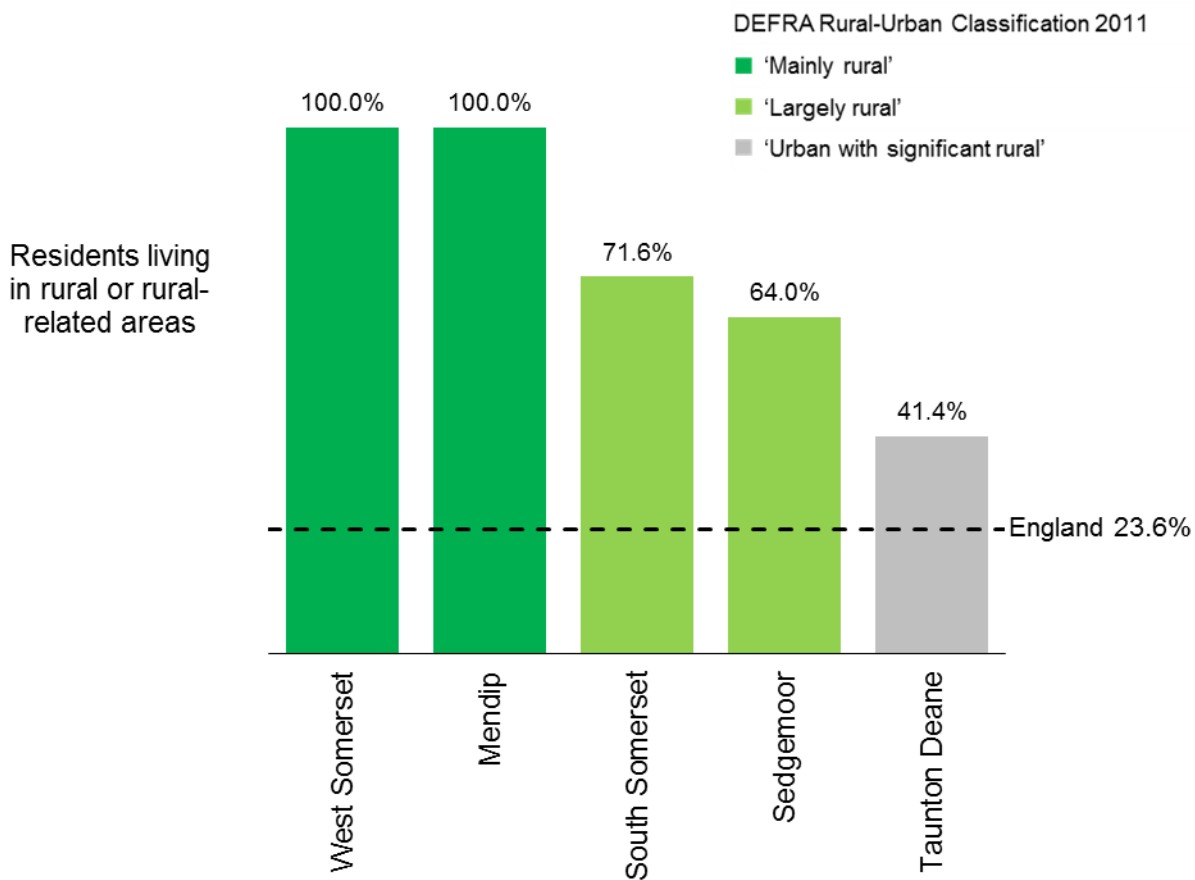
Authority	Scheme
Taunton Deane & West Somerset (cont.)	<p>from such funding include:</p> <ul style="list-style-type: none"> • Essential transport and flood relief infrastructure to unlock key housing and employment sites. • New business incubation and innovation space and support for start-up businesses to locate, collaborate and grow. • Sustainable transport initiatives, supporting growth and introducing smart solutions to problems of congestion, air pollution and related health problems. • Transforming and regenerating our town centres. • Skills development initiatives to boost productivity, address social mobility issues and meet the needs of local businesses.
Somerset County Council	<p>Somerset County Council faces two very specific budget pressures at present in Adult Social Care and in Children’s Social Care. Government funding permissions with regard to the ASC precept and the allocation of the improved Better Care Fund have addressed ASC pressures significantly. However, the improved Better Care Fund reduces in the years ahead and some of our pilot gain would be set aside to mitigate this for 2018/19. A proportion would also be allocated to Children’s Social Care placement budgets as we continue on our journey towards a Good Ofsted rating. There is an ever increasing need to secure additional foster carers and the pilot gain will again help to keep our service costs closer to the placement budget.</p>

Appendix D – Rurality

The proposed pool is highly rural. West Somerset and Mendip are classified as ‘mainly rural’, South Somerset and Sedgemoor as ‘largely rural’, and Taunton Deane as ‘urban with significant rural’. These classifications, produced by Defra, are based on the population living in rural areas plus the rural-related population. The latter includes residents living in hub towns that can be centres of service provision for surrounding rural area (but excludes larger market towns).

The percentage of residents living in rural or rural-related areas is illustrated below. For West Somerset and Mendip, 100% of residents are classified as living in these areas, while for the most ‘urban’ authority, Taunton Deane, the percentage is 41%, which is still significantly higher than the England average.

Figure 2 – Somerset authorities’ Rural–Urban classification



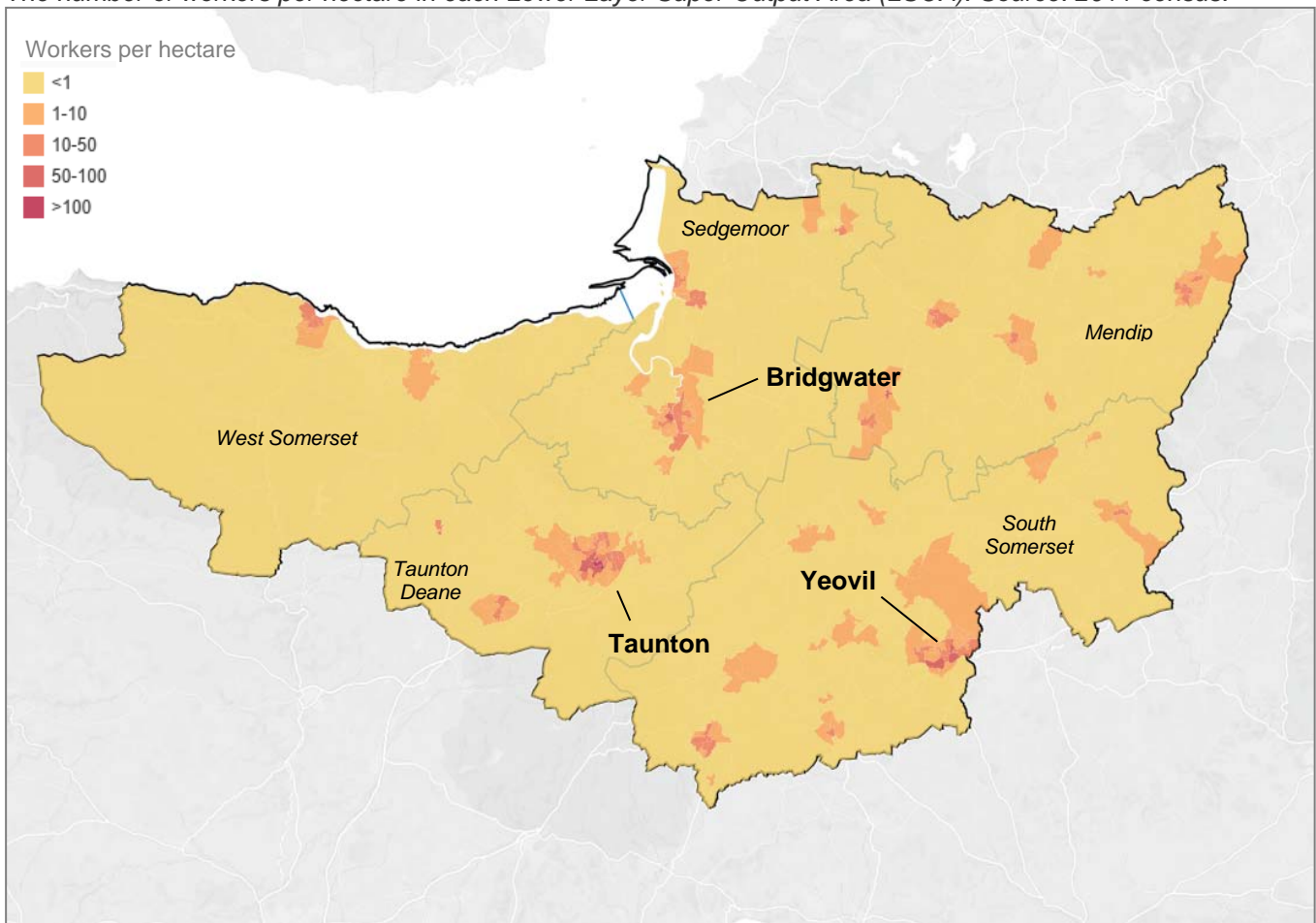
Appendix E – Economic Activity

This appendix provides a brief overview of the economic geography of the proposed pool. Data on businesses' rateable value is not published below the local authority level, so workplace population (from the 2011 census) has been used as a proxy for business activity at a more detailed geographic scale. This is illustrated below.

Based on this proxy measure, Somerset is characterised by relatively sparse clusters of business activity. The areas of most dense employment correspond to the largest population settlements, notably the towns of Taunton, Yeovil and Bridgwater. These three towns are the only built-up areas in the county that have more than 40,000 residents, as of the 2011 census (the remainder have 26,000 or residents or less). Given the size of these built-up areas, pooling could enable investment in economic development projects, at a minimally efficient scale, that was not otherwise available at the district level.

Figure 3 - Map of workplace density

The number of workers per hectare in each Lower Layer Super Output Area (LSOA). Source: 2011 census.

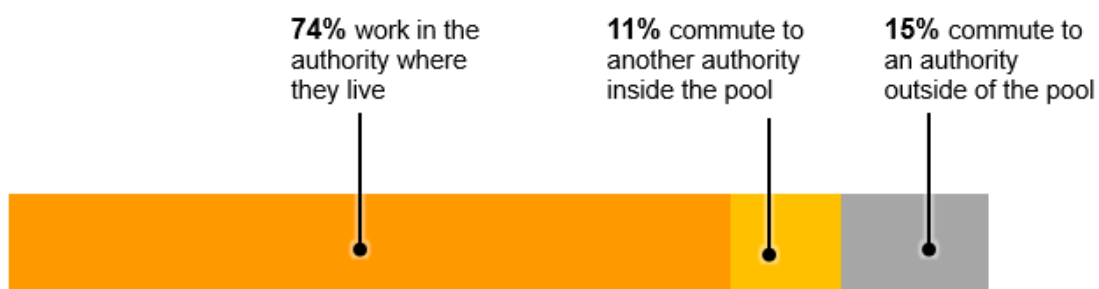


The proposed pool is a largely self-contained labour market, with 85% of employed residents within the county also working within the county – in other words, only 15% of employed residents commuted outside the administrative boundaries of the pool (this analysis only

includes residents with a fixed location of work). This is illustrated in the chart below.

Figure 4 – Commuter patterns in the proposed Somerset pool

Excludes residents with 'no fixed location' of work. Source: 2011 census.



Some of the districts are reliant on other pool members as a key source of employment: for example, 18% of Sedgemoor’s employed residents, and 16% of West Somerset’s employed residents, commute to work in other authorities in the proposed pool. The main commuter destination for both these districts is Taunton Deane. In turn, 11% of employed residents in Taunton Deane commute to other pool authorities, the main destinations being Sedgemoor and South Somerset. Mendip’s economic activity is also heavily interdependent with Bristol, Bath and Wiltshire, in addition to the rest of Somerset. This indicates the labour market extends beyond the administrative boundaries of these individual districts, and that there are interdependencies that would incentivise a joined-up approach to economic development. These incentives for coordinated development could be greatly reinforced by pooling.

Appendix F – Business Rates Base Profile

- Somerset is home to three generations of nuclear power stations located in the district of West Somerset: Hinkley Point A (HPA), Hinkley Point B (HPB), and Hinkley Point (HPC). The decommissioning of HPA commenced in 2000. HPB is currently the only operating power station at Hinkley Point. Commissioned in 1976, it has a net electrical output of 0.87GW and is currently operating below maximum capacity. The station was due to be decommissioned in 2016, but its life has been extended until 2023. HPC will be the first new nuclear power station in the UK for a generation, capable of generating 7% of the UK's total energy requirement.
- Sedgemoor is hosting a government supported Enterprise Zone based on Huntspill Energy Park. Expansion, infrastructure and development is required to deliver this site.

Annex A

Somerset Councils Business Rates Pool Governance Agreement

1. Pool Membership

- Somerset County Council
- Sedgemoor District Council
- Mendip District Council
- South Somerset DC
- Taunton Deane BC
- West Somerset Council

2. Introduction

This pooling proposal has been agreed by all pool members and signed by their Section 151 Officers.

The proposal sets out various key principles and addresses the key governance areas to ensure that a robust framework is in place for the effective management of the pool. Governance arrangements will stay in place until the pool is fully dissolved.

Each time a new member joins or an existing member leaves the Pool the governance arrangements will need to be reviewed, renewed and agreed with the Department for Communities and Local Government (DCLG) and its successors.

3. Status of this Agreement

The Pool Members agree that this shall be a binding contractual relationship and mutual commitments between them created by this Agreement shall from the date hereof be construed accordingly.

4. Key principles of the pool

- The aim will be to ensure that no participant receives less funding than if they had not pooled.
- Any dividend remaining or any shortfall will be calculated in accordance with the detailed clauses below.
- Outside of this agreement, individual authorities will retain their decision making powers and co-operate in good faith for the duration of this agreement to endeavour to procure the successful implementation of the Pool objectives.
- The Lead Authority is not left with any unforeseen costs or liabilities. Any such costs or liabilities will fall to individual authorities as set out in this agreement.

5. Definition of Pooled Funds

Pooled funds will include monies involved in the Local Government Business Rates Retention Scheme (BRRS). Subject to the requirements of the 2012

Local Government Finance Act and its related regulations, which must take precedence, authorities involved will pool all the business rates collected by each authority **except** the rates yield or growth from any local Enterprise Zone, New Development Deal Area or from renewable energy schemes or similar exemptions, as set out in current or future legislation, where an individual authority is allowed to benefit directly without deductions for levies or others' shares.

6. Governance Structure

The key element in the governance structure will be the s.151 officers of the authorities that are in the pool. They will form a Governance Board and will be responsible for guiding and managing the operational day-to-day running of the pool. The officers will seek to find unanimous agreement on all issues involving the pool.

The Governance Board will meet quarterly, including an annual review meeting of the Pool arrangements and its performance to determine whether the Pool should be dissolved. For example, one or more members may wish to withdraw and the remaining members may wish to resubmit an amended pooling proposal.

If unanimity cannot be reached after a number of options have been considered, the circumstances and difficulties arising will be reported to and guidance sought from the Chief Executives of the councils that are in the Pool for a formal, binding decision to be agreed.

7. Duration of the pooling agreement

Membership of the Pool is voluntary and members will be able to leave the Pool in accordance with this agreement and the DCLG timescales that will be published from time to time (see clause 13).

8. Lead Authority

The Lead Authority for accounting purposes will be Mendip District Council

Responsibilities for the Lead Authority and individual Pool members are outlined in **Appendix 1**.

9. Management Charge

Pool set-up and administration costs incurred by the Lead Authority have been agreed at £15,000 per annum in the first year and thereafter will be uplifted in line with any Local Government pay award.

10. Pool Dividend

The Pool Dividend is defined as the amount remaining in the Pool after:

- The Management Charge has been deducted
- Any Tariff payment to Government

- Any Top Up payment from Government
- Any Levy payment to Government
- Any Safety Net payment from Government
- Payment to each participant of the amount they would have received should the Pool not have existed, including Tariff, Top Up, Safety Net and Levy payments and relevant s.31 grants
- Any interest payments or penalties to or from the Pool

The Pool will be based upon a “No Worse Off” or shared proceeds of net levy saved position. No Worse Off is determined to be that a member will be no worse off by being a member of the Pool than they would have been if they had not been a member of the Pool. Each member will retain the income they would have received under the BRRS if they were not a member of the Pool, as determined by Local Government Finance Settlement.

50% of rates collected are payable to Central Government (Central Share) and the remaining balance of the business rates will then be paid into the Pool on a net cash-flow basis. The Pool will effectively be responsible for the distribution of Tariffs/Top Ups.

11. Allocating any Pool Dividend

The remaining balance of the Pool consists of the Levy payments that would have been paid to Government less the deduction of the Management Charge and any payments made under the No Worse Off principle.

Any Pool Dividend will be distributed on the following basis:

- 20% to Somerset County Council;
- 56% to the remaining Councils in proportion to their Levy saved;
- 24% to the remaining Councils in proportion to their funding targets.

The Pool will not retain a contingency reserve. Instead participants will maintain their own provision against future Pool Shortfalls.

12. Pool Shortfall

If a Pool Member’s business rate income drops by more than the Government determined Safety Net trigger, then, under the No Worse Off principle, that member will be entitled to receive the equivalent of a Safety Net payment from the Pool calculated according to the methodology set out in clause 10. The Management Charge and Safety Net payments will be made as a first call on the Pool, before the Pool Dividend is allocated.

However, if there is a shortfall on the pool – i.e. there is insufficient funding to allow each authority to receive what it would have received outside the Pool - it shall be met as follows:

Stage 1:

- 20% from Somerset County Council;

- 49% from any of the remaining councils that failed to achieve their rates collection target. This shall be in proportion to the cash amount that it is, or they are, below the target (based on their 40% local share);
- 21% from the remaining councils in proportion to their funding targets.

No council shall receive less than its Safety Net level outside the Pool from this step.

Stage 2

- If any councils do fall below their Safety Net level outside the Pool in stage 1 then a further deduction will be made, to fund the amount(s) that those councils have fallen below, from all councils with income in excess of their Safety Net amount outside of the Pool, pro rata to the amounts that they are above the Safety Net.

Stage 3

- If any councils fall below their Safety Net level outside the Pool at stage 2 then a further deduction shall be made, to fund the amount(s) that those councils have fallen below, from all Pool Members, pro rata to each authority's funding target. This is the only step at which an authority may receive less than its Safety Net level outside the Pool.

If a Pool Shortfall seems likely to continue, consideration will be given to the future of the Pool, including dissolution.

13. Dissolution

The pooling arrangement will remain in place until any single authority or authorities say that they wish to leave the Pool. Pool members should consider the impact on the remaining members when making this decision.

Pool membership will be reviewed on an annual basis to determine whether a significant change in business rates is expected and consequently whether the Pool is still financially viable.

Authorities will be required to notify Pool members of their decision to leave the Pool in accordance with the notice period outlined below.

DCLG will be notified of any decision to dissolve the Pool in accordance with their published process and timetable.

Any subsequent decision to re-form a Pool, for example, if one member wishes to leave and the other authorities wish to continue in a new pool, will be made in a timely manner to ensure that a formal pooling proposal is submitted to the DCLG in line with their process and timetable.

14. Notice Period to Dissolve the Pool

Authorities will be required to advise the Pool of their intention to leave and consequently dissolve the Pool giving a **minimum of one month's notice** in advance of the DCLG deadline. This will allow remaining Pool members to consider whether they wish to submit a new pooling application.

Once the Pool has been finally designated by DCLG, the period of membership will be for a minimum of the forthcoming financial year. Should a member withdraw from the Pool during the settlement consultation period, the Pool will be dissolved in accordance with DCLG rules.

15. Distribution of Pool Assets / Liabilities on Dissolution

Pool members will be jointly and severally liable for the assets and liabilities of the Pool. However this should not override any of the detail included in this agreement.

16. Requests to join the Pool

If a new authority wishes to join the Pool it will be required to provide **three months' notice** prior to the DCLG deadline. This will allow time for existing Pool members to carry out due diligence and consider the relative merits of enlarged membership. Where a new member is admitted, the existing Pool is effectively dissolved and a new Pool formed.

17. Payment schedules and cash-flow

Payment schedules will need to be agreed and payments made on time so that the Pool can meet the payments required by Central Government and to share business rates collected. Payments into the Pool will include various payments and these will all need payment schedules as announced by DCLG or as agreed locally.

Payments to the Lead Authority will be made by direct credit on the same day as the payment date to Central Government (the 'scheduled day').

The Pool shall charge interest at a rate of four percentage points above the prevailing Bank of England Base Rate on all payments from participants that are received after the scheduled day.

Safety Net payments are to be made in-year to provide some immediate protection to the authority involved. The Pool will attempt to replicate the timing and amount of any Safety Net payment that would have been due to its members if there was no Pool.

Levies are not finalised until after the year has ended. Thus any Pool Dividend or Shortfall cannot be finalised until after the year has ended. Forecasts of various elements, such as the likely Levy payments and Pool Dividend, will be needed so that authorities can make their decisions about whether to remain in the Pool.

Costs (or benefits) which may arise from the cash-flow into and out of the pooling fund will be offset against (or added to) the Pool Dividend.

Information, in the form of a monthly spreadsheet from the source business rates systems of the billing authority members of the Pool, will be provided to the Lead Authority who will provide at least quarterly monitoring reports to all Pool members of the resulting position.

18. Accounting adjustments (Bad Debts and Appeals provision)

The Forecast and Actual Retained Amounts are the net amounts receivable by the authority from ratepayers after taking account of transitional adjustments, empty property, mandatory and discretionary reliefs and adjustments for provisions for bad and doubtful debts and for losses on appeals.

The provision for losses on appeal will be calculated by individual authorities using Valuation Office data and statistical information on a consistent basis to be agreed by designated officers from all billing authorities.

The provision for bad and doubtful debts will be calculated by each billing authority in accordance with proper practices and will be subject to external audit. If the auditor does not certify the provision on the grounds that the authority has not acted diligently, any such amounts will be funded in full by the respective authority and an adjustment will be made to the Pool Dividend or Shortfall calculations to reflect this.

19. Treasury

The treasury function shall be provided by the Lead Authority. The Treasury Management Strategy of the Lead Authority (which will be at a minimum in accordance with the CIPFA Code of Practice) shall be followed in the operation of the Pool and the management of surplus balances. The funds shall be held in separately named account(s) from the remainder of the Lead Authority's business. All interest receivable is credited to the Pool at the actual rate achieved by the Treasury Management Team of the Lead Authority on an annual basis.

The Lead Authority will not be solely liable for any loss arising from invested sums provided it has operated within its Treasury Management policies. Any such loss will be borne by the Pool Dividend first, then in line with the Board's agreed policy for Pool Shortfall across the individual authorities.

APPENDIX 1

Roles and Responsibilities

The **Lead Authority** will be responsible for the following:

- All finances in relation to the Pool including payments to and from Central Government, the other members of the Pool and Preceptors.
- Calculating the funding position if all councils had not been part of the pooling arrangement and any Pool Dividend or Shortfall.
- Agreeing the various schedules of payment with other Pool members.
- All communications with Central Government, its agencies or other relevant third parties and completing all formal Pool returns to Central Government and DCLG on behalf of the Board including year-end reconciliations.
- All information and external reporting requirements for the Pool, details of which will be shared with all members of the Pool.
- The collation and submission of information required for planning and monitoring purposes by the governance structure, the DCLG or any other party.
- All audit requirements in relation to the Pool.
- Year-end positions for the Statements of Accounts for each member authority.
- The administration of the dissolution of the Pool.

To assist the Lead Authority in fulfilling its responsibilities **Pool members** (including the Lead Authority as appropriate) will be responsible for:

- The collection of relevant business rates to transfer to the Pool run by the Lead Authority.
- The implementation of their own Collection Funds.
- The submission of NNDR forms to DCLG.
- Providing accurate and timely information on the end of year financial performance of the business rates Collection Fund to enable the Lead Authority to calculate the end of year accounting entries needed.
- The provision of such information as the Board agree is reasonable and necessary to monitor and forecast the Pool's resources within the timescales agreed.
- Informing the Lead Authority, as soon as is practicable, of any intelligence that may impact on the resources of the Pool either in the current year or in future years.

APPENDIX 2

Glossary of Terms

“**Agreement**” means this Agreement comprising the terms and conditions together with its Appendices.

“**The Board**” means the Business Rates Pool Board whose functions are more particularly set out in section 6.

“**BRRS**” means the Business Rates Retention Scheme introduced by the Department for Communities and Local Government in April 2013.

“**Lead Authority**” means the authority taking on the responsibilities in Appendix 1.

“**Levy**” means a payment due to central government related to BRRS income above Baseline Funding levels, calculated using a nationally set formula.

“**Management Charge**” means the charge payable from the Pool to the Lead Authority in respect of the costs incurred by the Lead Authority in the performance of its obligations as Lead Authority, as more particularly described at section 8 and Appendix 1.

“**Pool**” means the Business Rates Pool containing the business rates collected from the Pool Members. A voluntary arrangement amongst a group of local authorities to pool the business rates generated locally in accordance with the BRRS pooling prospectus published by DCLG in July 2014.

“**Pool Dividend**” means the amount of Levy retained locally. This is calculated as the sum of levies to be paid by individual Pool members if the Pool did not exist, less any Safety Net funding that would have been due to individual Pool members if the Pool did not exist, less the administrative costs of the Pool.

“**Pool Shortfall**” means the Pool BRRS income is less than the sum of what Pool Members’ BRRS income would have been in the absence of a Pool because the payment of compensation under the no worse off principle exceeds the Levy gains made by other Pool Members.

“**Pool Members**” means Mendip District Council, Sedgemoor District Council, South Somerset District Council, Taunton Deane Borough Council, West Somerset Council and Somerset County Council.

“**Safety Net**” means a payment received by an authority from Central Government under the BRRS if BRRS income falls by more than a specified percentage below the Baseline Funding Level. It is calculated using a national formula.

Annex B

Somerset Councils Business Rates Pool Governance Agreement, acting as a Business Rates Pilot

1. Pool Membership

- Somerset County Council
- Sedgemoor District Council
- Mendip District Council
- South Somerset DC
- Taunton Deane BC
- West Somerset Council

2. Introduction

This pooling proposal has been agreed by all pool members and signed by their Section 151 Officers.

The proposal sets out various key principles and addresses the key governance areas to ensure that a robust framework is in place for the effective management of the pool. Governance arrangements will stay in place until the pool is fully dissolved.

Each time a new member joins or an existing member leaves the Pool the governance arrangements will need to be reviewed, renewed and agreed with the Department for Communities and Local Government (DCLG) and its successors.

3. Status of this Agreement

The Pool Members agree that this shall be a binding contractual relationship and mutual commitments between them created by this Agreement shall from the date hereof be construed accordingly.

4. Key principles of the pool

- The aim will be to ensure that no participant receives less funding than if they had not pooled.
- Any dividend remaining or any shortfall will be calculated in accordance with the detailed clauses below.
- Outside of this agreement, individual authorities will retain their decision making powers and co-operate in good faith for the duration of this agreement to endeavour to procure the successful implementation of the Pool objectives.
- The Lead Authority is not left with any unforeseen costs or liabilities. Any such costs or liabilities will fall to individual authorities as set out in this agreement.

5. Definition of Pooled Funds

Pooled funds will include monies involved in the Local Government Business Rates Retention Scheme (BRRS). Subject to the requirements of the 2012 Local Government Finance Act and its related regulations, which must take precedence, authorities involved will pool all the business rates collected by each authority **except** the rates yield or growth from any local Enterprise Zone, New Development Deal Area or from renewable energy schemes or similar exemptions, as set out in current or future legislation, where an individual authority is allowed to benefit directly without deductions for levies or others' shares.

6. Governance Structure

The key element in the governance structure will be the s.151 officers of the authorities that are in the pool. They will form a Governance Board and will be responsible for guiding and managing the operational day-to-day running of the pool. The officers will seek to find unanimous agreement on all issues involving the pool.

The Governance Board will meet quarterly, including an annual review meeting of the Pool arrangements and its performance to determine whether the Pool should be dissolved. For example, one or more members may wish to withdraw and the remaining members may wish to resubmit an amended pooling proposal.

If unanimity cannot be reached after a number of options have been considered, the circumstances and difficulties arising will be reported to and guidance sought from the Chief Executives of the councils that are in the Pool for a formal, binding decision to be agreed.

7. Duration of the pooling agreement

Membership of the Pool is voluntary and members will be able to leave the Pool in accordance with this agreement and the DCLG timescales that will be published from time to time (see clause 13).

8. Lead Authority

The Lead Authority for accounting purposes will be Mendip District Council.

Responsibilities for the Lead Authority and individual Pool members are outlined in **Appendix 1**.

9. Management Charge

Pool set-up and administration costs incurred by the Lead Authority have been agreed at £15,000 per annum in the first year and thereafter will be uplifted in line with any Local Government pay award.

10. Pool Dividend

The Pool Dividend is defined as the amount remaining in the Pool after:

- The Management Charge has been deducted
- Any Tariff payment to Government
- Any Top Up payment from Government
- Any Levy payment to Government
- Any Safety Net payment from Government
- Payment to each participant of the amount they would have received should the Pool not have existed, including Tariff, Top Up, Safety Net and Levy payments and relevant s.31 grants
- Any interest payments or penalties to or from the Pool

11. Allocating Resources

Providing there pool has a pool dividend, growth should be apportioned as follows:

Districts retaining 50% of variance to Baseline

The County Council retaining 49% of each of the districts variance to Baseline

However, providing the pool dividend is sufficient, gains from acting as a pool (under 100% BRR) will be scaled back in order to ensure that: no member will be no worse off by being a member of the Pool than they would have been if they had not been a member of the Pool.

12. Dissolution

The pooling arrangement will remain in place until any single authority or authorities say that they wish to leave the Pool. Pool members should consider the impact on the remaining members when making this decision.

Pool membership will be reviewed on an annual basis to determine whether a significant change in business rates is expected and consequently whether the Pool is still financially viable.

Authorities will be required to notify Pool members of their decision to leave the Pool in accordance with the notice period outlined below.

DCLG will be notified of any decision to dissolve the Pool in accordance with their published process and timetable.

Any subsequent decision to re-form a Pool, for example, if one member wishes to leave and the other authorities wish to continue in a new pool, will be made in a timely manner to ensure that a formal pooling proposal is submitted to the DCLG in line with their process and timetable.

13. Notice Period to Dissolve the Pool

Authorities will be required to advise the Pool of their intention to leave and consequently dissolve the Pool giving **a minimum of one month's notice** in advance of the DCLG deadline. This will allow remaining Pool members to consider whether they wish to submit a new pooling application.

Once the Pool has been finally designated by DCLG, the period of membership will be for a minimum of the forthcoming financial year. Should a member withdraw from the Pool during the settlement consultation period, the Pool will be dissolved in accordance with DCLG rules.

14. Distribution of Pool Assets / Liabilities on Dissolution

Pool members will be jointly and severally liable for the assets and liabilities of the Pool. However this should not override any of the detail included in this agreement.

15. Requests to join the Pool

If a new authority wishes to join the Pool it will be required to provide **three months' notice** prior to the DCLG deadline. This will allow time for existing Pool members to carry out due diligence and consider the relative merits of enlarged membership. Where a new member is admitted, the existing Pool is effectively dissolved and a new Pool formed.

16. Payment schedules and cash-flow

Payment schedules will need to be agreed and payments made on time so that the Pool can meet the payments required by Central Government and to share business rates collected. Payments into the Pool will include various payments and these will all need payment schedules as announced by DCLG or as agreed locally.

Payments to the Lead Authority will be made by direct credit on the same day as the payment date to Central Government (the 'scheduled day').

The Pool shall charge interest at a rate of four percentage points above the prevailing Bank of England Base Rate on all payments from participants that are received after the scheduled day.

Safety Net payments are to be made in-year to provide some immediate protection to the authority involved. The Pool will attempt to replicate the timing and amount of any Safety Net payment that would have been due to its members if there was no Pool.

Levies are not finalised until after the year has ended. Thus any Pool Dividend or Shortfall cannot be finalised until after the year has ended. Forecasts of various elements, such as the likely Levy payments and Pool Dividend, will be needed so that authorities can make their decisions about whether to remain in the Pool.

Costs (or benefits) which may arise from the cash-flow into and out of the pooling fund will be offset against (or added to) the Pool Dividend.

Information, in the form of a monthly spreadsheet from the source business rates systems of the billing authority members of the Pool, will be provided to

the Lead Authority who will provide at least quarterly monitoring reports to all Pool members of the resulting position.

17. Accounting adjustments (Bad Debts and Appeals provision)

The Forecast and Actual Retained Amounts are the net amounts receivable by the authority from ratepayers after taking account of transitional adjustments, empty property, mandatory and discretionary reliefs and adjustments for provisions for bad and doubtful debts and for losses on appeals.

The provision for losses on appeal will be calculated by individual authorities using Valuation Office data and statistical information on a consistent basis to be agreed by designated officers from all billing authorities.

The provision for bad and doubtful debts will be calculated by each billing authority in accordance with proper practices and will be subject to external audit. If the auditor does not certify the provision on the grounds that the authority has not acted diligently, any such amounts will be funded in full by the respective authority and an adjustment will be made to the Pool Dividend or Shortfall calculations to reflect this.

18. Treasury

The treasury function shall be provided by the Lead Authority. The Treasury Management Strategy of the Lead Authority (which will be at a minimum in accordance with the CIPFA Code of Practice) shall be followed in the operation of the Pool and the management of surplus balances. The funds shall be held in separately named account(s) from the remainder of the Lead Authority's business. All interest receivable is credited to the Pool at the actual rate achieved by the Treasury Management Team of the Lead Authority on an annual basis.

The Lead Authority will not be solely liable for any loss arising from invested sums provided it has operated within its Treasury Management policies. Any such loss will be borne by the Pool Dividend first, then in line with the Board's agreed policy for Pool Shortfall across the individual authorities.

APPENDIX 1

Roles and Responsibilities

The **Lead Authority** will be responsible for the following:

- All finances in relation to the Pool including payments to and from Central Government, the other members of the Pool and Preceptors.
- Calculating the funding position if all councils had not been part of the pooling arrangement and any Pool Dividend or Shortfall.
- Agreeing the various schedules of payment with other Pool members.
- All communications with Central Government, its agencies or other relevant third parties and completing all formal Pool returns to Central Government and DCLG on behalf of the Board including year-end reconciliations.
- All information and external reporting requirements for the Pool, details of which will be shared with all members of the Pool.
- The collation and submission of information required for planning and monitoring purposes by the governance structure, the DCLG or any other party.
- All audit requirements in relation to the Pool.
- Year-end positions for the Statements of Accounts for each member authority.
- The administration of the dissolution of the Pool.

To assist the Lead Authority in fulfilling its responsibilities **Pool members** (including the Lead Authority as appropriate) will be responsible for:

- The collection of relevant business rates to transfer to the Pool run by the Lead Authority.
- The implementation of their own Collection Funds.
- The submission of NNDR forms to DCLG.
- Providing accurate and timely information on the end of year financial performance of the business rates Collection Fund to enable the Lead Authority to calculate the end of year accounting entries needed.
- The provision of such information as the Board agree is reasonable and necessary to monitor and forecast the Pool's resources within the timescales agreed.
- Informing the Lead Authority, as soon as is practicable, of any intelligence that may impact on the resources of the Pool either in the current year or in future years.

APPENDIX 2

Glossary of Terms

“**Agreement**” means this Agreement comprising the terms and conditions together with its Appendices.

“**The Board**” means the Business Rates Pool Board whose functions are more particularly set out in section 6.

“**BRRS**” means the Business Rates Retention Scheme introduced by the Department for Communities and Local Government in April 2013.

“**Lead Authority**” means the authority taking on the responsibilities in Appendix 1.

“**Levy**” means a payment due to central government related to BRRS income above Baseline Funding levels, calculated using a nationally set formula.

“**Management Charge**” means the charge payable from the Pool to the Lead Authority in respect of the costs incurred by the Lead Authority in the performance of its obligations as Lead Authority, as more particularly described at section 8 and Appendix 1.

“**Pool**” means the Business Rates Pool containing the business rates collected from the Pool Members. A voluntary arrangement amongst a group of local authorities to pool the business rates generated locally in accordance with the BRRS pooling prospectus published by DCLG in July 2014.

“**Pool Dividend**” means the amount of Levy retained locally. This is calculated as the sum of levies to be paid by individual Pool members if the Pool did not exist, less any Safety Net funding that would have been due to individual Pool members if the Pool did not exist, less the administrative costs of the Pool.

“**Pool Members**” means Mendip District Council, Sedgemoor District Council, South Somerset District Council, Taunton Deane Borough Council, West Somerset Council and Somerset County Council.

“**Safety Net**” means a payment received by an authority from Central Government under the BRRS if BRRS income falls by more than a specified percentage below the Baseline Funding Level. It is calculated using a national formula.

Taunton Deane Borough Council

Executive – 29 November 2017

2018/2019 Budget Options and Medium Term Financial Plan Update

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

Report Author: Jo Nacey, Financial Services Manager

1 Executive Summary

- 1.1 The purpose of this report is to provide Members with an update on progress with regard to Budget Setting for 2018/19; the latest Medium Term Financial Plan (MTFP) forecasts, and the areas to be finalised.
- 1.2 The Council's current MTFP projects that the estimated Budget Gap for 2018/19 is £99k, rising to £835k by 2022/23.
- 1.3 There remain a number of areas where budget forecasts are to be finalised therefore there is potential for the estimated Gap to change, and this will be reported to Members as the budget process progresses.

2 Recommendations

- 2.1 Executive is recommended to note the latest Medium Term Financial Plan forecasts, and the areas to be finalised.
- 2.2 Executive is requested to comment and offer any further suggestions for budget review/savings.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to set a balanced budget.	3	4	12
<i>The Council has options for 2018/19 to close the budget gap which include Council Tax and fees and charges increases.</i>	2	4	8

Risk Scoring Matrix

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

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

4 Background

- 4.1 At the Executive meeting on 3 August 2017 officers committed to reviewing the underspends identified at outturn for 2016/17 to establish if there are any ongoing savings which can help address the budget gap by simply realigning budgets rather than asking Budget holders to identify savings which may impact on service provision.
- 4.2 This exercise has been completed and the realignment of these savings are shown in the table in Section 5.2. These adjustments have been fed directly into the MTFP to realign the budget requirement to reflect the underlying costs and income in various services.
- 4.3 Overall, progress to addressing the gap has been positive and there are new savings which have emerged for 2018/19. Underlying the MTFP however there is significant risk in a number of areas and these are referred to in Section 10 to this report and in the ensuing narrative, therefore this is a “work in progress” at this stage.

5 2018/19 Budget Gap

- 5.1 As reported to Executive in August, the estimated Budget Gap for 2018/19 was £388k, rising to £1.118m by 2022/23 as can be seen below.

	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
Budget Gap Increase	388	-16	166	233	347
Budget Gap Total	388	372	538	771	1,118

- 5.2 Since that report the budget gap for 2018/19 has been updated for detailed estimates related to service costs and funding based on information available to date. The table below summarises the changes to the Budget Gap, which is currently estimated at £99k, but which contains several unknowns at this stage of the process:

Summary 2018/19 Budget Gap Reconciliation

	£k	£k
2018/19 Budget Gap as reported to Executive Aug 2017		388
Service Cost Pressures:		
TDBC Assets – Void Pressure 10%	46	
SHAPE Contract	89	
DLO Trading – Reset Pressure (reduction from £101k)	51	
SWP loan interest delay? (£31k)	?	
Waste contract pressure (TBC)	40	
Transformation savings delay	?	
Subtotal – Service Cost Pressures		226
Service Cost Savings:		
PSAA audit fees reduction	-27	
Deane Helpline - Additional income	-20	
Council Tax Collection - Additional Court Fees	-100	
Recycling/Green Waste	-20	
Additional Investment Income	-250	
Bereavement services - Additional income	-48	
Street Cleansing saving	-50	
Council Tax £5 assumed increase (implication £86k)	?	
Subtotal – Service Cost Savings		-515
Fees and Charges (Possible £42k towards gap)	?	
2018/19 Latest Budget Gap Estimate 16 November 2017		99

- 5.3 A brief explanation of the pressures follows:

5.3.1 **The TDBC Assets – Void Pressure 10%** is an estimated pressure resulting from previously assumed rental income not being achieved. A prudent estimate of 10% of asset income has been used.

5.3.2 **The SHAPE legal services contract contribution** has remained unchanged since its start in 2015/16. Following the reassessment of the volume of work put through SHAPE over the last year we now expect that an increase in the charge is due. The Council gained during 2016/17 and we continue to be charged at the original rate for 2017/18. The re-assessed charge is still subject to agreement by officers and will not be applied until 2018/19.

5.3.3 From 2017/18 we have divided the **DLO operations** so that the Building service now sits outside of the trading unit and inside the core budget of the Council. It is therefore appropriate to re-evaluate the required profit from the

DLO trading operations. The arbitrary split has been approximately 50:50 between Building and Grounds and hence the trading budgeted surplus has been reduced to £50k. This will be assessed for its appropriateness at outturn.

- 5.4 As a result of the above changes the up to date estimated budget gap for 2017/18 stands at £99k, rising to £835k by 2022/23 as can be seen below.

	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
Budget Gap Increase	99	-12	166	233	348
Budget Gap Total	99	87	254	487	835

6 Fees and Charges for 2018/19

- 6.1 A separate report is included on the agenda for this Committee. This contains proposals in respect of Fees and Charges for 2018/19 that, if approved, would add approximately £42k to General Fund income budget estimates for 2018/19.
- 6.2 Fees and Charges are due to be considered for approval by Executive on 29th November 2017 and Full Council on 12th December 2017, following review by this Committee.

7 Council Tax

- 7.1 Information provided with the four year funding settlement indicates that, as a shire district, TDBC will have the option to increase the Band D by a maximum of £5 each year in 2018/19 and 2019/20 if Members are minded. This will be confirmed each year by the Secretary of State.
- 7.2 If confirmed by the Secretary of State and if recommended by Executive, an increase of £5 on a Band D property would raise a further £85,610 compared to the 1.99% increase assumed in the MTFP, based on the current Taxbase estimate.

Council Tax Increase Scenarios for 2018/19

Assumes Tax Base of 41,558.0 per Indicative MTFP Estimate

Council Tax Increase	Band D Tax Per Year £	Band D Increase Per Year £	Basic Council Tax Income £	Additional Income £
0.00%	147.88	0.00	6,145,590	0
1.00%	149.36	1.48	6,207,100	61,510
1.99% (MTFP assumption)	150.82	2.94	6,267,770	122,180
3.38%	152.88	5.00	6,353,380	207,790

8 Areas Still to be Completed

- 8.1 The **Business Rates Retention** provisional estimates will be completed in the coming days. This is a complex calculation and subject to change following the Provisional Local Government Finance Settlement.

- 8.2 The **Council Tax base** provisional estimates will be completed shortly and these will be added to the forecast as soon as they can be verified.
- 8.3 Budgetholders have been asked to put forward their **Capital Bids** for 2018/19. These will be presented to Executive at the next meeting. We are mindful that although Capital in nature many schemes have revenue implications which may add to the Budget Gap.

9 Other Factors

- 9.1 **Business Rates 100% Retention Pilot** – The Somerset county area has presented a business case to DCLG to create a new Somerset Pool for business rates comprising the County and all five districts, and apply for Pilot status with the potential rewards that firstly pooling and then growth retention may produce. A separate report will be provided in this regard. We believe we have a robust business case and believe that by pooling with our district partners and the County Council we can achieve significant increases in retained business rates. We are one of a number of bids and we expect to hear whether we have been successful when we receive the Provisional Settlement in December. We will revisit our forecasts at this time.

10 Risk, Opportunities and Uncertainty

- 10.1 Ongoing risks and uncertainty for the budget at this stage include:

- **Local Government Finance Settlement (LGFS)** – following the Autumn Statement on 22 November, we await the Provisional Settlement in December. Whilst the multi-year settlement has been confirmed there may be other details released with the Provisional LGFS that we will need to reflect in our forecasts.
- **New Homes Bonus (NHB)** – The calculation of NHB was changed in the 2017/18 Finance Settlement and a “top-slice” of 0.4% of growth was introduced alongside the reduction from 6 years to 5 years. We anticipate a further reduction to 4 years for 2018/19 but there may be further nuances which will impact our NHB funding.
- **Council Tax** – MTFP is based on an officer assumption of a tax increase of 1.99% in 2017/18. The Executive is yet to indicate their Council Tax proposals for next year.
- **Fees & Charges** – Currently going through the committee process and therefore not yet been approved. The Report is included alongside this budget report.
- **Capital Programme** – options for a Draft Capital Programme are being compiled – any spending proposals could contain further revenue budget implications e.g. RCCO or borrowing costs.
- **Transformation Savings** – We are unclear at this stage of the timing of the delivery of savings which are included in the MTFP estimates for 2018/19, as the detailed planning is underway and not yet concluded. If there is a delay, then this will affect the budget gap and other funding sources will need to be found (ie other savings/reserves etc.) until the savings crystallise.

11 Housing Revenue Account (HRA)

- 11.1 The HRA Budget for 2018/19 is currently being developed, and shared with Tenant Services Management Board and Tenants Forum for comment.
- 11.2 Details of progress on the HRA Budget estimates will be included in the report to Executive in January. This will be presented alongside an updated overview of the 30-Year Business Plan.

12 Links to Corporate Aims / Priorities

- 12.1 The Council's MTFP underpins all Corporate Aims.

13 Legal Implications

- 13.1 S.32 of the Local Government Finance Act 1992 sets out in detail how the Council must calculate its budget by estimating gross revenue expenditure, net income, and the council tax needed to balance the budget; s.25 of the Local Government Act 2003 requires the Chief Finance Officer (Assistant Director/S151 Officer for this Council) to report on the robustness of the budget-setting estimates and the adequacy of the proposed financial reserves.

14 Environmental Impact Implications

- 14.1 None for the purpose of this report.

15 Equality and Diversity Implications

- 15.1 Members need to demonstrate they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process. The three aims the authority must have due regard for:
- Eliminate discrimination, harassment, victimisation
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

- 15.2 Equalities Impact Assessments are attached where appropriate.

16 Social Value Implications

- 16.1 None for the purpose of this report.

17 Partnership Implications

- 17.1 The Council's budget includes significant expenditure on services provided under shared services with West Somerset Council as well as by other key partners such as Somerset Waste Partnership, SHAPE and Somerset Building Control Partnership.

18 Health and Wellbeing Implications

18.1 None for the purposes of this report. Any relevant information and decisions with regard to health and wellbeing will be reported as these emerge through the financial planning process.

19 Asset Management Implications

19.1 None directly for the purposes of this report. The financial implications associated with asset management will be reflected within the Council's corporate and financial planning arrangements.

20 Consultation Implications

20.1 None for the purposes of this report.

21 Scrutiny Comments

21.1 Due to the timing of meetings, Corporate Scrutiny comments are not yet available.

Democratic Path:

- **Corporate Scrutiny – Yes**
- **Executive – Yes**
- **Council - Yes**

Reporting Frequency: **Ad-hoc**

Contact Officers:

Paul Fitzgerald
Assistant Director Strategic Finance and
S151 Officer
Tel: 01823 257557
Email: p.fitzgerald@tauntondeane.gov.uk

Jo Nacey
Financial Services Manager
Tel: 01823 219490
Email: j.nacey@tauntondeane.gov.uk

Taunton Deane Borough Council

Executive – 29 November 2017

Earmarked Reserves Review

Report of the Financial Services Manager

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

1 Executive Summary

- 1.1 This report provides information on our Earmarked Reserves Review for 2017/18.
- 1.2 During the Review, £91,649 of earmarked reserves were deemed to be no longer required to be held and it is recommended that these are transferred to the General Fund Reserve.

2. Recommendations

- 2.1 Executive is requested to recommend to Council to approve the proposals in this report.

3. Earmarked Reserves Review 2017/2018

- 3.1 As at 31 March 2017, the total General Fund Earmarked Revenue Reserves was £17.344m. This is equivalent to 120.5% of the Council's Net Revenue Budget of £14.396m (2016/17).
- 3.2 A fundamental review has been undertaken of all General Fund Revenue Earmarked Reserves, with a view to all balances being returned to the General Fund unless:
 - A clear commitment/obligation exists to spend the money within a defined time period
 - It is a "trading" reserve – which exists purely to support the requirement for certain trading services to break-even over a 3 year period.
- 3.3 To identify which General Fund Earmarked Reserves balances could be returned to the General Fund Reserve, each Reserve holder was contacted and asked to provide evidence of how the Reserve balance was planned to be used.

3.4 These discussions identified that, of the balance held currently (£17.344m), all but £92k of the General Fund Earmarked Reserves is committed or has conditions upon it.

3.5 The £17.344m committed balance includes the following large balances and a full list of balances is included in Appendix A to this report:

- £789k – Capital Financing Reserve; ringfenced to support Capital budgets.
- £196k – Asset Management – Formerly Tone Leisure; Ringfenced as part of the legal agreement.
- £164k – 2017/18 Savings contingency; to address any slippage in Transformation savings factored into the 2017/18 budget.
- £315k – DLO Vehicle Replacement Reserve.
- £429k – Service Carryforwards.
- £192k – Housing Enabling, committed to schemes to provide affordable housing across the borough.
- £485k – Self Insurance Fund; an ongoing need.
- £289k – Asset Management Non-HRA; maintenance and property costs.
- £1.937m – BR Smoothing Reserve; to address volatility in Business Rates income and appeals.
- £4.231m – New Homes Bonus; will be used to fund various projects.
- £1.668m – Customer Access and Accommodation project.
- £557k – Monkton Heathfield, ring fenced for consultancy work including legal advice on delivery issues and master planning.

3.6 It has been agreed with Reserve holders that £92k will be returned to General Reserves immediately following Council's approval. This figure includes the following reserves:

- £53k – Climate Change, this was previously earmarked to fund solar panels which are now in place.
- £1k – FE Colthurst Trust – Not used for several years.
- £15k – Waste. No longer required as no longer anticipating overspend.
- £10k – Debt Recovery. Funding if Fixed Term posts was not required for full year.
- £5k – Legal Civica Hosting costs; No longer required.
- £8k – Transparency – The initial costs of the new legislation have been paid and this is now part of Business as Usual.

4. Finance Comments

4.1 Earmarked reserves should only be held where there is a clear purpose

and commitment to use the funds within a planned timeframe. The Council is facing potentially significant transformation costs, and it is therefore prudent to release surplus earmarked balances to general balances, and provide greater funding flexibility in the short term. A full review is completed annually and hence the balances available to be returned to General Reserves are again quite low.

5. Legal Comments

- 5.1 The legal implications have been considered and there are not expected to be any specific implications relating to this report.

6. Links to Corporate Aims

- 6.1 Achieving financial sustainability: Looking at new ways of balancing the budget to address our financial challenges.

7. Environmental and Community Safety Implications

- 7.1 The environmental and community safety implications have been considered and there are not expected to be any specific implications relating to this report.

8. Equalities Impact

- 8.1 Equalities impact have been considered in respect of this report and no specific impacts have been identified.

9. Risk Management

- 9.1 Risk management implications have been considered and there are not expected to be any specific implications relating to this report.

10. Partnership Implications

- 10.1 The partnership implications have been considered and there are not expected to be any specific implications relating to this report.

11. Scrutiny Comments

- 11.1 Due to the timing of meetings, the Scrutiny comments are not yet available.

Contact: Jo Nacey
Financial Services Manager
Taunton Deane Borough Council and West Somerset Council
Tel: 01823 219490
Email: j.nacey@tauntondeane.gov.uk

GENERAL FUND EARMARKED RESERVES

Appendix A

Budget Holder	Earmarked Reserve Heading	Balance at 1 April 2016	Transfers In 2016/17	Transfers Out 2016/17	Balance at 31 March 2017	Committed Expenditure	Available to be Returned	Purpose of Reserve
		£	£	£	£	£	£	
Jo Nacey	Capital Financing Reserve – General Fund Projects	3,088,883	225,000	-2,524,683	789,200	789,200	0	This reserve has accumulated due to unused RCCO and so could be called upon to fund capital budgets. It has been depleted severely in the last year.
Simon Lewis	Climate Change	52,676	0	0	52,676	0	52,676	No longer earmarked
Tim Child	Asset Management	223,073	33,000	-59,467	196,606	196,606	0	This is ring fenced and must remain as it forms part of a legal funding agreement
David Evans/ Ian Timms	Brewhouse Refurbishment	60,830	24,164	-29,320	55,674	55,674	0	This reserve relates to a sum agreed by members to carry out routine maintenance on the Brewhouse. This sum is therefore required going forwards to support that routine maintenance programme on our asset.
Scott Weech	CCTV	6,700	10,000	-6,700	10,000	10,000	0	This will be needed in the current year to upgrade some of the equipment in the control room at Sedgemoor.
Penny James	CEO Initiatives	78,361	25,000	0	103,361	103,361	0	To allow the Head of Paid Services to fund strategic corporate costs on a timely basis.
Fiona Wills	Corporate Training	126,685	0	-60,000	66,685	66,685	0	Required for Transformation
Paul Fitzgerald	2017/18 Savings Contingency	0	164,000	0	164,000	164,000	0	Contingency to underwrite savings
Chris Hall	DLO Trading Account	364,697	0	-243,561	121,136	121,136	0	Trading reserve, nothing committed to date, will only be required should income not be achieved
Chris Hall	DLO Vehicle Replacement	315,540	0	0	315,540	315,540	0	£80k committed to date and balance expected to be largely spent by year end.
Shirlene Adam	Agile Working	0	70,000	0	70,000	70,000	0	Committed as part of Transformation
Elisa Day	Elections	0	21,530	0	21,530	21,530	0	Committed
Shirlene Adam	Member Technology	0	70,000	0	70,000	70,000	0	Committed as part of Transformation
Jo Nacey	FE Colthurst Trust Bequest Accounts	1,101	0	0	1,101	0	1,101	Funds not required. Have not been used for some years
Jo Nacey	General Fund General Carry Forwards	698,520	438,640	-708,520	428,640	428,640	0	Budgets carried forward to reflect timing of planned spend across financial years and support ongoing service delivery requirements.
Fiona Wills	Healthy Workplace	6,429	0	0	6,429	6,429	0	To support health issues of the workforce
Jo Humble	Housing Enabling	184,835	8,000	0	192,835	192,835	0	Committed to the affordable housing development partnership and is mainly collected where the fees charged to the Housing Associations to be in the partnership have not been spent and the balance is transferred into the EMR for use when required.
Jo Nacey	Self-Insurance Fund	485,404	0	0	485,404	485,404	0	Used for excess payments for any claims made by the Council – The level of this reserve is currently being reviewed.
Nick Bryant	Local Plan Enquiry General Provisions (LDF)	137,550	22,240	-62,663	97,127	97,127	0	Required to fund preparation of statutory plans for site allocation and project management.
Dan Webb	Planning Delivery Grant (Revenue)	102,475	0	-25,000	77,475	77,475	0	From Central Government to support growth
Shirlene Adam	Strategic Director SA	84,240	0	0	84,240	84,240	0	To provide resilience
Fiona Wills	Travel Plan	93,645	136,580	-81,340	148,885	148,885	0	Pays for lease cars etc.
Richard Burge	Vivary Park Trading Account	0	27,000	0	27,000	27,000	0	Replacing bridge in Vivary park and dredging the river
Tom Gilham/ Tim Child	Asset Management – General Services Non-HRA	289,121	0	0	289,121	289,121	0	To fund maintenance and property costs
Heather Stewart	Housing Loans to Private Sector Mortgagees	10,378	0	0	10,378	10,378	0	Costs of repossessions etc
Jo Nacey	BRR Smoothing Reserve	2,008,284	120,530	-191,668	1,937,146	1,937,146	0	This is a volatile area and we are committed to mitigating the risk of Business Rates retention by setting aside an appropriate level of funds in this reserve
Heather Stewart	Youth Homelessness Fund	3,936	0	0	3,936	3,936	0	To fund initiatives

GENERAL FUND EARMARKED RESERVES

Appendix A

Budget Holder	Earmarked Reserve Heading	Balance at 1 April 2016	Transfers In 2016/17	Transfers Out 2016/17	Balance at 31 March 2017	Committed Expenditure	Available to be Returned	Purpose of Reserve
		£	£	£	£	£	£	
Richard Sealy	Corporate Services Clienting	92,285	40,000	-69,535	62,750	62,750	0	Committed as part of transformation
Fiona Webb	Eco Towns Projects Funding	304,142	0	-66,240	237,902	237,902	0	Flood prevention - Ringfenced
Angela Summers	Voluntary and Community Grants	0	2,519	0	2,519	2,519	0	Committed
Dan Webb	Growth and Regeneration (NHB)	4,162,343	3,491,330	-3,422,301	4,231,372	4,231,372	0	Earmarked to deliver the council's growth agenda
Heather Stewart	CLG Preventing Repossessions Fund	25,632	0	0	25,632	25,632	0	Government grant to prevent people becoming homeless
Heather Stewart	Housing Benefit Grant	1,575	0	0	1,575	1,575	0	This includes assistance with service charge arrears and tenancy sustainment
Simon Lewis	Strategy	926	0	0	926	926	0	To be used in-year. Somerset Intelligence Network fee
Catrin Brown	Health and Safety	0	7,000	0	7,000	7,000	0	May be required as part of the Deane House refurbishment project
Scott Weech	Food Inspections	72,693	0	-75,248	-2,555	-2,555	0	To be replenished
Mark Leeman	Youth Fund Youth Project	1,955	0	0	1,955	1,955	0	Earmarked for Youth Projects – To be drawn down in year.
Heather Stewart	Homelessness Grant	163,766	0	0	163,766	163,766	0	Used for preventative partnership initiative work
Chris Hall	Waste Earmarked Reserve	50,000	84,120	0	134,120	119,120	15,000	Expecting an overspend at year end. The underspend in Garden Waste which occurred in 16/17 has been offered up.
Heather Tiso	Debt Recovery	60,820	0	-20,000	40,820	30,551	10,269	As staff that were appointed on fixed term contracts from the Council Tax Additional Income Business Case were not in post at the start (1/4/2016), then salary costs were not incurred until later in the year. I need to carry forward funding in EMR to 2018/19 to allow me to pay for costs for the entirety of their 2 year fixed term contracts.
Heather Tiso	Legal Civica Hosting Costs	12,000	0	0	12,000	7,500	4,500	In addition, as a consequence of a recent security issue, we will be purchasing the PTC (CIVICA) consolidation module at a cost of £3,300. There will be training required for staff on the new software (both CTS module + PTC).
Nick Bryant	Neighbourhood Planning Grant	63,336	60,000	-1,500	121,836	121,836	0	To cover adhoc planning costs
Heather Tiso	Revenues and Benefits	0	30,000	0	30,000	30,000	0	It is possible that in amending the CTS scheme for 2018/19, we will need to purchase an additional module to be able to cope with a Banded Income Scheme. TDBC will be responsible for 76% of the cost with WSC needing to pay 24%. In 2013/14 we were advised the likely cost of this module was in the region of £30k.
Scott Weech	Designated Public Spaces Order	5,000	0	0	5,000	5,000	0	This is being spent on signs in Wellington and for other related work.
Kim Batchelor	JM & SS Project	225,760	69,829	-271,240	24,349	24,349	0	Committed for Transformation
James Barra	Asset Strategy	103,539	70,363	-140,726	33,176	33,176	0	To facilitate the asset mgt strategy via the adhoc use of additional resources. This will be used in-year.
Scott Weech	Land Charges Self Financing	56,160	0	0	56,160	56,160	0	Rolling break even reserve
Elisa Day	Individual Registration	42,696	18,018	-34,620	26,094	26,094	0	Ring-fenced Gov grant
James Barra	Customer Access & Accommodation Project	120,370	1,643,161	-95,267	1,668,264	1,668,264	0	All committed to the project
Julie Harcombe	Monkton Heathfield Planning	689,235	0	-131,890	557,345	557,345	0	Funds a planning team
Scott Weech	Licensing Self Financing	(49,050)	50,000	0	950	950	0	Rolling break even reserve
Tracey-Ann Biss	Parking	0	94,800	0	94,800	94,800	0	Committed for repairs and maintenance
Julie Harcombe	Specialised Planning Legal	160,000	0	-88,060	71,940	71,940	0	Committed for various reasons including supporting our Planning Guarantee requirements, staff funding and additional legal advice.
Scott Weech	Taxi Licensing	19,640	21,440	-4,462	36,618	36,618	0	Rolling break even reserve
Fiona Kirkham	ICT Strategy	50,000	0	0	50,000	50,000	0	Required for Transformation

GENERAL FUND EARMARKED RESERVES

Appendix A

Budget Holder	Earmarked Reserve Heading	Balance at 1 April 2016	Transfers In 2016/17	Transfers Out 2016/17	Balance at 31 March 2017	Committed Expenditure	Available to be Returned	Purpose of Reserve
		£	£	£	£	£	£	
Paul Fitzgerald	Resources Service Costs	368,963	138,143	-317,989	189,117	189,117	0	Required to fund additional resource for resilience
Richard Sealy	SWOne Succession Planning/SAP Replacement	1,252,771	12,969	-446,878	818,862	818,862	0	Committed
Paul Harding /Richard Doyle	TDBC Transparency	0	8,103	0	8,103	0	8,103	No Longer required for the original purpose
Jo Nacey (Pool Dividend)	Economic Development & Growth Initiatives	314,717	0	0	314,717	314,717	0	These funds are likely to be used to help deliver the Council's growth ambitions
Kim Batchelor	Creating a New council	0	2,004,000	-25,353	1,978,647	1,978,647	0	Funding required primarily to implement the approved Transformation Business Case and also to create a new council replacing West Somerset and Taunton Deane councils.
Nick Bryant	Garden Town Grant	0	511,845	0	511,845	511,845	0	Ring-fenced
	Total	16,794,637	9,753,324	(9,204,231)	17,343,730	17,252,081	91,649	

Taunton Deane Borough Council

Executive – 29 November 2017

Fees and Charges 2018/2019

Report of the Financial Services Manager

This matter is the responsibility of Executive Councillor Richard Parrish

1. Executive Summary

1.1 This report sets out the proposed fees and charges for 2018/19.

2. Recommendations

2.1 Executive recommends that Council approves the Fees and Charges proposals to be added to the 2018/19 budget, with the new charges for Environmental Health to come into effect from 1 January 2018.

3. Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
Fees and Charges are not set at an appropriate level	3	4	12
<i>Fees and Charges are reviewed annually to ensure they are compliant with regulation and the Council's policies.</i>	1	4	4

Risk Scoring Matrix

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

Impact

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

4. Background

4.1 Taunton Deane Borough Council charges the public for some services that they use. Some of these charges are set by Central Government whilst others are set by us.

The services that TDBC charge for and are covered by this report are:

- Cemeteries and Crematorium
- Waste Services
- Land Charges
- Housing
- Licensing
- Planning
- Environmental Health
- Promotional Rotunda Units
- Deane Helpline
- Freedom of Information Enquiries
- Court Fees (Council Tax and Business Rates)
- Open spaces

4.2 Appended to this report are the detailed proposed charges for each service as outlined below. The reports include the legislation that allows Taunton Deane Borough Council to charge for the service in question, confirms if the charges can only be what it costs to provide the service or can be another charge, or if the charge is set by Central Government. This will give Councillors reassurance that the charges being proposed are legally set.

5. Proposed Increases for 2018/19

5.1 Those services proposing an increase to charges for 2018/19 include:

Cemeteries and Crematorium;
Waste;
Land Charges;
Housing Services;
Licensing;

Environmental Health;
Promotional “Rotunda” units;
Open Spaces

- 5.2 Due to a rebasing of the associated costs, Court Fees are proposed to be reduced for 2018/19.

6. Proposed New Charges for 2018/19

- 6.1 The Environmental Health Manager proposes to introduce a cost recovery fee for the provision of food hygiene advice to food businesses in Taunton Deane and West Somerset from 1st January 2018. This includes a charge for food safety advisory visits, a printed copy of a guidance booklet and a Food Hygiene Rating Scheme request for a re-inspection visit. See Appendix G2.
- 6.2 The Environmental Health Team do not currently charge for food safety advisory visits and this would allow for specialist advice to be provided to the business owner at a calculated fee of £130 based on a 1 hour visit. The Food Standards Agency (FSA) has reviewed its guidance on charging a fee for requested re-inspection visits to re-assess a business’s Food Hygiene Rating Scheme (FHRS) score, in consideration of the general power under the Localism Act (2011). The Agency considers that providing a re-inspection upon request by a food business operator, in circumstances where there is no statutory requirement to provide that re-inspection, falls within the general power that allows for the recovery of costs. It is proposed that a fee of £122.50 is introduced for a FHRS re-inspection visit and a charge of £30 for a printed guidance pack from 1st January 2018.
- 6.3 Based on figures for 2016/17 this will bring in additional income of £2,450 for Taunton Deane Borough Council. This is likely to increase if the mandatory display of food hygiene stickers is introduced.

7. Detailed Proposals

- 7.1 Appended to this report are the detailed proposed charges for each service as outlined below:

Cemeteries and Crematoria	Appendix A
Waste Services	Appendix B
Land Charges	Appendix C
Housing Services	Appendix D1
Housing Standards	Appendix D2
Licensing	Appendix E
Planning	Appendix F
Environmental Health	Appendix G1
Environmental Health (New Charge)	Appendix G2
Promotional ‘Rotunda’ units	Appendix H
Deane Helpline	Appendix I

Freedom of Information	Appendix J
Court Fees	Appendix K
Open Spaces	Appendix L
Parking	Appendix M

- 7.2 This report includes the legislation that allows Taunton Deane Borough Council to charge for the service in question. The appendices also confirm if the charges can only be what it costs to provide the service or can be another charge.
- 7.3 This gives Councillors reassurance that the charges being proposed are legally set.

8. Finance Comments

- 8.1 Fees and charges income contributes to the overall costs of running the organisation. The level of fees and charges impact directly on the Council's budget and detailed analysis is required to understand the impact of price increases and decreases on service budgets as a whole. It is important that fee levels comply with statutory requirements and where there are no statutory levels in place, that they are reasonable, affordable and proportionate to the service costs.
- 8.2 In order to set appropriate fees, services will need to analyse trends and understand how fee levels influence their customers. An understanding of risks associated with the fee levels is paramount in setting appropriate levels which will generate a value which can be confidently relied upon for budget setting purposes. Any unforeseen loss of income will impact on the Council's resources and may lead to overspends and affect service delivery.
- 8.3 The overall budgetary impact of the various proposals are summarised below. **Only those services that have changed their fees have been included.** All but Court Fees have increased. This shows that the changes to Fees & Charges should contribute an additional £42,350 to the General Fund and £336,000 to the HRA.

Service Area	Appendix	Fund	Additional Income £
Crematoria and Cemeteries	A	GF	45,000
Waste	B	GF	0
Land Charges	C	GF	0
Housing Services	D1	HRA	336,000
Licensing	E	GF	0
Environmental Health	G1	GF	0
Environmental Health (New Charge See Section 6)	G2	GF	2,450
Promotional Rotunda	H	GF	0
Court Fees	K	GF	(8,600)

Open Spaces	L	GF	3,500
TOTAL			378,350

9 NOTES ON PARTICULAR FEES

Crematoria and Cemeteries

- 9.1 The income increase from this is expected to be £120,000. The service is proposing to put forward a business case which will require funding, which could be achieved from this income increase. With this in mind the prudent approach is to only account for the residual contribution of £45k pending the outcome of the business case review by Full Council. (Appendix A)

Housing Services

- 9.2 In accordance with the 30 year Housing Business Plan, it is proposed to increase housing (non-rent) fees and charges by applying Retail Price Index (RPI) inflation as at September 2017 (3.9%), with some exceptions. (Appendix D)

Licensing

- 9.3 Although the fees in some areas have increased any surplus or deficit should be dealt with across a rolling three years such that the balance is zero on those fees which are set locally. Therefore, there is no impact on the MTFP. (Appendix E)

Promotional Rotunda

- 9.4 The charges for this discretionary service have been reviewed to ensure that costs are covered and that we are reflecting a "market rate". With this in mind the small projected increase in income of £8,000 is expected to offset costs within the service. (Appendix H)

Court Fees

- 9.5 The Fees in this area have been reviewed following the High Court Case referred to in Appendix K. We have taken the view that a slightly lower charge would be more appropriate and representative of the costs involved. This will have a negative impact on the MTFP. However, mitigating this is an increase in activity and recovery which is reflected in the Budget Papers providing additional income of £100k.

Open Spaces

- 9.6 The aim of this proposal is to formalise charges for roundabout sponsorship and plant beds which have been inconsistently applied. (Appendix L)

10 Links to Corporate Aims / Priorities

10.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

11 Finance / Resource Implications

11.1 Contained within the body of the report

12. Legal Comments

12.1 The legislation that allows Taunton Deane Borough Council to charge are included within the appendices.

13 Environmental Impact Implications

13.1 None for the purpose of this report.

14 Safeguarding and/or Community Safety Implications

14.1 None for the purpose of this report.

15 Equality and Diversity Implications

15.1 Attached as appropriate.

16 Social Value Implications

16.1 None for the purpose of this report.

17 Partnership Implications

17.1 None for the purpose of this report.

18 Health and Wellbeing Implications

18.1 None for the purpose of this report

19 Asset Management Implications

19.1 None for the purpose of this report.

20 Consultation Implications

20.1 None for the purpose of this report.

21. Scrutiny Comments

21.1 Corporate Scrutiny recommended;

- a) To support the proposed Fees and Charges for 2018/19; and also
- b) A suggested proposal for the Executive to consider was recommended that in relations to charges to Open Spaces, a list would be drawn up of approved Community Organisations who would have an equal status to 'Friends of' Groups in order to ensure that there should be no charges levied on Community Events organised by non-profit making organisations which are non-ticketed events.

Democratic Path:

- **Scrutiny – Yes**
- **Executive – Yes**
- **Full Council – Yes**

Reporting Frequency: Once only Ad-hoc Quarterly
 Twice-yearly Annually

List of Appendices

Appendix A	Cemeteries and Crematorium
Appendix B	Waste Services
Appendix C	Land Charges
Appendix D1	Housing Services
Appendix D2	Housing Standards
Appendix E	Licensing
Appendix F	Planning
Appendix G1 and G2	Environmental Health
Appendix H	Promotional 'Rotunda' units
Appendix I	Deane Helpline
Appendix J	Freedom Of Information
Appendix K	Court Fees
Appendix L	Parking

Contact Officers

Name	Jo Nacey
Direct Dial	01823 219490
Email	J.nacey@tauntondeane.gov.uk

Appendix A

Taunton Deane Borough Council – Fees and Charges 2018/19 Cemeteries and Crematorium

This report sets out the proposed table of fees and other charges, the payment of which may be demanded under Section 9 of the Cremation Act 1902, by the Taunton Deane Borough Council for the cremation of human remains.

During the most recent audit of this service it was identified that future assessments of our fees should take a more formal approach. The service has robustly reviewed its prices not only with local providers but also with services of similar size and numbers of funerals conducted, this helps us to assess and benchmark the maintenance and operating costs necessary to operate a facility of this size.

In doing this, it has become apparent that the Taunton Deane Charges for the Cemetery and Crematorium have fallen behind within the industry, both locally and more widely. The proposed increases place us in the middle of the pack in terms of our cremation and other fees.

Within the report there are new opportunities offered giving greater choice and enhancements to the services provided. Where there is no fee indicated in the current year this would mean it is a new fee or enhanced service.

The increased income from the changes proposed is anticipated to be £120,000 pa. It is important to remember that this is a demand lead service so subject to fluctuations in demand.

This report also identifies a budget pressure for deferred maintenance to the cremator and filtration equipment. This is essential maintenance work that is required to keep the cremators fully functional.

This report also highlights a need to increase the capacity of the waiting room and refurbish the toilets for visitors within the chapel complex. A business case to consider this project will be brought separately, however we are establishing a potential reinvestment funding stream by using some of the fee increases. By approving the fees increase Members are not approving this as a project, it is used to illustrate a new budget pressure in the service that will be managed, if later approved, by the service income.

Description	Income pa
Income from new fees if approved	(£120,000)
Chapel waiting room renovation and size increase. Public Toilets refurbishment.	£35,000
Deferred cremator and abatement filtration maintenance.	£40,000
Enhanced contribution to MTFP	(£45,000)

This report identifies that a further contribution of £45,000 will be made by the service to the MTFP.

<u>Part 1 – Cremation</u>	Current 2017/18	Proposed 2018-19
For the Cremation: -		
(i) of the body of a child whose age at the time of death did not exceed sixteen years;	No Fee	No Fee
(ii) of the body of a person whose age at the time of death exceeded sixteen years (Chapel time 10.00 am onwards)	£715	£762
(iii) Early Chapel time (9.00 or 9.30am)	£665	£710
(iv) Cremation delivery fee	£610	£650
(v) Additional fee for chapel service from 4.30 pm		£50
(vi) Use of Chapel for additional service time	£180	£186
(vii) Saturday fee additional to cremation fee	£310	£320
(viii) Chapel Attendant pall-bearing fee	£25	£26

NOTE:- The cremation fee includes:-
 Use of Chapel, waiting room, etc
 Services of chapel attendant
 Medical referee's fee
 Interment of cremated remains in Garden of Rest (unwitnessed)
 Certificate for burial of cremated remains
 Provision of transport container.
 Wesley Music System

<u>Part 2 – Urns</u>		
Supply of Scattering Tube or Casket from	£15/35	£16/36

Part 3 – Cremated Remains

(i) Temporary deposit of cremated remains:-		
First month	£27	£28
Each subsequent month	£32	£33
(ii) Collection of cremated remains on a Saturday (when available)	£72	£74

Part 4 – Memorials**Current****Proposed****(i) Inscription in the Book of Memory:-**

Two line inscription	£65	£67
Five line inscription	£83	£88
Eight line inscription	£120	£124

Flower	) available with a	£60	£62
	) five or eight line		
Badge, Coat of Arms etc.	) inscription only	£82	£84

Inscription into the Children's Book of Memory

Two line inscription		£15
Five line inscription		£30
Eight line inscription		£50
Picture		£20

(ii) Memorial Cards-

Two line inscription	£34	£35
Five line inscription	£42	£43
Eight line inscription	£45	£46

Flower	) available with a	£60	£62
	) five or eight line		
Badge, Coat of Arms etc.	) inscription only	£82	£84

(iii) Miniature Books:-

Two line inscription	£64	£66
Five line inscription	£80	£82
Eight line inscription	£84	£87

Flower	) available with a	£60	£62
	) five or eight line		
Badge, Coat of Arms etc.	) inscription only	£82	£84

Subsequent inscriptions per line	£25	£26
----------------------------------	-----	-----

(iv) Leather Recordia Panels

Single Panel 15 years		£230
Extension of lease per 5 years		£40
Double Panel		£400
Extension of lease for double panel per 5 years		£70

Inc. VAT at 20%

	Current	Proposed
(iv) Cornish Granite tablet for a ten year period		
Standard memorial tablet	£425	£438
Memorial tablet with vase	£500	£515
Provision of flower container in existing Tablet	£72	£74
Cost of renewal for 10 year period	£230	£237
Cost of renewal for 5 year period	£120	£124
Cost of renewal for 3 year period	£75	£77
Cost of renewal for 1 year period	£27	£28
Each additional letter/number	£3.50	£4
(v) Memorial Plaque for a five year period	£304.80	£314
Cost of renewal for 5 year period	£152.40	£165
Cost of renewal for 3 year period	£99.60	£108
Cost of renewal for 1 year period	£37.20	£39
(v) Children's Garden all for 18 year period		
Baby cast metal wall memorial plaques	£93.60	£103
To the moon and back, rainbow and butterfly plaque		£210
Pedestal granite plaque		£140
Ellie Elephant columbarium		£260
Boulder Plaques		£270
Mushroom granite plaques		£175
Cost of renewal 50% of current fee		
(vii) garden of Remembrance Posy plaque scheme 15 years		
Plaque with text only		£280
Plaque with text and motif		£310
Plaque with photo		£360
Extension of lease per 5 years		£40
(viii) Granite Plaque with individual garden 15 years		
Plaque with text only		£500
Plaque with text and motif		£530
Plaque with photo		£565
Extension of lease per 5 years		£75
(ix) Granite bench plaque 20 years		
Plaque with text only		£425
Plaque with text and motif		£455
Plaque with photo		£490
Extension of lease per 5 years		£75

	Current	Proposed
(x) Vase holder plaques 15 years		
Plaque with text only		£380
Plaque with text and motif		£410
Plaque with photo		£460
Extension of lease per 5 years		£75
(xi) Woodland memorial boardwalk 10 years		
Engraved inscription on memorial tread of boardwalk		£200
(xii) Crematorium memorial walkway		
Sanctum above ground vaults 75 years		£1150
Double heart interment plot 75 years		£1040
Open Book interment plot 75 years		£830
Sanctum columbarium 75 years		£910
Barbican remembrance plaque 15 years		£380
Leaf above ground vault 75 years		£910

Part 5 – Other Fees and Charges

	Current	Proposed
(i) Certified extract from Register of Cremations	£23	£24
(ii) Wesley Music System		
Provision of Audio recording	£45.00	£46.00
Provision of DVD	£60.00	£62.00
Webcast of Service	£65.00	£67.00
Provision of Webcast and DVD	£86.00	£89.00
Visual Tributes		
Visual Tribute including up-to 25 photos		£48
Visual Tribute including up-to 50 photos		£80
Additional fee to include video		£30
Additional copies of Memory stick	£17.50	£18.50
Additional copies of CD's	£14.50	£15.50

Table of fees and other charges fixed by the Taunton Deane Borough Council for and in connection with burials in the Taunton Deane, St Mary's, St James and Wellington Cemeteries.

Part 6 – Interments

The fees indicated for the various heads of this part include the digging of the grave but do not include the walling of a vault or walled grave.

2. For an interment in an earthen grave.

	Current	Proposed
(i) of a body of child up to the age of 16		No Fee
(ii) for the body of a person whose age exceeds sixteen years		
at SINGLE depth	£570	£630
at DOUBLE depth	£680	£750
at TREBLE depth	£750	£850
3. Additional Charge Saturday burial (when available)	£310	£320
4. For an interment of cremated remains:		
(i) to witness interment in Garden of Rest when cremation has taken place in at Taunton	£33	£43
(ii) in any grave in respect of which an exclusive right of burial has been granted	£140	£154
(iii) Additional fee for Saturday interment In a grave	£62	£64
(iv) to witness interment in Garden of Rest at weekends	£62	£64
(v) in the Garden of Remembrance (where cremation has not taken place at Taunton Deane Crematorium	£72	£74
Additional Fee for burial within 48 hours	£330	£340

Part 7 – Exclusive Rights of Burial in Earthen Graves

1. Taunton Deane Cemetery;

For the exclusive of burial in an earthen grave.

(i) Full Grave 75 years 99 years	£890	£980 £1100
(ii) Cremated remains grave 75 years 99 years	£650	£715 £815

NOTE – All graves will have the memorial fee included at time of grave purchase but does not include kerb memorials or over 36” high memorials

2. St James Cemeteries;

(i) Full grave 75 years 99 years	£900	£990 £1100
-------------------------------------	------	---------------

	Current	Proposed
3. Wellington Cemetery; For the exclusive right of burial in an earthen grave		
(i) Cremated Remains Grave 75 years 99 years	£650	£715 £815
(ii) Full Burial Grave 75 years 99 years	£900	£990 £1100
4. St Marys Cemetery; For the exclusive right of burial in an earthen grave		
(i) Full Burial Grave 75 years 99 years		£990 £1100
5. Additional fee for pre purchasing graves		£110

Part 8 – Memorials and Inscriptions

For the right to erect or place on a grave or vault in respect of which an exclusive right of burial has been granted

1. In any “Traditional Section”		
(i) a flat stone, kerbstone or any other form of memorial	£200	£206
(ii) a headstone upto 36” or cross with base, bases or tablet	£190	£196
(iii) an inscribed stone vase	£70	£72
2. In any “Lawn Section”		
(i) a headstone additional fee for a headstone over 36” but under 54”	£190	£196 £196
(ii) an inscribed stone vase	£70	£72
3. Cremated remains tablet	£180	£185
4. Each removal of memorial for additional Inscriptions	£70	£72

Part 9 – Other fees and Charges

1. Certified extract from the Register of Burials	£23.00	£26.00
2. Burial service in Crematorium Chapel	£180	£185
3. Register search	£25	£26
4. Transfer of Exclusive Rights of Burial		£30

END - Garry Bowles, Bereavement Services Manager

Appendix B

Taunton Deane Borough Council / West Somerset Council - Fees and Charges 2018/19 Waste Services – Somerset Waste Partnership

This paper relates to the optional elements of the waste service provided by TDBC and WSC through the Somerset Waste Partnership.

Traditionally all partners try and set their fees in a universal fashion, the Senior Management Group of Somerset Waste Partnership and the Partnership Board have considered the cost increases proposed and believe that this still represents a good value for money service for those that chose to use it. Customers continue to have a choice over who supplies these waste removal services as there is no requirement on them to purchase this from SWP.

The increases proposed are based on the inflationary rate set within the collection contract with Kier, for 2018/19 this is expected to be 3.5%.

Extra consideration was given to those customers who cannot store a green bin, they are already paying more by volume for the waste due to the price and capacity of the bags. Customers that use bags are also disadvantaged due to the taxation rules.

Legal Authority

- These are discretionary services leaving customers with choice.
- The charge for this service is set locally by each of the partners.
- There is no requirement for this to be a 'cost recovery only' and a 'reasonable charge can be made' however the proposal continues to have an element of subsidy in the admin and bin costs.

Charges

- Green waste bins and bulky items are classified as non-business for VAT purposes and as such no vat is payable on these services. The green waste sacks are standard rated (currently 20%) which is included in the price shown below.
- The table below is consistent with the other Somerset districts proposed pricing.

	Current £ (2017/18)	Proposed £
Green Waste Bins	53.50	55.40
Green Waste Sacks x10	26.50	27.40
3 x bulky items	41.50	43.00
Subsequent items	11.50	11.90
Bin replacements	25.00	25.90

Discounts

There are no discounts provided through this service but there remains a subsidy to the public for the elements of administration and provision of bins (for green waste only).

Budget Impacts

Any price increase has the potential to have an effect on the number of users of the service, however this is an area that has been expanding in its user numbers over the years. Increased customer numbers coupled with a cost neutral pricing strategy have meant that the subsidy provided by the council is relatively small.

It is not considered good practice to charge of the green waste bin as this may detract from the use of the service with customers placing this waste in the residual bin increasing the overall costs of the collection contract.

The price increases will allow for the service to continue on cost neutral basis in terms of the contract price paid to Kier, there remains a service subsidy in the bin costs, administration and postage associated with the respective services.

The proposed increase will not alter the net position on green waste services as the increased charges are matched by the increasing costs of provision.

Equality Impact Assessment

Please see attached Equality Impact Assessment form.

Recommendation

Corporate Scrutiny is invited to make comments upon the proposed fees and charges for inclusion in the report to Executive.

END

Chris Hall

Assistant Director – Operational Delivery

Appendix C

Taunton Deane Borough Council Fees and Charges 2018/19

Local Land Charges

Background

Local Land Charges is a fee earning, self-financing service that operates on a rolling three-year cost recovery basis.

Under the Local Land Charges Act 1975 ('the Act'), each registering authority is responsible for keeping a register of local land charges for its area and an index in which the entries can be readily traced. In addition, also hold other information on a number of matters of importance to purchasers of property: eg road schemes; the property's planning history; Tree Preservation Orders; Compulsory Purchase Orders; and various notices which affect the property.

Legal Authority

The Local Authorities (England) (Charges for Property Searches) Regulations 2008 make provision authorising local authorities in England and Wales to set their own charges in a scheme, based on full cost recovery, for carrying out their main Local Land Search functions. The principles of the charges regulations require authorities to ensure that the price charged is an accurate reflection of the costs of carrying out the Local Land Charge function and not for creating surplus.

Regulations 4, 5 and 7 allow a local authority to make a charge for granting access to property records or answering enquiries about a property; or if it makes or proposes an internal recharge. Exceptions apply where it may or must impose a charge apart from these regulations or in respect of access to free statutory information (eg public registers; Environmental Information Regulations).

Regulation 6 explains how the charges must be calculated. These must be no more than the cost to the local authority of granting access to the records and must be calculated by dividing a reasonable estimate of the total costs by a reasonable estimate of the number of request for access likely to be received. A local authority must take all reasonable steps to ensure that over the period of any three consecutive financial years the total income...does not exceed the total costs for granting access to property records. Where...a local authority makes an overestimate or underestimate of the unit charge for the financial year, it must take this into account in determining the unit charge for the following financial year.

Regulation 9 relates to transparency in setting of charges and stipulates that during each financial year, a local authority must publish a statement setting out the estimates the local authority has made (estimates of total costs and estimates of numbers of requests) in respect of the unit charge for the following financial year; the basis for these estimates and the amount of the unit charge.

These are set out below under charges.

Charges

Land charge fees were changed in July 2016 due to changes in national regulations and changes in the fee charged by the County Council and Building Control. Full explanation is set out in the Weekly Bulletin

<http://oneteam/sites/services/cbo/Weekly%20Bulletin/JUNE092016.pdf>

Since then, a full costs exercise has been undertaken to underpin the fee setting process and to comply with legislation. It is proposed to keep the full search fee at £93.

Estimated total costs of service - £231,832

Estimated number of requests – 2356

- Based on average number of searches received across three years
- 2014/15 – 2189
- 2015/16 – 2378
- 2016/17 - 2502

Therefore estimate is $2189+2378+2502= 7069$ divided by 3 = 2356

The unit charge is comprised of the cost of administering the service, plus the cost of paying Somerset County Council for their elements, plus additional costs such as software.

Estimated total income is £218,944, giving a small under recovery of £12,888. Due to over recovery against costs in previous years, it is both safe and appropriate to not aim for full cost recovery in the coming financial year. Estimated cost recovery is 94%, thereby leaving a small percentage of costs associated with those elements of the service that do not attract a fee but which will cost some time to the service eg booking personal search appointments.

Local Land Charge Searches and Enquiries

Full search	£93
Statutory search fee on form LLC1	£12
Each additional parcel of land	£10
Optional enquiries	
Each printed enquiry	£7
Solicitor's own enquiry	£10
Highway authority charge (SCC)	£8.81 *

*charged as inclusive within full search fee

Personal search fee No charge
Environmental Information Regulations No charge

Discounts

No discounts are available for this service.

Budget impacts

Estimated total costs of service - £231,832

Estimated number of requests – 2271

- Based on average number of searches received across three years
- 2014/15 – 2189
- 2015/16 – 2378
- 2016/17 - 2502

Therefore estimate is $2189+2378+2502= 7069$ divided by 3 = 2356

The full basis of the estimate of costs is held with the Land Charges Manager and is available on request.

Estimated total income is £218,944, giving a small under recovery of £12,888.

Appendix D1

Taunton Deane Borough Council

Fees and Charges 2018/19

Housing Service Charges

Background

The service charges are charges made to housing tenants for services that they use. These charges are set locally each year and are in addition to rent charges which are set by government policy.

Legal Authority

It is proposed to increase housing (non-rent) fees and charges by applying Retail Price Index (RPI) inflation as at September 2017. This is in accordance with the 30 year Housing Business Plan. The September 2017 RPI figure is 3.9% as published by the Office for National Statistics on the 17th October 2017.

The following are exceptions to the rule that service charges are uplifted by September 2017 RPI:

- ❖ Grounds maintenance charge. Following consultation, it is recommended that there is an increase in the service charge for the grounds maintenance service from the current 81 p per week to £1.84 per week from April 2018. This increase has been approved by the Tenants Forum on the 12th of September 2017. The Tenant Services Management Board on the 25th of September and the Supported Housing Development Group on the 3rd of October 2017. The increase will ensure that the service is properly funded and enable the Council to provide a new improved specification which reflects the wishes of tenants.
- ❖ Charges for properties not on mains sewer will be increased in line with Wessex Water increases for 2018-19 once known. Wessex Water rates for sewer standing charge per annum and poundage charges are used in the system calculation. In 2017-18 these are £7 unmetered sewerage standing charge and £1.5679 poundage charge, Wessex Water will publish new charges in February 2018 (available on their website).
- ❖ Last year it was proposed that licence fee charges for Temporary Accommodation properties were brought in line with the Local Housing Allowance ordinary rate. As per the previous year we propose to set the licence fee in line with the permitted Local Housing Allowance ordinary rate (90% of the 2011 Local Housing Allowance is payable as towards the daily licence fee in temporary accommodation units).
- ❖ For clarity, separate to the licence fee, the temporary Accommodation Units do attract service charges, higher rates are charged for those properties without key meters and the lower rates are charged for those with key meters. The service charges will be increased by RPI. Although the licence fee remains at permitted local housing allowance level.

- ❖ Weekly garage rent is higher for private tenants. Last year Tenants Services Management Board wished garage rental for private tenants to increase to £10, this was not achievable in one increase therefore this year private garage rent will increase from £9.34 to £10 inc VAT per week (approximately 7% increase, double RPI). Council tenants rent will increase by RPI only.
- ❖ Feedback during last year's report was that tenants preferred charges to be rounded to whole numbers. Charges for guest rooms and meeting halls have therefore had RPI applied and been rounded. Guest rooms rounded to nearest 50p and meeting halls to nearest 10p.
- Council housing rents will be set early in the New Year in line with government guidance.
- Local Authorities have certain limited freedoms to charge for discretionary services under the Local Government Act 2003.
- Contractually and through section 10 of the Housing Act 1985 (as amended by Local Govt & Housing Act 1989) Taunton Deane Borough Council are permitted to make the charges detailed below.

Charges

- Displayed below is the table of fees and charges, comparing 2017 /18 to 2018/19 indicative prices (RPI of 3.9% has been applied).

Housing Service Charges	Actual 2017/8	% increase	Estimated 2018/19
Service Charges (VAT not applicable) – Per Week			
Communal areas	£0.61	RPI	£0.63
Grounds maintenance	£0.81	Reviewed	£1.84
Heating charge (Broomfield House only)	£4.87	RPI	£5.06
Laundry charge (Broomfield House only)	£1.48	RPI	£1.54
Combined Service Charges (VAT not applicable) – Per Week			
Sheltered Housing	£11.15	RPI	£11.58
Extra Care Housing Service Charge	£20.90	RPI	£21.72
Garage Rents - Per Week			
Council tenants (VAT not applicable)	£5.94	RPI	£6.17
Private tenants and Owner Occupiers (exc. VAT)	£7.78	Approx. 7%	£8.33
Private tenants and Owner Occupiers (inc. VAT)	£9.34	Approx. 7%	£10.00
Hire Charges for Sheltered Scheme Meeting Halls (ex VAT)			
First hour	£10.00	RPI	£10.40
Each half hour thereafter	£5.00	RPI	£5.20
6 hours plus	£60.00	RPI	£62.30
Total charge for residents in a scheme and community organisations	£13.80	RPI	£14.30
Hire Charges for Sheltered Scheme Guest Rooms (ex VAT) Taunfried, Middleway, Hope Corner Lane, Kilkenny and Lodge			
No. of nights per person -1 st night per person per night	£20.00	RPI	£21.00
No. of nights per person -2	£30.00	RPI	£31.00
No. of nights per person -3	£40.00	RPI	£41.50
No. of nights per person -4	£50.00	RPI	£52.00
No. of nights per person -5	£60.00	RPI	£62.00
No. of nights per person -6	£70.00	RPI	£73.00
No. of nights per person -7	£80.00	RPI	£83.00

	Gross Daily Licence Fee & Service Charge 2017/18	Licence Fee Per Day 2018/19	Daily Service Charge 2018/19	Gross Charge Per Day 2018/19
Temporary Accommodation (rent per day, VAT not applicable)				
40 Humphreys Road (2 bedroom)	£17.24	£16.31	£0.97	£17.28
1 Gay Street (2 bedroom)	£17.24	£16.31	£0.97	£17.28
Outer Circle				
96 Outer Circle	£17.24	£16.31	£0.97	£17.28
113 and 113a (studios)	£13.75	£13.05	£0.73	£13.78
115 (3 bedroom)	£23.76	£19.28	£4.65	£23.93
115a (3 bedroom - metered)	£20.45	£19.28	£1.22	£20.50
119 (studio)	£16.71	£13.05	£3.80	£16.85
119a (studio - metered)	£13.75	£13.05	£0.73	£13.78
Snedden Grove				
Unit 1 (2 bedroom)	£17.24	£16.31	£0.97	£17.28
Unit 2 (2 bedroom)	£17.24	£16.31	£0.97	£17.28
Unit 3 (2 bedroom)	£17.24	£16.31	£0.97	£17.28
Unit 4 (3 bedroom)	£20.45	£19.28	£1.22	£20.50
Unit 5 (3 bedroom)	£20.45	£19.28	£1.22	£20.50
Unit 6 (2 bedroom)	£17.24	£16.31	£0.97	£17.28
Unit 7 (3 bedroom)	£20.45	£19.28	£1.22	£20.50
Unit 8 (2 bedroom)	£17.24	£16.31	£0.97	£17.28
Wheatley Crescent (4 studios)				
30 (1 bedroom)	£13.75	£13.05	£0.73	£13.78
32 (1 bedroom)	£13.75	£13.05	£0.73	£13.78
34 (1 bedroom)	£13.75	£13.05	£0.73	£13.78
36 (1 bedroom)	£13.75	£13.05	£0.73	£13.78
Howard Road (Magna)				
43a (1 bedroom)	£13.05	£13.05	£0.00	£13.05
43b (1 bedroom)	£13.05	£13.05	£0.00	£13.05
43c (1 bedroom)	£13.05	£13.05	£0.00	£13.05
43d (1 bedroom)	£13.05	£13.05	£0.00	£13.05

Discounts

Discounts do not apply to service charges.

Budget Impacts

In accordance with the 30 year Housing Business Plan, it is proposed to increase housing (non rent) fees and charges by applying Retail Price Index (RPI) inflation as at September 2017 (3.9%) with the following exceptions:

- Grounds Maintenance Charge
- Water rates and non mains sewerage rates
- Temporary accommodation licence fee
- Private garage rental

The increase in charges will increase income by an estimated £336k TBC. This can be broken down by an increase in service charge income of £35k and an increase in ground maintenance charge of £301k.

Equality Impact Assessment

An Equality Impact Assessment form has been completed and Housing Services will continue to provide a number of initiatives to enable service users to manage their finances and maximise their income.

Recommendation

Tenant Services Management Board commented on the proposed fees during their meeting 16th October 2017.

Appendix D2

Taunton Deane Borough Council Fees and Charges 2018/19

Housing Standards

Background

The Somerset West Private Sector Housing Partnership (partnership) is a partnership between Sedgemoor District Council, Taunton Deane Borough Council and West Somerset Council to deliver private sector housing services. The local authorities work closely together to ensure consistency across the three Districts and to deliver financial and other benefits to those who live and/or work in the Somerset West area.

Housing Standards operates within SWPSHP providing a range of information and advice to landlords in renting out properties. The service promotes good practice to improve standards of management in the private rented sector. In addition, the Council is responsible for issuing Licences for Houses in Multiple Occupation (HMO's). This is a mandatory requirement together with enforcement action under Part 1 and mandatory licensing under Part 2 of the Housing Act 2004 (the Act). The Council charge for Immigration inspections. These type of inspections are carried out on a request by the client who is looking to bring a member of their family into the country who is not an EU citizen. The Home Office require confirmation that the property is free from category One hazards under the Housing Act 2004 and not statutorily overcrowded.

The licensing fees are calculated from a combination of three elements:

Application Processing	Time taken to process an application from initial enquiry to issue of the decision. This is for new or existing licenses.
Inspection	Time and travel expenses for an Officer to arrange and inspect the property as part of the application to secure compliancy.
Administration	Time allocated to maintenance of the regime.

Each element is split down into a series of activities against which a time allocation is given and the appropriate proportion of an hourly rate (constructed from salary costs and non-salary on costs for all officers involved in the process) is then applied and totalled to give an overall cost.

Serving of Formal Notices (Part 1 of the Housing Act 2004) and Immigration Inspections

The time is calculated in a similar way to licensing of HMO's, splitting each element down into a series of activities and apportioning the hourly rate.

Figures calculated for the 2017/18 fee setting are part of an ongoing process towards achieving full cost recovery. The figures have been further refined over the previous year and these figures offer a reasonable position in respect of the costs incurred in processing various statutory and non-statutory activities.

Legal Authority

Enforcement under Part 1 of the Housing Act 2004 (the 'Act') allows local authorities to recover expenses incurred in the service of Notice(s)

Section 63 of the 'Act' allows the Council or in this case the partnership to set a fee that takes into account all costs incurred in carrying out the licensing functions. The fees are therefore determined and reviewed locally.

The fees and charges cover the three districts within the partnership.

Charges

Set out in Appendix D1

Discounts

The fee construction has been calculated with the intention of full recovery of costs allocated directly to the service. The Partnership offers a 10% discount to HMO managers / owners in relation to HMO fees on proof of membership to a National Landlords Association or other professional landlords' organisation. This is to encourage good landlord practice.

Budget Impacts

All fees have been constructed on the basis of time taken to process an application (calculated using an average cost for a typical case).

The number of licensable HMO's has increased which will also realise an increase in fee income. There is also an increase in activity with regard to the serving of formal notices which also generates income.

Equality Impact Assessment

There are no proposed changes to the charging policy, therefore No Equality Impact Assessment is required.

Recommendation

The guidance is specific on Fees for applications under Part 1 and Part 2 of the Housing Act 2004 for charging and recovery of costs making it clear that the authority can only recover costs for administration.

Through the results of the costs analysis detailed above the suggested fee levels are set to achieve, as far as possible, full recovery for the projected costs to the Council of unfettered administration and supervision of the various charges.

It would be unlawful for the Council to deliberately set fees to make a profit and any over (or under) recovery will need to be redressed in future fee levels.

The fees include inflationary rises.

Appendix D1

Fees and Charges 2018/19

Description	VAT Status	Unit Measure	Net Charge £	VAT Amount £	Total Charge £
Immigration Inspections					
Charge for Property Inspection - immigration plus officer time at an hourly rate	Non-business	per inspection	132.00	0.00	132.00
				Plus Officer time	
HMO Licences					
HMO basic licence (occupied by 5 persons)	Non-business	per licence	386.00	0.00	386.00
Renewal of licence	Non business	per licence	305.00	0.00	305.00
where properties exceed 5 persons & 2 households fee will increase by	Non-business	per additional household	30.50	0.00	30.50
10% discount is offered to members of an organisation such as National Landlords Assoc.					
Housing Act 2004 - Formal Notices					
Improvement notice	Non-business	per notice	135.40	0.00	135.40
Prohibition notice	Non-business	per notice	135.40	0.00	135.40

Appendix E
Taunton Deane Borough Council
Fees and Charges 2018/19

Licensing

Background

The Licensing Service offers advice, processes applications, monitors compliance and undertakes enforcement action across a number of different regimes;

- Animal Welfare (animal boarding, dog breeding, dangerous wild animals, pet shops and riding establishments)
- Caravan Sites
- Charitable Collections (street & house to house Collections)
- Gambling Act 2005
- Licensing Act 2003
- Highways Act 1980 (s115E permissions)
- Scrap Metal Dealers Act 2013
- Sex Establishments (shops, cinemas and sexual entertainment venues)
- Skin Piercing
- Street Parties
- Street Trading
- Taxis (vehicles, drivers & operators)

Where legislation allows for cost recovery, fees are levied against the administration of the regime and the supervision of licences issued.

These fees are calculated from a combination of four elements.

Application Processing	Time taken to process application from initial enquiry to issue of the decision
Consumables	The cost of specialist materials specific to the licence type
Administration	Time allocated to maintenance of the regime
Monitoring Compliance	Time allocated to supervision of the regime

Each element is split down into a series of activities against which a time allocation is given and the appropriate proportion of an hourly rate (constructed from salary costs and non salary on costs for all officers involved in the process) is then applied and totalled to give an overall cost.

In accordance with case law and the Provision of Services Regulations no fee is levied in respect of enforcement action against unauthorised activities.

Figures calculated for the 2018/19 fee setting are part of an ongoing process towards achieving full cost recovery. The figures have been further refined over the previous year and these figures offer a reasonable position in respect of the costs incurred in the uninterrupted processing of applications.

Legal Authority

Powers to levy fees and limitations on the extent of activities that can be charged for are provided through the following statutes and case law.

Animal Licensing

Animal Boarding Establishments Act 1963

s.1 (2) "and on payment of such fee as may be determined by the local authority"

Breeding of Dogs Act 1973

s3A

(2)A local authority may charge fees—

(a)in respect of applications for the grant of licences under this Act; and
(b)in respect of inspections of premises under section 1(2A) of this Act.

(3)A local authority may set the level of fees to be charged by virtue of subsection (2) of this section—

(a)with a view to recovering the reasonable costs incurred by them in connection with the administration and enforcement of this Act and the Breeding of Dogs Act 1991; and

(b)so that different fees are payable in different circumstances.

Pet Animals Act 1951

s1(2) "and on payment of such fee as may be determined by the local authority"

Riding Establishment Act 1964

s1(2) "and on payment of such fee as may be determined by the local authority"

Dangerous Wild Animals Act 1976

s1(2)(e) is accompanied by such fee as the authority may stipulate (being a fee which is in the authority's opinion sufficient to meet the direct and indirect costs which it may incur as a result of the application

Zoo Licensing Act 1981

"s15

(1)Subject to this section, the local authority may charge such reasonable fees as they may determine in respect of —

(a)applications for the grant, renewal or transfer of licences;

(b)the grant, renewal, alteration or transfer of licences;

(2)Any fee charged under paragraph (a) of subsection (1) in respect of an application shall be treated as paid on account of the fee charged under paragraph (b) on the grant, renewal or transfer applied for.

(2A) Subject to this section, the authority may charge to the operator of the zoo such sums as they may determine in respect of reasonable expenses incurred by them—

(a) in connection with inspections in accordance with section 9A and under sections 10 to 12;

(b) in connection with the exercise of their powers to make directions under this Act;

(c) in the exercise of their function under section 16E(4) of supervising the implementation of plans prepared under section 16E(2); and

(d) in connection with the exercise of their function under section 16E(7) or (8).

(2B) The authority's charge under subsection (2A)(d) shall take into account any sums that have been, or will fall to be, deducted by them from a payment under section 16F(7) in respect of their costs.

(3) In respect of any fee or other sum charged under this section, the local authority may, if so requested by the operator, accept payment by instalments.

(4) Any fee or other charge payable under this section by any person shall be recoverable by the local authority as a debt due from him to them.

(5) The local authority shall secure that the amount of all the fees and other sums charged by them under this section in a year is sufficient to cover the reasonable expenditure incurred by the authority in the year by virtue of this Act.

Caravan Sites

Power to levy a fee - coming into force April 2014

Caravan Sites & Control of Development Act 1960 as amended by the Mobile Homes Act 2013 s1

s.3(2A) A local authority in England may require a relevant protected site application in respect of land in their area to be accompanied by a fee fixed by the authority

s3 (5A) (1) A local authority in England who have issued a site licence in respect of a relevant protected site in their area may require the licence holder to pay an annual fee fixed by the local authority

Charitable Collections

There is no power to levy a fee for a charitable collection

Gambling Act 2005

Gambling Act 2005

Various Regulations

Maximum fees are set centrally by the Government. Local discretion can be exercised over fees or levels of cost recovery up to the maximum permitted fee.

Licensing Act 2003

Licensing Act 2003 s55, 92, 100(7)(b), 110(3), 133(2) and 178(1)(b)

SI 2005 No79 The Licensing Act 2003 (Fees Regulations) 2005

Fees are set centrally by the Government and currently there is no local discretion over fees or levels of cost recovery.

Scrap Metal Dealers

Scrap Metal Dealers Act 2013 Schedule 1 s6

(1) An application must be accompanied by a fee set by the authority.

(2) In setting a fee under this paragraph, the authority must have regard to any guidance issued from time to time by the Secretary of State with the approval of the Treasury.

s115E Licensing Fee Construction Overview

Highways Act 1980

s115F

3(c) "in any other case, such charges as will reimburse the council their reasonable expenses in connection with granting the permission."

Sex Establishments

Adoption of Schedule 3 under Part II of the Local Government (Miscellaneous Provisions) Act (LG(MPA)) 1982

Schedule 3

s19 An applicant for the grant, renewal or transfer of a licence under this Schedule shall pay a reasonable fee determined by the appropriate authority.

Skin Piercing

Adoption of Part VIII of the LG(MPA) 1982

Acupuncture – LG(MPA) 1982 s14(6)

"A local authority may charge such reasonable fees as they may determine for registration under this section."

Tattooing, ear-piercing and electrolysis – LG(MPA) 1982 s15(6)

"A local authority may charge such reasonable fees as they may determine for registration under this section."

Street Parties

No Power to levy a fee

There is no power to levy a fee for a road closure made under s21 of the Town Police Causes Act 1847

Street Trading Consents

Adoption of Schedule 4 the LG(MPA)1982

S.9(1) A district council may charge such fees as they consider reasonable for the grant or renewal of a street trading licence or a street trading consent.

s.9(2) A council may determine different fees for different types of licence or consent and, in particular, but without prejudice to the generality of this sub paragraph, may determine fees differing according -

(a) to the duration of the licence or consent:

(b) to the street in which it authorises trading; and

(c) to the descriptions of articles in which the holder is authorised to trade.

Taxis

Drivers Licence Fees – LG(MPA) 1976 s53(2)

“Notwithstanding the provisions of the Act of 1847, a district council may demand and recover for the grant to any person of a licence to drive a hackney carriage, or a private hire vehicle, as the case may be, such a fee as they consider reasonable with a view to recovering the costs of issue and administration and may remit the whole or part of the fee in respect of a private hire vehicle in any case in which they think it appropriate to do so.”

Vehicles & operators' licences – LG(MPA)1976 s70(1)

Subject to the provisions of subsection (2) of this section, a district council may charge such fees for the grant of vehicle and operators' licences as may be resolved by them from time to time and as may be sufficient in the aggregate to cover in whole or in part—

(a) the reasonable cost of the carrying out by or on behalf of the district council of inspections of hackney carriages and private hire vehicles for the purpose of determining whether any such licence should be granted or renewed;

(b) the reasonable cost of providing hackney carriage stands; and

(c) any reasonable administrative or other costs in connection with the foregoing and with the control and supervision of hackney carriages and private hire vehicles.

All fees

R v Manchester City Council, ex p King (1991) –

The cost of the licence has to be related to the cost of the licensing scheme itself.

All Fees with the exception of Taxis

Provision of Services Regulations 2009 s18(4) - Any charges provided for by a competent authority which applicants may incur under an authorisation scheme must be reasonable and proportionate to the cost of the procedures and formalities under the scheme and must not exceed the cost of those procedures and formalities

R (Hemming and others) v Westminster Council

103. It is clear and undisputed that costs incurred in investigating the suitability of an applicant for a licence can be reflected in the fee. In the case of an application to renew a licence, I consider that the costs of monitoring the applicant's continued suitability can include the costs of monitoring compliance with the terms of their licences in the past. Once the Council knows what those costs are in broad terms, as it does by reference to what has happened in the past, it is, in my judgment, entitled to include them in the calculation for the next year's licence. There may be a formulaic element to this calculation. But the example of European Commission v Spain is a strong indication that using a formula that proceeds on the basis of the cost of the actual authorisation process is justified.

Charges

Set out in Appendix E1

Discounts

The fee construction has been calculated on the basis of full recovery of costs allocated directly to the service and it is not proposed to offer any discounts in respect of any of the fees levied. An exception exists with those fee levied under the Gambling Act where the Council charges eighty five percent (85%) of the maximum fee permitted, as the original fee levels set by government included an element for enforcement against unlicensed operators and the Provision of Services Regulations 2009 removed the ability to charge for such activities.

Budget Impacts

As set out above there is no legal authority to levy a charge in respect of charitable collections and the costs of this regime (approx £5K) will need to be borne by the Council.

All fees have been constructed on an anticipated number of applications (calculated using an average of the last three years figures). Should application numbers fall below the anticipated figure then full cost recovery may not be achieved.

Surplus and deficit should be dealt with across a rolling three years such that the balance is zero on those fees which are set locally. This should be reflected in the fee. It is only in recent years as a result of case law that the Council has quantified its approach in this way.

Taxi fees and charges are separately accounted for. Surplus and deficit in this area should also be dealt with across a rolling three years such that the balance is zero or is redressed in fee levels in the following financial years to achieve full recovery of costs.

Equality Impact Assessment

There are no proposed changes to the charging policy, therefore No Equality Impact Assessment is required.

Recommendation

Fees for applications under the Licensing Act 2003 and Gambling Act 2005 are set by statute so increases under local arrangements are not currently possible. For those fees where local discretion exists they cannot exceed the parameters set out within the appropriate statutes.

Guided by case law and through the results of the costs analysis detailed above the suggested fee levels are set to achieve, as far as possible, full recovery for the projected costs to the Council of unfettered administration and supervision of the various licensing regimes.

It would be unlawful for the Council to deliberately set fees to make a profit and any over (or under) recovery will need to be redressed in future fee levels.

In order to ensure fees levied are reasonable and lawful, consideration can only be given to setting fees at the level suggested or at a level lower than those set out within the report thereby subsidising those businesses regulated by the Council's Licensing Service.

Fee proposal 2014 - 2015

APPENDIX A

Application Type	Application Type 2017 - 18	APPENDIX A		
		Fees set by statute	Current fees 2017-18	Proposed Fees 2018-19
Animal Licensing (Vets fees are not included and must be borne by the applicant)				
Animal Boarding			£332.00	£347.00
Animal Boarding - Further Licence			£316.00	£329.00
Dangerous Wild Animals			£332.00	£347.00
Dangerous Wild Animals - Further Licence			£316.00	£329.00
Dog Breeding			£332.00	£347.00
Dog Breeding - Further Licence			£316.00	£329.00
Home Boarding Licence			£332.00	£347.00
Home Boarding - Further Licence			£316.00	£329.00
Pet Shop Licence			£347.00	£363.00
Pet Shop - Further Licence			£331.00	£346.00
Riding Establishments			£342.00	£358.00
Riding Establishments - Further Licence			£326.00	£340.00
Zoos			£347.00	£363.00
Zoos - Further Licence			£331.00	£346.00
Caravan Sites (ability to charge comes into force 01 April 2014)				
	Caravan Site Licence - Grant		£152.00	£166.00
	Caravan Site Licence - Transfer		£27.00	£30.00
Gambling Act 2005				
New Regional Casino				
	New Application	£15,000.00	£12,750.00	£12,750.00
	New Application – with Provisional Statement	£8,000.00	£6,800.00	£6,800.00
	Provisional Statement	£15,000.00	£12,750.00	£12,750.00
	Transfer	£6,500.00	£5,525.00	£5,525.00
	Re-instatement	£6,500.00	£5,525.00	£5,525.00
	Variation	£7,500.00	£6,375.00	£6,375.00
	Annual Fees	£15,000.00	£12,750.00	£12,750.00
New Large Casino				
	New Application	£10,000.00	£8,500.00	£8,500.00
	New Application – with Provisional Statement	£5,000.00	£4,250.00	£4,250.00
	Provisional Statement	£10,000.00	£8,500.00	£8,500.00
	Transfer	£2,150.00	£1,830.00	£1,830.00
	Re-instatement	£2,150.00	£1,830.00	£1,830.00
	Variation	£5,000.00	£4,250.00	£4,250.00
	Annual Fees	£10,000.00	£8,500.00	£8,500.00
New Small Casino				

Fee proposal 2014 - 2015

APPENDIX A

Application Type	Application Type 2017 - 18	Fees set by statute	Current fees 2017-18	Proposed Fees 2018-19
New Application		£8,000.00	£6,800.00	£6,800.00
New Application – with Provisional Statement		£3,000.00	£2,550.00	£2,550.00
Provisional Statement		£8,000.00	£6,800.00	£6,800.00
Transfer		£1,800.00	£1,530.00	£1,530.00
Re-instatement		£1,800.00	£1,530.00	£1,530.00
Variation		£4,000.00	£3,400.00	£3,400.00
Annual Fees		£5,000.00	£4,250.00	£4,250.00
Bingo				
New Application		£3,500.00	£2,975.00	£2,975.00
New Application – with Provisional Statement		£1,200.00	£510.00	£510.00
Provisional Statement		£3,500.00	£2,975.00	£2,975.00
Transfer		£1,200.00	£1,020.00	£1,020.00
Re-instatement		£1,200.00	£1,020.00	£1,020.00
Variation		£1,750.00	£1,500.00	£1,500.00
Minor Variation				
Annual Fees		£1,000.00	£850.00	£850.00
Betting – not on course				
New Application		£3,000.00	£2,550.00	£2,550.00
New Application – with Provisional Statement		£1,200.00	£510.00	£510.00
Provisional Statement		£3,000.00	£2,550.00	£2,550.00
Transfer		£1,200.00	£1,020.00	£1,020.00
Re-instatement		£1,200.00	£1,020.00	£1,020.00
Variation		£1,500.00	£1,275.00	£1,275.00
Annual Fees		£600.00	£510.00	£510.00
Track Betting (on course)				
New Application		£2,500.00	£2,125.00	£2,125.00
New Application – with Provisional Statement		£950.00	£400.00	£400.00
Provisional Statement		£2,500.00	£2,125.00	£2,125.00
Transfer		£950.00	£800.00	£800.00
Re-instatement		£950.00	£800.00	£800.00
Variation		£1,250.00	£1,100.00	£1,100.00
Annual Fees		£1,000.00	£850.00	£850.00
Adult Gaming Centre				
New Application		£2,000.00	£1,700.00	£1,700.00
New Application – with Provisional Statement		£1,200.00	£510.00	£510.00
Provisional Statement		£2,000.00	£1,700.00	£1,700.00
Transfer		£1,200.00	£1,020.00	£1,020.00
Re-instatement		£1,200.00	£1,020.00	£1,020.00
Variation		£1,000.00	£850.00	£850.00

Fee proposal 2014 - 2015

APPENDIX A

Application Type	Application Type 2017 - 18	Fees set by statute	Current fees 2017-18	Proposed Fees 2018-19
Annual Fees		£1,000.00	£850.00	£850.00
Family Entertainment Centre				
New Application		£2,000.00	£1,700.00	£1,700.00
New Application – with Provisional Statement		£950.00	£400.00	£400.00
Provisional Statement		£2,000.00	£1,700.00	£1,700.00
Transfer		£950.00	£800.00	£800.00
Re-instatement		£950.00	£800.00	£800.00
Variation		£1,000.00	£850.00	£850.00
Annual Fees		£750.00	£650.00	£650.00
Family Entertainment Centre Gaming Machine Permits				
New application		£300.00	£300.00	£300.00
Renewal		£300.00	£300.00	£300.00
Change of name		£25.00	£25.00	£25.00
Copy of permit		£15.00		
Licensed Premises Gaming Machine Permit				
New Application		£150.00	£150.00	£150.00
Variation		£100.00	£100.00	£100.00
Transfer		£25.00	£25.00	£25.00
Change of Name		£25.00	£25.00	£25.00
Copy of permit		£15.00	£15.00	£15.00
Annual Fee		£50.00	£50.00	£50.00
Notification of 2 or less Gaming Machines				
Notification		£50.00	£50.00	£50.00
Prize Gaming Permit				
New Application		£300.00	£300.00	£300.00
Renewal		£300.00	£300.00	£300.00
Change of name		£25.00	£25.00	£25.00
Copy of permit		£15.00	£15.00	£15.00
Club Gaming Permit				
New Application		£200.00	£200.00	£200.00
Variation		£100.00	£100.00	£100.00
Copy Permit		£15.00	£15.00	£15.00
Renewal		£200.00	£200.00	£200.00
Annual Fee		£50.00	£50.00	£50.00
Club Machine Permit				
New Application			£200.00	£200.00

Fee proposal 2014 - 2015

APPENDIX A

Application Type	Application Type 2017 - 18	Fees set	Current fees	Proposed Fees
		by statute	2017-18	2018-19
Variation		£100.00	£100.00	£100.00
Copy Permit		£15.00	£15.00	£15.00
Renewal		£200.00	£200.00	£200.00
Annual Fee		£50.00	£50.00	£50.00
Lotteries				
New		£40.00	£40.00	£40.00
Renewal		£20.00	£20.00	£20.00
Temporary Use Notice				
New		£500.00	£40.00	£40.00
Replacement		£25.00	£20.00	£20.00
Occasional Use Notice		£0.00	£0.00	£0.00
Licensing Act 2003				
Premises Licence/Club Premises Certificate Grant				
Band A		£100.00	£100.00	£100.00
Band B		£190.00	£190.00	£190.00
Band C		£315.00	£315.00	£315.00
Band D		£450.00	£450.00	£450.00
Band D*		£900.00	£900.00	£900.00
Band E		£635.00	£635.00	£635.00
Band E*		£1,905.00	£1,905.00	£1,905.00
Premises Licence/Club Premises Certificate Variation				
Band A		£100.00	£100.00	£100.00
Band B		£190.00	£190.00	£190.00
Band C		£315.00	£315.00	£315.00
Band D		£450.00	£450.00	£450.00
Band D*		£900.00	£900.00	£900.00
Band E		£635.00	£635.00	£635.00
Band E*		£1,905.00	£1,905.00	£1,905.00
Annual Fee				
Band A		£70.00	£70.00	£70.00
Band B		£180.00	£180.00	£180.00
Band C		£295.00	£295.00	£295.00
Band D		£320.00	£320.00	£320.00
Band D*		£640.00	£640.00	£640.00
Band E		£350.00	£350.00	£350.00
Band E*		£1,050.00	£1,050.00	£1,050.00
Personal Licence - Grant		£37.00	£37.00	£37.00

Fee proposal 2014 - 2015

APPENDIX A

Application Type	Application Type 2017 - 18	Fees set by statute	Current fees 2017-18	Proposed Fees 2018-19
Personal Licence Renewal		£37.00	£37.00	£37.00
Temporary Event Notice (TEN)		£21.00	£21.00	£21.00
Replacement Premises Licence		£10.50	£10.50	£10.50
Provisional Statement		£315.00	£315.00	£315.00
Change of name and/or address		£10.50	£10.50	£10.50
Variation of DPS		£23.00	£23.00	£23.00
Dissapplication of DPS			£23.00	£23.00
Transfer of Premises Licence		£23.00	£23.00	£23.00
Interim Authority Notice		£23.00	£23.00	£23.00
Change of Club name or rules		£10.50	£10.50	£10.50
Change of Club address		£10.50	£10.50	£10.50
Replacement TEN		£10.50	£10.50	£10.50
Replacement Personal Licence		£10.50	£10.50	£10.50
Name/address change (Pers. Lic)		£10.50	£10.50	£10.50
Right of freeholder to be notified of licensing matters		£21.00	£21.00	£21.00
Minor Variation		£89.00	£89.00	£89.00
Section 115E Permissions				
Pavement Cafés – New Applications				
Less than 10m2	Pavement Café Permit - Grant		£282.00	£282.00
Less than 20m2				
Less than 30m2				
Less than 40m2				
New grants in excess of 40m2				
Pavement Cafes – Renewal Applications				
Less than 10m2	Pavement Café permit – renewal		£273.00	£273.00
Less than 20m2				
Less than 30m2				
Less than 40m2				
Renewals in excess of 40m2				
Promotional Event				
Daily Rate			£276.00	£276.00
Daily Rate where min 15 days block booked				
Scrap Metal Dealers Act				
	SMD Licence - Grant	(3 year duration)	£738.00	£750.00
	SMD Licence - Renew	(3 year duration)	£717.00	£727.00
	SMD Licence - Variation		£43.00	£48.00
Sex Establishments				
Grant			£687.00	£698.00
Licence renewal			£630.00	£636.00
Licence variation			£85.00	£94.00

Fee proposal 2014 - 2015

APPENDIX A

Application Type	Application Type 2017 - 18	Fees set by statute	Current fees 2017-18	Proposed Fees 2018-19
Application Type				
Licence transfer			£85.00	£94.00
Skin Piercing				
Premises			£45.00	£46.00
Individual at premises			£45.00	£46.00
Street Trading				
Market House, High Street, Castle Bow, North Street (non-food)	Street Trading Consent - Grant, 1 year		£696.00	Not applicable - see separate repo
Market House, High Street, Castle Bow, North Street (food)				
Paul Street, Billet Street				
Designated lay-bys				
All other designated lay-bys				
Mobile traders				
Permanent site on private land				
Daily rate - Taunton	Street Trading Consent - Grant, 1 day		£35.00	
Daily rate - Taunton where min of 15 days booked				
Daily rate - other areas				
Daily rate - other areas where min 15 days booked				
Promotional events				
	Street Trading Consent - Grant, 1 week		£41.00	
	Street Trading Consent - Grant, 1 month		£66.00	
	Street Trading Consent - renewal		£680.00	
Taxi Licensing				
(MOT & Plate Test fees are not included and must be borne by the applicant)				
Hackney Carriage/Private Hire Vehicle Licence			£144.00	£136.00
Hackney Carriage/Private Hire Vehicle Licence - Renewal			£142.00	£134.00
Transfer of interest for vehicle			£31.00	£34.00
Meter test			£17.00	£19.00
Replacement vehicle plate			£23.00	£25.00
Internal identification sticker			£15.00	£16.00
Private Hire Operator Licence			£136.00	£136.00
Private Hire Operator Licence - Renewal			£99.00	£99.00
Application for new drivers licence			£149.00	£158.00
Application for new drivers licence 3 years			£248.00	£251.00
Driver licence renewal – 1 year			£97.00	£104.00
Driver licence renewal – 3 years			£235.00	£238.00
Replacement Badge			£15.00	£17.00
Advertising on vehicles			£31.00	£34.00
Medical			£16.00	£17.00

rt

Appendix F (continued)
PLANNING FEES AND CHARGES TAUNTON DEANE BOROUGH COUNCIL 01 APRIL 2018

	FEE
Do I need Planning Permission	£52.80 (£44.00 plus VAT)

PRE APPLICATION ADVICE SCALE OF FEES TAUNTON DEANE

LEVEL	TYPE	FEE
Level 1 - Householder, Advertisement and Landscape advice. Tree Preservation Orders.	Written Response with site visit/meeting	£116.16 (£96.80 + VAT) Further Advice following response £30 plus VAT per hour Planning Management Team Involvement £50 plus VAT per hour
Level 2a - Minor developments (e.g. less than 5 dwellings, 500 sq m industrial):	Written Response with Site Visit/Meeting	£290.40 (£242.00 + VAT) Further Advice following response £40 plus VAT per hour Planning Management Team Involvement £80 plus VAT per hour
Level 2b – Larger scale minor developments (e.g. between 5 and 10 dwellings, 500 and 1000 sq m industrial):	Written Response with Site Visit/Meeting	£435.60 (£363.00 + VAT) Further Advice following response £40 plus VAT per hour Planning Management Team Involvement £80 plus VAT per hour

LEVEL	TYPE	FEE TDBC
Level 3a - Major Developments (e.g. more than 10 dwellings, 1,000 sq m industrial):	Written response with site visit/meeting	£871.20 (£726.00 + VAT) Further Advice following response £50 plus VAT per hour Planning Management Team Involvement £100 plus VAT per hour

Level 3b – Large Scale Major Developments (e.g. more than 50 dwellings, 5,000 sq m industrial):	Written response with site visit/meeting	£1452.00 (£1210.00 +VAT) Further Advice following response £50 plus VAT per hour Planning Management Team Involvement £100 plus VAT per hour
---	--	---

*Where both Development Management and Planning Policy officers need to attend the meeting there will be an additional cost as shown below:

- Level 2b additional £121.00 + vat @ 20% = £145.20
- Level 3a additional £181.50 + vat @ 20% = £217.80
- Level 3b additional £242.00 + vat @ 20% = £290.40

For major developments (level 3a and 3b) pre-application fees are negotiable through the applicant and Council entering into a Planning Performance Agreement (PPA).

There is no charge for advice on revised proposals following a refusal of planning permission or the withdrawal of an application (this exemption is restricted to one letter or meeting only).

AONB CHARGES

For applications within or affecting an AONB where an AONB Service Officer also attends the meeting/provides specialist advice there will be an additional cost as shown below:

LEVEL	TYPE	FEE
Level 1 – Householder, Advertisement and Landscape advice. Tree Preservation Orders and Listed Buildings (in cases where planning permission also required)	Written Response with site visit/meeting	£105.60 (£88.00 + VAT)
Level 2a – Minor developments (e.g. less than 5 dwellings, 500 sq m industrial):	Written Response with site visit/meeting	£269.40 (£224.50 + VAT)
Level 2b – Larger scale minor developments (e.g. between 5 and 10 dwellings, 500 and 1000 sq m industrial):	Written Response with site visit/meeting	£339.60 (£283.00 + VAT)
Level 3a – Major Developments (e.g. more than 10 dwellings, 1,000 sq m industrial):	Written Response with site visit/meeting	£667.20 (£556.00 + VAT)
Level 3b – Large Scale Major Developments (e.g. more than 50 dwellings, 5,000 sq m industrial):	Written Response with site visit/meeting	This level by negotiation on a case by case basis: unlikely to be within the AONB.

LISTED BUILDING ADVICE

Listed Building Pre Application Advice – All Levels.	Meeting with Note	£290.40 (£242 = VAT) Further Advice Following response £40 plus VAT per Hour Planning Management Team Involvement £80 plus VAT per hour
--	-------------------	--

ENQUIRIES

Pre 74 Planning History Search	£40.00 + vat @ 20% = £48.00	Work undertaken beyond first hour, £30 plus VAT per hour
Solicitor Enquiries and Supply of Extra Information and Documents	£40.00 + vat @ 20% = £48.00	Work undertaken beyond first hour, £30 plus VAT per hour
Planning History File Retrieval	£5.00 + vat @ 20% = £6.00	Files from 1974 – 2005 kept in hard copy off site.

Appendix F

Taunton Deane Borough Council Charges 2018/19

Planning and Environment

1. Background

Planning and Environment have the facility to provide Customers with advice and information when they are considering a development proposal; welcoming and encouraging discussions before applications are submitted.

There is a two-tier service; the first involves a meeting with the LPA; the second, written response to proposals sent for comment. It is an opportunity to better understand the way in which an application will be judged against the policies in the development plan and other material considerations.

As a result of the time and resources involved in giving pre-application advice, we operate pre-application charges based on the type of proposal. This means that the service does not fall as a general cost to the council tax payer.

1.1 How the Scheme Works

Requests for pre application advice, including a request for a meeting, need to be in writing and be accompanied by the appropriate fee. Meetings will be attended by an appropriate professional officer from the Council. These will be either in the Council offices or, if considered more appropriate, on site. Information about the site and details about the scheme need to be provided. This will normally include:

- a) Application Form available from the websites;
- b) a description and summary of your proposals, and preferably sketch plans;
- c) if possible, photographs of the site;
- d) a site location plan.

2. Legal Authority

Fees for planning applications are set nationally. However, charges for pre-application discussion are discretionary. The majority of authorities now charge for this service, with the income being reinvested in the service. In setting the charges there needs to be a balance set between recouping the full cost of the service provided and encouraging developers to engage with the Council as early as possible.

Taunton Deane charges have traditionally been and will continue to be set at a figure that will not generally discourage developers from contacting the Council, taking into account the undoubted benefit gained from obtaining greater certainty of the likely

outcome. The charges continue to represent a tiny fraction of the cost of carrying out any form of development.

In 2016 it was reported that due to the pre-application planning advice service for both Taunton Deane Borough Council and West Somerset Council being provided by the one team and there can therefore be no reasoned justification for continuing with two sets of charges. However a decision was made that West Somerset wished to retain the higher level of fees set for Level 3a and 3b Major Development Pre Applications, see attached appendix.

3. Charges – as of April 2018 (to remain unchanged)

The schedule of charges incorporates fees which are dependent on the nature and scale of the proposal. The charge is per request.

Please see attached Appendix regarding level of fees for Taunton Deane BC from April 2018 and West Somerset DC from April 18.

For major developments (level 3a and 3b) pre-application fees are negotiable through the applicant and Council entering into a Planning Performance Agreement (PPA).

There is no charge for advice on revised proposals following a refusal of planning permission or the withdrawal of an application (this exemption is restricted to one letter or meeting only).

We have looked at other Pre Application changes but feel the potential impact on take up of services taking into account this year's current income and fees being set for cost recovery only prevent any further rise in fees.

Planning Policy advice that is directly related to the preparation of a Local Development Document (LDD) will be exempt from these charges.

For major developments (level 3a and 3b) pre-application fees are negotiable based upon level of engagement through the applicant and Council entering into a Planning Performance Agreement (PPA).

There is no charge for advice on revised proposals following a refusal of planning permission or the withdrawal of an application (this exemption is restricted to one letter or meeting only).

Planning Policy advice that is directly related to the preparation of a Local Development Document (LDD) will be exempt from these charges

An additional charge has been added this year for general enquiries from Solicitors for additional information and documents which are beyond those which are normally provided via the websites. In addition the Planning Filing room has been moved off site

as part of the Accommodation Project, therefore we wish to add a file retrieval charge for anyone investigating planning history.

4. Discounts

This scheme does not include any discounts.

5. Budget Impacts

These charges have been taken into account in developing budget saving proposals for 2018/19.

6. Equality Impact Assessment

What are you completing this impact assessment for? E.g. policy, service area	PLANNING ADVICE CHARGES 2018/19
Section One – Aims and objectives of the policy /service	
<p>PLANNING AND ENVIRONMENT</p> <p>To provide a proactive planning service from pre-application to delivery and monitoring</p> <ul style="list-style-type: none"> • Responsible for overseeing building development in Taunton Deane • Co-ordinating the way our surroundings develop • Preventing developments which are not appropriate • Investigate breaches of planning regulations 	
Section two – Groups that the policy or service is targeted at	
<p>All Groups have the potential to be affected; however the perspective is that the only significant increases in charges are for major developments whereby the pre application charge is an insignificant part of total development costs.</p>	
Section three – Groups that the policy or service is delivered by	
<p>The Development Management staff and Business support staff will administer and provided the pre applications advice – as per current procedures.</p>	
Section four – Evidence and Data used for assessment	

Approximately 35-40 major planning applications are received per year (2% of all application). Pre-applications advice, which is encouraged with such application, will attract the higher fee. As previously stated the pre application charge is an insignificant part of total development costs.

Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes

The impact of this planning advice charges will be equal for all groups.

Section six – Examples of best practise

Officers work across the Council and community with specific groups e.g. Gypsy Forum

7. Recommendation

That fees remain unchanged for 2018/2019

Appendix G1

Taunton Deane Borough Council

Fees and Charges Report 2018/19 Environmental Health

The following services in Environmental Health incur charges:

1. Environmental Permits - businesses carrying out activities that could potentially cause emissions to air, land or water may need to hold an Environment Permit under the Environmental Permitting (England and Wales) Regulations 2010. Fees are applicable and conditions will be attached to any permit. There may also be a charge to vary, transfer or surrender an existing permit. Annual subsistence fees are payable each year. Fees are set by DEFRA and can be found on the DEFRA website.
2. Private Water Supplies – the council has a general duty under the Water Industry Act 1991 to take all steps appropriate for keeping itself informed about the wholesomeness and sufficiency of drinking waters in the district, including any private water supply. A private water supply is any water supply which is not provided by the local water undertaker or company and which is not a "mains" supply. It includes water intended for human consumption, used for domestic purposes, such as for drinking, washing, in food preparation, heating and also for sanitary purposes.

The Private Water Supplies Regulations 2016 came into force in June 2016, at the time we took the opportunity to review charges for TDBC and WSC to ensure they reflect the costs of providing the service including officer time, mileage and laboratory charges.

3. Pest Control Service – a report providing a review of pest control charges is attached below. In summary the small increase in charges, based on inflation of 2.5%, aims to ensure that the service remains sustainable and that these charges reflect the true cost of providing the service.

Private Water Supply Service Charges Review 2018/19

The Private Water Supply Service provides the following in both Taunton Deane and West Somerset; the monitoring and risk assessment of drinking water from private water supplies located across both authority areas.

Taunton Deane Borough Council and West Somerset Council has a general duty under the Water Industry Act 1991 to take all steps appropriate for keeping itself informed about the wholesomeness and sufficiency of drinking water supplies in the district, including any private water supply.

A private water supply is any water supply which is not provided by the local water undertaker or company and which is not a "mains" supply. It includes water intended for human consumption, used for domestic purposes, such as for drinking, washing, in food preparation, heating and also for sanitary purposes.

The Regulations or "The Private Water Supplies Regulations 2016" updated previous provisions and came into force on 27th June 2016. They place a requirement on the local authority to risk assess and carry out water quality inspections to all supplies except those to single domestic dwellings.

Whilst there is no requirement on the Council to monitor single domestic private water supplies, they can be monitored by request. The standards still apply but local authorities are not required to pro-actively monitor these supplies.

Both regulations 9 and 10 specify certain parameters which must be analysed, but with the addition of any others based on risk. For example, we analyse for arsenic as an additional parameter, as it is found naturally around the Quantocks and occasionally elsewhere. There is also a relatively new requirement to commence monitoring for radioactive substances, including Radon, this will be carried out on a risk basis, in partnership with our colleagues at Somerset Scientific Services and at the request of the relevant person having control over the supply.

Taunton Deane and West Somerset Council have a total of 962 regulated private water supplies, we have two full time officers that spend a large proportion of their time dealing with the monitoring and risk assessment of private water supplies across the district. They also carry out other tasks such as the investigation of environmental protection complaints such as noise, odour and drainage, requests for environmental information, contaminated land and air quality. These officers are both Environmental Control Officers. The hourly rate for an environmental control officer 2017/18 is £45.00 including recharges.

The following table details the charges to be introduced from 1st April 2018. These charges also reflect the changes in fees introduced by Somerset Scientific Services (SSS), the laboratory currently used by both councils for analysis work associated with private water supplies. The rise in fees will result in increased income and also improve cost recovery for each council in this area of work.

**Fees and Charges for Private Water Supply Work from 1st April 2018 for
Taunton Deane Borough Council and West Somerset Council**

	Service	Maximum fee under the Regulations	TDBC & WSC Fee	Notes
1.	Risk Assessment	£500	Charges at hourly rate £50, typical risk assessment at 2 hr will total £100. Plus analysis costs	Time taken to inspect a supply inc.background research, travel time + admin. Average time 2 hours (£100)
2.	Sampling visit	£100	£50 (half an hour for each, sampling visit and report) plus analysis costs	Charge for a visit and to take a sample.
3.	Investigation	£100	Hourly rate (£50) + any analysis costs	Carried out by the Council in the event of the failure of a supply to meet the required standard.
4.	Authorisation	£100	Hourly rate x time	Application by the owner of a supply for permission from the Council to continue supplying water of a lower quality temporarily whilst remedial work is carried out on the supply.
5.	Sample analysis for small/domestic supplies	£25	£22.10	Where a supply provides <10m ³ /day or, <50 people and is used for domestic purposes.
6.	Large/Commercial supplies - Check Monitoring Reg 9	£100	£39.80 per supply Plus additional parameters based on risk and size of supply	Check monitoring is carried out to ensure that water complies with the standards. Where possible it should be carried out at the same time as any requirement for audit monitoring, to keep cost down.
7.	Audit Monitoring		£29.75	Fee set by SSS
8.	Advisory Visits		Charged at £50 per hour	
9.	Requests for Environmental Information		Charged at £65 per request	Requests for environmental information, including requests from solicitors, searches for contaminated land.

(1) Hourly Officer rate £50

(2) Sampling cost not applied to risk assessment

Please note that the actual costs will vary depending on the type of supply, the frequency of testing and the outcome of a Risk Assessment.

1. Risk Assessment

The average risk assessment takes 2 hours including preparation, travel time and the time for the inspection, sampling and report writing, therefore the average cost is likely to be £100. The customer would also be required to pay for the analysis fees set by SSS on top of this, the amount will depend on the suites of analysis chosen by the officer and depend on the size, location and nature of the supply.

2. Sampling Visit

Water quality inspections (such as sampling visits) are carried out regularly at many supplies in the intervening years between the mandatory risk assessments. These water quality checks are used to help inform and complete the risk assessment. The minimum time to carry these out is around 30 minutes for time on site plus travelling, and the time required to report results back to relevant persons. Therefore the cost is likely to be in region of £25, where advice is provided or the visit takes longer, this will be charged at the officer hourly rate. Analysis fees are added to this charge depending the number of tests required as determined by the risk assessment.

3. Investigation

These are carried out by the council in the event of the failure of a supply to meet the required standard and charged at the hourly rate.

4. Authorisation

These are carried out at the request of the owner of a supply for permission from the Council to continue supplying water of a lower quality temporarily whilst remedial work is carried out on the supply and also charged at the hourly rate.

5. Sample analysis for small/domestic supplies

The cost of this is determined by Somerset Scientific Services who carry out the analysis for both council's.

6. Large/Commercial supplies – Check Monitoring Reg 9

This cost is set by SSS.

7. Audit Monitoring

This cost is set by SSS.

8. Advisory Visits or Requests for Advice under Regulation 10

The average advisory visit takes approximately 1 hour including travelling time and preparation work and is currently charged at £50 per hour, the average cost to the customer would be £50. Analyses are charged in addition to officer time

9. Requests for Environmental Information

Requests for environmental information, including requests from solicitors, searches for contaminated land to be charged at a flat rate of £65 in line with the current charge at TDBC. Requests which do not take significant time e.g. requests which confirm that the council hold no information or requests for copies of certificates of water quality are not charged for.

Pest Control Service Charges Review 2018/19

The Pest Control Service provides treatment of rats, mice and wasps along with domestic and commercial pest control contracts in the Taunton Deane and West Somerset areas.

In 2016/17 the Pest Control Service cost £80,061.00 to deliver and brought in an income of £38,567.00 giving an overall cost of £41,494.00 to the council. The overall cost of the service is higher than previous year's mainly due to increased internal recharges.

When considering the pest control charges it is important to first establish the true cost of delivering the service. We can then consider areas of potential growth and areas which are subsidised.

The Pest Control Officer's hourly rate for 2017/18 is £83.14 including all recharges for senior staff, salaries, stationary, transport etc. If you exclude recharges the hourly rate reduces to £33.05. These charges are important to consider as they will be incurred by the cost centre whether or not any additional paid work is undertaken and should be considered in this context.

Rat & Mice Treatments

It takes 60 minutes for a 1st call rats/mice visit and 45 minutes for a revisit. The average service request take a 1st visit and 2 subsequent visits, this includes officer's travelling time. A rat/mouse treatment takes 2 ½ hours at a true cost of £207.85 (or £82.63 at the lower hourly rate). The proposed charges for 2018/19 are £67 for rats and mice and £33.50 at the subsidised rate.

If charges were increased to £207.85 to cover the full cost of the service for rats and mice, this would have a detrimental impact on the service.

Wasp Nest Treatments

A wasp's nest treatment takes 45 minutes and only requires 1 visit. The true cost of this service is £62.36 (or £24.77 at the lower hourly rate). The current charges for 2017/18 are £55 for wasps.

At the proposed rate of £56 for 18/19 this part of the service would make a small income of £17.13 per treatment.

Advice/Call Out Visits

The average advice/call out takes 40 minutes and is currently charged at £32.50. If the call out charge was increased to £33.50 this would reflect the proposed increases in the treatments and generate a further increase in income.

Commercial Treatments

Commercial treatments including contracts are charged at an hourly rate plus, materials and VAT. These charges presently make a small profit above the hourly officer rate (excluding recharges) so a 2.5% increase in charges should be considered. Material costs are charged at cost price. The service currently has 11 commercial contracts in place.

Domestic Pest Control Contracts

The current charge for Domestic Pest Control Contracts is £110 per year, the contracts are for 3 visits plus 2 additional call out visits. The call out visits are rarely used by customers. The average visit takes 1 hour, so the cost of providing the contract is £249.42 (or £99.09 at the lower hourly rate). We currently have 26 Domestic Pest Control contracts.

I propose an increase to the cost of the Domestic Pest Control Contracts to £112.75 per year.

West Somerset

The service was extended into West Somerset in 2016/17. This service has the potential to grow and service requests for 2017/18 have increased from last year. During 2017/18 the number of treatments provided is 25 for rats, 8 for Mice and 25 for wasps. Service requests from the WSC area will continue to be monitored throughout 2018/19.

Appendix A is the proposed charging sheet.

Pest Control Charges from 1st April 2018 for TDBC and WSC

Domestic Properties

Visits for Rats and Mice **£67.00 full charge**
£33.50 subsidised charge*

Visits for Wasps **£56.00 full charge**

Where two or more nests are found an additional nest charge of 20% per nest (£11.00) is payable for **each** additional nest before treatment can commence.

Visits to give Advice only **£33.50**

This will not include any treatment, if this is requested at the time of the advice visit the difference must be paid before treatment can commence. If treatment is requested and a new appointment is needed, this must be paid in full.

We only provide treatment for fleas in void council properties, or DH

Drainage Camera Survey **£77 + VAT**

***Subsidised charges will only apply if the main householder or their partner is in receipt of, and can provide proof of:-**

- Income Support
- Income Based Jobseekers Allowance
- Employment and Support Allowance Income Based (ESA)
- Working Tax Credit
- Child Tax Credit
- Housing Benefit
- Council Tax Reduction Scheme.
- Pension Credit Guarantee Credit
- Pension Credit Savings Credit

Commercial Properties

Rats and Mice **£77.00 per hour + materials + VAT**

Wasps **£60.00 + VAT**

Advice visits **£36.00 + VAT for wasps**

Contracts

Domestic Contracts are for rats and mice only and are priced at £112.75 a year.

Commercial Contracts shall be priced on an individual basis using an hourly rate of £55.70 plus materials cost. Payable annually in advance.

Appendix G2 FHRs and advisory package charging calculations

Environmental Health

Food Hygiene Rescore calculation

	Process - FHRs Rescore Inspection	Estimated time (mins) used in Wales	Officer responsible from calculations used in Wales	Indicate TIME estimates in minutes used for your local authority	Indicate OFFICER responsible for each process in your local authority	Cost estimated for you local authority
a	Initial Enquiry and supply of forms/advice	15	Business Support Officer	15	Business Support	£7.50
b	Receipt of fee and checking of applications.	10	Business Support Officer	10	Business Support	£5.00
c	Enter onto LA database	5	Business Support Officer	10	Business Support	£5.00
d	Pre-inspection file checks	20	Environmental Health Officer	10	Officer	£7.50
e	Travel to and from business (average)	45	Environmental Health Officer	45	Officer	£33.75
f	Rescore visit (full inspection)	150	Environmental Health Officer	60	Officer	£45.00
g	Completion of inspection report and sticker	60	Environmental Health Officer	15	Officer	£11.25
h	Input onto LA database	5	Business Support Officer	15	Business Support	£7.50
	TOTAL (a - h)	310		180		£122.50
Additional costs (insert any additional processes/costs identified not included in a - i above)						
	Process			Indicate TIME estimates in minutes used for your local authority	Indicate OFFICER responsible for each process in your local authority	Cost estimated for you local authority
j						
k						
l						
m						
n						
o						
	TOTAL (j - o) - do not enter details as this will automatically calculate			0		£0.00
p	GRAND TOTAL (a - o) - do not enter details as this will automatically calculate			180		£122.50
Costs used						
q	Environmental Health Officer (hourly rate)	£45.00		TD/WSC Hourly Rates		
r	Business Support Officer (hourly rate)	£30.00		Business Support		£30 (£29.99)
s				Food Safety Officer		£40 (£39.42)
t				Env Health Officer		£50 (49.87) (ave £45)
u						

Time/cost calculation for Food Safety Advisory Visits

	Process - Advisory Visits	Officer responsible	Indicate TIME estimates in minutes used for your local authority	Cost estimated for you local authority
a	Initial Enquiry	Business Support Officer	5	£2.50
b	Receipt of fee	Business Support Officer	10	£5.00
c	Enter onto LA database	Business Support Officer	10	£5.00
d	Pre-visit file checks & research	Environmental Health Officer	30	£22.50
e	Travel to and from business (average)	Environmental Health Officer	45	£33.75
f	Advisory visit 1 hr	Environmental Health Officer	60	£45.00
g	Completion of advisory forms on site or advisory letter	Environmental Health Officer	15	£11.25
h	Input onto LA database	Business Support Officer	10	£5.00
	TOTAL (a - h)		185	£130.00
Additional costs (insert any additional processes/costs identified not included in a - i above)				
	Process		Indicate TIME estimates in minutes used for your local authority	Cost estimated for you local authority
j	Additional hour of advice of part thereof		60	£45.00
k				
l				
m				
n				
o				
	TOTAL (j - o) - do not enter details as this will automatically calculate		60	£45.00
p	GRAND TOTAL (a - o) - do not enter details as this will automatically calculate		245	£175.00
TD/WSC Hourly Rates				
	Business Support		£30 (£29.99)	
	Food Safety Officer		£40 (£39.42)	
	Env Health Officer		£50 (49.87) (ave £45)	

Food Safety Guidance Pack Printing Calculations

	Process - SFBB pack	Officer responsible	estimates in minutes used for	for you local authority						
a	Initial enquiry & receipt of Fee	Business Support Officer	5	£2.50						
b	Printing	Printing Services		£25.96						
c	Postage and envelope	Business Support Officer		£1.10						
d	Input onto LA database	Business Support Officer								
	TOTAL (a - d)		5	£29.56						
	Details of costs from other printers									
	Safe Methods (87 pages) Colour, double-sided, bound with cover			Diary Sheets/4-weekly review for 1 year (66 pages) Colour, double-sided, bound with cover			Diary Sheets/4-weekly review for 1 year (66 pages) B&W, double-sided, bound with cover			
Number ordered	1	50	100	1	50	100	1	50	100	
Zeralynx	19.05	5.8	4.64	15.7	4.72	3.68	5.25	2.98	2.39	
Colourtone	30.15	8.05	7.75	25.15	6.35	6.1	20.15	3.05	2.55	
Rockwell Printers	19.1	17.66	14.14							
TDBC	7.22	5.25	4.61	5.88	4.46	3.87	5.87	3.36	2.99	
TDBC Printers: cost for SFBB and Diary Sheets £25.96 plus business support time to process enquiry and fee										
Proposal to introduce a charge of £20 for the Safe Methods only, £17.50 for the Diary and £30 if both are ordered at the same time (saving £7.50)										
Childminders Pack is half the pages £15										

Appendix H

Taunton Deane Borough Council Fees and Charges 2018/19

Promotional banners, pennants, 'rotunda' poster units and spaces in Taunton Town Centre

Background

The Business Development department have a primary focus on supporting business in Taunton Deane, which since September 2016 has included a shift towards town centre vibrancy. The council is committed to stimulating a quality, vibrant and dynamic economic environment in Taunton town centre. Through the Marketing and Visitor Centre team based in the Market House opportunities have been created for businesses, charities and event organisers to promote themselves. The income generated from this service is reinvested to contribute towards the salary costs of the Marketing and Visitor Centre team.

Town Centre banners and pennants

Advertising consent is currently being sought to enable a banner to be hung at the bottom of the High Street, in addition to the current banner space available in Castle Bow. Bookings are for a 2 week period, and approval is required from SCC Highways Department (who used to administer this space) before being accepted.

Advertising consent is being sought for 36 lamppost pennants using (current and former) hanging basket posts in East Street, Fore Street and North Street. If successful, these pennant spaces will also be available for a 2 week period and will be sold in packages of 12 at any one time. The posts in Fore Street and North Street are not available from June to September when hanging baskets are displayed.

Town Centre 'rotunda' poster units

7 rotunda (poster) units are located within Taunton town centre (to discourage fly-posting in the town) and are made available to event organisers and businesses for promotional and advertising purposes. Units are situated in Coal Orchard car park, Goodland Gardens, Market House (outside of the Visitor Centre), North Street (3 units outside of Lloyds Bank, Monsoon and Vodaphone) and Vivary Park (where income from this rotunda will be shared between the Visitor Centre and the Open Spaces team). The unit outside of Vodaphone is operated by Taunton pub-watch to promote the evening economy. Poster spaces are available for a minimum of 1 week and bookings run from Thursday to Wednesday.

NEW SERVICE – Town Centre promotional spaces

In February 2017, the management of the 2 promotional spaces in Fore Street (outside of Next) and High Street (outside of Hatchers and Party-On) Taunton, transferred from the Licensing department to the Marketing and Visitor Centre team. These spaces are used by both commercial and charity organisations. Bookings are taken for a minimum of 1 day.

Research has been undertaken to set our charges for this service against other town and city centre locations seeking advice from "Pinpointer" the market leader in booking promotional spaces.

Legal Authority

- The promotional banners, pennants, rotundas and spaces are provided as a discretionary service.
- Charges are set locally by the Marketing and Place Manager to cover the cost of the purchase of units, their maintenance and repair, the costs of business rates applied to each rotunda unit, the installation and removal of banners, pennants and to cover the cost of staff time to administer and update the service. The aim is to provide a market rate advertising service at a reasonable price to cover service costs and build a small surplus to off-set the cost to the council in running the Marketing and Visitor Centre service.

Charges

	Current £ (2017/18)	Proposed £ (2018/19)
Castle Bow and High Street Banner	£250 (including VAT) per 2 week installation period	***No change*** £250 (including VAT) per 2 week installation period
Flag post pennants	£50 (including VAT) per initial pennant and then £17.50 (including VAT) per additional pennant for a 2 week installation period	***Revised charge*** 12 pennants £360 (including VAT) for a 2 week installation period For any additional 2 week period £200 (including VAT)
Rotunda display units	£17.50 per window space per week (including VAT)	***No change*** £17.50 per window space per week (including VAT)
Promotional spaces	£331.20 (including VAT) for one day No charge applied to any registered charity	***New charges*** Commercial rate cost: £300 (including VAT) per day £780 (including VAT) per week Experiential rate cost: £540 (including VAT) per day *National charity rate cost: £300 (including VAT) per day £540 (including VAT) per week Local charity rate: No charge applied

*This rate will apply to charities who employ companies to sign up supporters rather than local groups who are fundraising. The discretion on who to charge will be delegated to the Marketing and Place Manager.

Discounts

Discounts are available for booking more than 12 flag post pennants at any one period and longer term promotional space bookings. Rotunda poster display unit discounts apply for longer-term bookings, charitable/not for profit organisations and Visitor Centre box office service users. Any vacant promotional spaces promote the Visitor Centre and other TDBC services.

Budget Impacts

The increase in cost for the pennant service cover the increase in installation charges. The promotional space charges have been altered to reflect research showing existing charges are not comparable to other town centre locations and actually deter bookings. Any additional income will contribute towards the Marketing and Visitor Centre staffing budget.

Date of application

1st January 2018

Recommendation

Corporate Scrutiny is invited to make comments upon the proposed fees and charges for inclusion in the report to Executive.

Andrew Hopkins

Business Development – Marketing and Place Manager

a.hopkins@tauntondeane.gov.uk

01823 340475

Appendix I

Taunton Deane Borough Council Fees and Charges 2018/19

Deane Helpline

Background

The Deane Helpline Service provides community alarms, 24 hour monitoring, installation and emergency response services to over 2,900 vulnerable Taunton Deane residents and community alarm monitoring, Out of Hours Service and Lone Worker Monitoring to Taunton Deane Borough Council and external corporate customers which include Housing Associations and other Local Authorities. Overall there are approximately 13,000 connections to the service.

Charges

The current charge for private customers is £5.86 per week and was subject to a 10% increase as of 1/4/17. Installation fees, Telecare Sensor charges and Contact Service Call charges remained unchanged.

Deane Helpline is currently subject to a pricing review and the formation of an ongoing pricing strategy, due to the Transformation Programme and the subsequent pilot project being undertaken with the service.

As a result of this review, there will be no change undertaken to fees and charges going into the next financial year.

Discounts

No discounts are available; all private paying customers pay the same.

TDBC Tenants are charged via their Service Charge an amount based on the Service Level Agreement between Deane Helpline and TDBC Housing which due to the economies of scale is less than private customer pay.

External contracts are priced according to their number of connections, their annual increases are stipulated by contract.

Budget Impacts

There will be no expected impact upon the MTFP.

Equality Impact Assessment

Not required as no change to fees and charges

Recommendation

It is recommended that there be no change to the fees and charges for the next financial year and remain at the same level as set for the 2017/2018 financial year.

Liam Canham

Senior Transformation Project Lead-Commercialism

01823 217629

Appendix J

Taunton Deane Borough Council Fees and Charges 2018/19

Data Protection Act – Freedom of Information Act

Background

This report seeks to formalise the charges the Council can make in relation to Freedom of Information Requests and Data Protection Act Subject Access Requests.

Legal Authority

The method of calculating charges within this report is in accordance with the Freedom of Information and Data Protection (appropriate limits and fees) Regulations 2004.

Disbursements are set locally and should be reasonable and not designed to generate a surplus.

The £10 for DPA subject access requests is a maximum and is discretionary but is helpful in limiting frivolous requests.

Charges

Estimating the costs of processing FOI requests; (section 4(3) of the FOI regulations)

When estimating the cost of complying with a written request for Information, the Council will take into account the staff time involved in the following activities:

- Determining whether the information is held.
- Locating the information or a document that may contain the information.
- Retrieving and extracting the information, or a document that may contain the Information.

The cost of the above activities will be calculated by applying an hourly rate of £25 per person, (section 4(4) of the FOI regulations.)

When calculating the costs to process requests, the Council cannot take account of the time taken to consider whether information is exempt under the Act or the time involve in redacting any information which is not to be disclosed.

Where the cost to process a request is **below** £450

Where the cost of complying with a written request for information is estimated to be below £450, there will be no charge unless the disbursement costs (printing copying and postage) exceed £10. Where disbursement costs exceed £10, the applicant will

be issued with a fees notice and must pay the costs within a period of three months before the Council can comply with the request.

Disbursements costs applied by the Council are shown later.

Where the cost to process a FOI request exceeds £450

In accordance with the Freedom of Information and Data Protection (appropriate Limits and Fees) Regulations 2004, the Council is not obliged to respond to a written request for information, where it estimates that the cost of complying with the request would be in excess of £450 (which equates to 18 hours of work at £25 per hour).

If the cost exceeds £450 we will charge for all the hours at a rate of £25 per hour or decline the request - alternatively, we will assist the requester in refining the request to within 18 hours to ensure no charge (other than possible disbursements) will be incurred.

Staff costs will be calculated as follows:

- Staff costs (£25 per hour) involved in determining whether the Council holds the information.
- Staff costs (£25 per hour) of locating, retrieving and extracting the information.
- Disbursement and staff costs (£25 per hour) incurred in informing the applicant that the information is held.
- Disbursement and staff costs (£25 per hour) incurred in communicating the information to the applicant.

Campaign requests

If the Council receives two or more related requests within a period of 60 consecutive working days, from a person or different persons who appear to be acting in concert or in pursuance of a campaign, the costs of complying with the individual requests will be aggregated.

Priced publications

These will be charged at cover price plus postage where relevant.

Disbursements

Photocopies: A4 Black & White 20p per sheet, A3 Black & White 30p per sheet, A4 Colour £1.00 per sheet, A3 Colour £1.50 per sheet

Prints from a PC: Black & White 20p per page (additional cost for producing A3), Colour £1.00 per page (additional cost for producing A3), Photo quality paper prints £1.50 per page

Any other sizes or finishes by agreement in advance.

By default we will print/copy in black and white/greyscale on white A4 paper using both sides.

Postage costs : Default postage will be by 2nd class Royal Mail. Prices for alternative postage methods will be at the prevailing rates.

Other Charges

CD Rom/DVD £1.00 per Disc

Data Protection Act 1998

Under the Data Protection Act 1998, the Council will charge an individual the sum of £10 for requesting personal information held by the Council about the individual. These requests for information are referred to as subject access requests. The Council will not process the subject access request until the £10 fee has been received.

Discounts

None, although no charge for disbursements will be made where the aggregate cost is below £10.

Budget Impacts

There will be no impact on the 2018/19 Budget.

Equality Impact Assessment

In order not to disadvantage customers with disabilities the Council will not charge for providing information in an alternative format, if the Disability Discrimination Act (DDA) covers the person requesting it, unless the original document was a priced publication. In this case, the charge for the alternative format will not exceed the cost of the original publication. The Council's current policies in relation to translation of documents into languages other than English will apply.

Appendix K

Taunton Deane Council - Fees and Charges 2018/19

Court Fees

Background

Council Tax is a charge to owners and occupiers of domestic dwellings and Business Rates, sometimes known as non-domestic rates, is a charge on the occupation of a non-domestic property. The Revenue Service bills those liable of the charges and collects the monies due.

Should the bills not be paid in accordance with the instalments on the bill a reminder is sent. A second reminder and a final notice are also issued should the payments not be made. Sometimes, despite these reminders, the bill is not paid. In these cases the Revenues Service will issue a Summons and apply to the Magistrate's Court for a Liability Order.

The costs of issuing the Summons is charged to the taxpayer.

Legal Authority

The Council Tax (Administration and Enforcement) Regulations (1992) and The Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1990 are the 2 pieces of legislation surrounding the charging of costs incurred by the authority for the issue of a Summons.

Charges

Following a High Court Case (Nicolson v Tottenham & London Borough of Haringey) there is a requirement to evidence a detailed breakdown of how the costs are calculated. Whilst a charge for Summons and Liability is allowed it has been our decision to agree a single cost added upon the issue of a summons. As soon as the proposed costs are agreed by members this will take effect from the next court hearing.

	Current £ (2017/18)	Proposed £ (from next hearing)
Court Costs	74.15	72.00

Discounts

Discounts are not provided as we charge what it costs to issue a summons from Final Notice Stage up to the point of the court hearing. We do however withdraw costs in some cases on customer's willingness to pay the arrears in full.

Budget Impacts

Council Tax Court Costs Recovered in 2018/2019 using the current fee structure of £74.15 per case is forecast to increase to £296,600 due to additional court cases for the year. However with reference to the following case (Nicolson v Tottenham & London Borough of Haringey) the proposed fee structure of £72.00 should be applied which would yield £288,000, showing a reduction of £8,600.

The impact on NNDR Court Costs Recovered would show a nominal showing a reduction of £860.

Equality Impact Assessment

There has been no material change to the policy of charging for summons and or liability orders and the charge has decreased, therefore no Equality Impact Assessment is required.

Appendix L

Taunton Deane Borough Council – Fees and Charges 2018/19 Hire and sponsorship of Open Spaces, Parks, roundabouts, and plant beds

TDBC has since 2006 charged a fee for the hire of its parks and open spaces for events. Any services required for an event for example electricity are charged in addition to the basic hire fee. Currently friends groups, who are raising funds to put back into the parks are not charged a hire fee. Registered charities benefit from a reduction in the advertised rate of 20%.

Charges for roundabout sponsorship and plant beds have been inconsistently applied and this report seeks to resolve this with a clear and transparent schedule.

Destination Sites

Site	Daily hire fee 2017/18 £	Daily hire fee 2018/19 £
Vivary Park	1,050.00	1,100.00
Wellington Park	696.00	720.00
Wilton Lands	270.00	280.00

Neighbourhood sites

Site	Daily hire fee 2017/18 £	Daily hire fee 2018/19 £
Castle Green	192.00	200.00
Dobree Park	192.00	200.00
French Weir Park	192.00	200.00
Goodland Gardens	192.00	200.00
Hamilton Park	192.00	200.00
Somerset Square	192.00	200.00
Taunton Green	192.00	200.00
Victoria Park	192.00	200.00
Wellington Playing Field	192.00	200.00
Longrun Meadow		200.00

Local sites

Site	Daily hire fee 2017/18 £	Daily hire fee 2018/19 £
Cotford St Luke Recreation Ground	102.00	107.00
Galmington Playing Field	102.00	107.00
Gordon Hawkins Playing Field	102.00	107.00
Greenway Recreation Ground	102.00	107.00
Higher Holway	102.00	107.00
Hudson Way	102.00	107.00
Lyngford Park	102.00	107.00

Moorfields	102.00	107.00
Priorswood Playing Field	102.00	107.00
Roughmoor	102.00	107.00
Weirfield Green	102.00	107.00
Wellington Recreation Ground	102.00	107.00

Flexible hire for small scale fitness activities of less than 50 people for less than 2 hours per session at £200 for 12 months for a single park, or £300 for 12 months for up to 5 locations. A flexible hire is offered to support businesses wanting to operate instructor lead fitness activities such as military style boot camps, outdoor yoga, etc.

The decision has been made not to introduce charges for park run.

Additional Charges

In addition to the daily basic hire charge a separate fixed price of £55 is payable for hire and events to cover the extensive necessary administration tasks involved in checking the application and raising the Permit to Use the Land. This work is carried out in order to indemnify the Council.

Use of onsite electricity and water supplies will be charged at a unit cost where utilised.

A refundable damage deposit will also be requested, the rate to continue to be set by the Open Spaces Manager, dependant on the type of event.

Additional commercial services requested of the Open Spaces team will be charged at the appropriate chargeable rates.

Roundabout sponsorship

All roundabouts will be charged on the basis of the number of advertising / sponsorship signs that are placed. The rate per sign has been established following research into other southwest council charges. It is proposed that the charge is based upon the number of sponsorship / advertising signs that are permitted on the roundabout rather than a set rate per roundabout.

Roundabouts would have only one sponsor at any one time and would cover a period of 12months.

Each sign permitted on a major road would be £800pa and £600pa on a minor road. With a roundabout typically serving 3 or more junctions it would therefore have 3 or more signs. We consider this to be good value based on the number of views each sign will get from passing motorists.

The charge above does not cover the provision of the signs which are a further cost of £100.00 per sign. Signs are limited in size and the service will have final say over the design and wording of the sign.

Planting beds

We occasionally receive request for sponsorship / advertising on flower beds, this charging schedule makes a move towards proactive marketing of these areas and seeks to test the markets interest and affordability. The cost of a planting bed will be less than roundabout sponsorship based on the volume of people that would see it. The charge is dependent on bed size as follows:

Bed area up to 9m2	£200
Bed area of 10 – 15m2	£300
Bed area greater than 15m2	£400

Proposed Discounts

Currently the Friends groups are not charged to hire their particular open space or park. It is proposed that this continues in recognition of the good work done by the various groups in raising the profile of their parks, maintaining the profile and putting funding back into the park, by raising funds and applying for grants not available to TDBC.

Registered charities are charged a discounted fee. This discount is 20% across all fees identified in this report.

Finance implications

The new rates to apply to all bookings and sponsorships from 1 April 2018. The new charging process for roundabout has the potential to increase income but a conservative estimate has been made as this will be the first year of this change and may require sometime to settle in. It is considered that the new charges will increase income in the following areas:

Parks hire increase of:	£500
Roundabout sponsorship increase of:	£2,000
Plant beds sponsorship increase of:	£1,000

END

Chris Hall
Assistant Director – Operational Delivery

Appendix M

Taunton Deane Borough Council – Fees and Charges 2018/19 Parking Charges

This report seeks to make no changes to the current fees and charges structure for TDBC operated off street parking areas.

The table below identifies the current charges that are proposed to be maintained:

Shopper 1	Up to	Tariff
Canon Street Coal Orchard	1 Hour	£ 1.20
Crescent (maximum stay 4 hours) High Street	2 hours	£ 2.40
Orchard Levels 1, 1A, 2, 2A, 3 and 3A	3 hours	£ 3.60
	4 hours	£ 4.80
	5 hours	£ 6.00
	6 hours	£ 7.20
	7 hours	£ 8.40
	Over 7 hours	£ 9.60

Shopper 2	Up to	Tariff
Ash Meadows (maximum stay 3 hours)	1 Hour	£ 1.00
Belvedere Road	2 hours	£ 2.00
Castle Street	3 hours	£ 3.00
Elms Parade	4 hours	£ 4.00
Fons George (maximum stay 6 hours)	5 hours	£ 5.00
Orchard Levels 4, 4A, 5 and 5A	6 hours	£ 6.00
Wood Street	7 hours	£ 7.00
	Over 7 hours	£ 8.00

Commuter Car Parks	Up to	Tariff
Enfield	1 Hour	£ 1.00
Kilkenny	2 hours	£ 2.00
Tangier	3 hours	£ 3.00
Victoria Gate	4 hours	£ 4.00
Firepool	5 hours	£ 4.50
	6 hours	£ 5.00
	7 hours	£ 5.50
	Over 7 hours	£ 6.00

Wellington	Up to	Tariff
South Street	1 Hour	£ 0.70
	2 hours	£ 1.00
	3 hours	£ 1.50

	4 hours	£	2.00
	All day	£	2.50
Longforth Road North Street	2 hours	£	1.00
	3 hours	£	1.50
	4 hours	£	2.00
	All day	£	2.50

	Up to	Tariff	
Whirligig	1 hours	£	1.60
	2 hours max	£	3.00
Tangier Coach Park	All day	£	6.00

Shopper 1 permit		
Six months		£990.00
Annual		£1980.00
Shopper 2 permit		
Six months		£770.00
Annual		£1540.00
Commuter permit		
Six months		£660.00
Annual		£1320.00
Wellington permit		
Six months		£300.00
Annual		£600.00

There are not considered to be any material increases in operating costs and as such there is no identified impact on the budget.

END

Chris Hall
Assistant Director – Operational Delivery

Impact Assessment form and action table – Bereavement Service

What service is impacted and why complete this assessment?	Price increases for the Provision of burial and cremation and the sale of memorialisation choices for the bereavement service.		
Section One – Aims and objectives of the policy /service			
<p>To increase the costs, to invest in service improvements and pay for ongoing capital repairs and maintenance to the cremators and filtration equipment.</p> <p>This report also introduces new charges for services and choices not previously offered keeping the service provision up to date and modern.</p>			
Section two – Groups that the policy or service is targeted at			
This will impact on all of those that use the service.			
Section three – Groups that the policy or service is delivered by			
This is an in house service delivered by Taunton Deane Bereavement Service.			
Section four – Evidence and Data used for assessment			
These charges have been put forward by placing this service against 12 other services both locally and those of similar capacity further afield to ensure that the TDBC Bereavement Service remains mid-stream in costs across the group.			
Section Five - Conclusions drawn about the impact of service/policy/function on different group highlighting negative impact or unequal outcomes.			
<p>There are not thought to be any unequal outcomes from this proposal</p> <p>There remains no requirement for users to use this service as there are other services providing the same elsewhere.</p>			
Section six – Examples of best practise			
Best practice is not identified in this report as there are a number of charging models and differing services offered by authorities around the country.			
Signed: Person/Manager completed by		Signed: Group Manager/Director	

Impact Assessment Issues and Actions table						
Service area	Bereavement Service - Operational Delivery			Date	10th November 2017	
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Potential negative impact from price increase	All customer equally	Review numbers of users throughout the year against previous years to assess any negative impact	Garry Bowles	As part of the budget setting process for 19/20	Budget / statistical monitoring is in place.	Unknown
Responsive services and customer care						
All children's choices remain either at no cost or at cost. There is an increased choice for lesser costly memorials with longer lease terms.	All customers equally	Ensure plain English PR literature and face to face interaction with the bereaved is offered.	Garry Bowles	By 1 st April 2018	No	More informed choices made by the public and understanding of what is offered by the service. More direct engagement of the user.
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Appendix B – Waste

Impact Assessment form and action table

What service is impacted and why complete this assessment?	Price increases for the sale of non-statutory waste stream collection.																			
Section One – Aims and objectives of the policy /service																				
<p>To increase the costs, reducing the subsidy of additional waste streams as set out in the table.</p> <p>Each year it is necessary to consider an increase in the waste various waste streams as currently this remains a subsidised service.</p> <table border="1"> <thead> <tr> <th></th> <th>Current £ (2017/18)</th> <th>Proposed £ (2018/19)</th> </tr> </thead> <tbody> <tr> <td>Green Waste Bins</td> <td>53.50</td> <td>55.40</td> </tr> <tr> <td>Green Waste Sacks x10</td> <td>26.50</td> <td>27.40</td> </tr> <tr> <td>3 x bulky items</td> <td>41.50</td> <td>43.00</td> </tr> <tr> <td>Subsequent items</td> <td>11.50</td> <td>11.90</td> </tr> <tr> <td>Bin replacements</td> <td>25.00</td> <td>25.90</td> </tr> </tbody> </table> <p>The aim of the proposed increase is maintain the current cost neutral service. An increase in charges of less than the contractual inflation rise of 3.5% would see the council having to subsidise the collection service.</p>				Current £ (2017/18)	Proposed £ (2018/19)	Green Waste Bins	53.50	55.40	Green Waste Sacks x10	26.50	27.40	3 x bulky items	41.50	43.00	Subsequent items	11.50	11.90	Bin replacements	25.00	25.90
	Current £ (2017/18)	Proposed £ (2018/19)																		
Green Waste Bins	53.50	55.40																		
Green Waste Sacks x10	26.50	27.40																		
3 x bulky items	41.50	43.00																		
Subsequent items	11.50	11.90																		
Bin replacements	25.00	25.90																		
Section two – Groups that the policy or service is targeted at																				
<p>This will impact on all of the current users of the scheme and any new customers. Consideration was given to those who use green bags rather than green bins.</p>																				
Section three – Groups that the policy or service is delivered by																				
<p>This service is delivered on behalf of Taunton Deane Borough Council through the Somerset Waste Partnership. Traditionally each partner tries to set its fees consistently but there is an opportunity for TDBC to set theirs differently to the other partners.</p>																				
Section four – Evidence and Data used for assessment																				
<p>A discussion of the SWP Strategic Management Group jointly agreed the proposals, this is attended by Assistant Director for Operational Delivery on behalf of TDBC & WSC.</p>																				
Section Five - Conclusions drawn about the impact of service/policy/function on different group highlighting negative impact or unequal outcomes.																				
<p>There are not thought to be any unequal outcomes from this proposal and in fact it reduces the</p>																				

subsidy divide for those using bags (lower subsidy) compared with those using bins.

There remains no requirement for users to buy this service from SWP and there are no contractual tie-ins enforcing the new increased prices.

Section six – Examples of best practise

Best practice is not identified in this report as there are a number of schemes used by different authorities around the country. It is not considered to be beneficial to charge the customer for the initial green waste bin as this reduces the likely uptake for customers and may see this waste placed into the residual waste stream.

Signed: Person/Manager completed by		Signed: Group Manager/Director	
---	--	--------------------------------------	--

Impact Assessment Issues and Actions table						
Service area					Date	
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Potential negative impact from price increase	All customer equally	Review numbers of new customers throughout the year to assess any negative impact	Chris Hall	As part of the budget setting process for 19/20	Budget monitoring is in place.	Unknown
Responsive services and customer care						
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Appendix D1

Taunton Deane Borough Council and West Somerset Council

Equality Impact Assessment Form and Action Plan

1. Name of policy, procedure, decision or service being analysed:

Housing Services Fees and Charges 2018/19

2. What is the reason for completing this EIA? Please tick.

New policy/service	<input type="checkbox"/>
Change of policy/service	<input type="checkbox"/>
New/change of budget	<input type="checkbox"/>
Service review	<input checked="" type="checkbox"/>

3. Sources of information used in this analysis:
(E.g. demographic data, research from websites, consultations, equality monitoring data, customer feedback)

Grounds Maintenance charges have been subject to specific consultation exercises.

Fees and charges generally, there will be consultation with Tenant Services Management Board 16th October 2017.

4. Identify the potential effect of this action on each of the groups below.
Please refer to the equality analysis guidance.

Protected Group	Comments	Actions
Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion and Belief, Sex, Sexual Orientation	<i>The proposed fees and charges increases will apply to all services users and as such no potential discrimination amongst the protected groups has been identified. Those on low income will be particularly disadvantaged.</i>	<p><i>Processes are in place to ensure early intervention in cases of rent, service charge, leasehold service charge arrears.</i></p> <p><i>To help support service users on low incomes Housing Services will continue to provide a number of initiatives to enable service users to manage their finances and maximise their income:</i></p> <ul style="list-style-type: none"> <i>• Publish clear information on all the fees and charges that will help service users to manage their own finances;</i> <i>• Signpost service users to a relevant benefit agency to help ensure they are maximising</i>

Appendix D1 Taunton Deane Borough Council and West Somerset Council Equality Impact Assessment Form and Action Plan

		<p><i>their income to meet their living costs;</i></p> <ul style="list-style-type: none"> • <i>Take action to raise the awareness of accessing benefits; and</i> • <i>Provide the opportunity to access direct support for service users in checking they are in receipt of benefits they are entitled to claim.</i>
--	--	--

5. Details of person completing this form:

Name: Shari Hallett	Service Area: Housing and Communities
Email: s.hallett@tauntondeane.gov.uk	Telephone: 01823 219425

6. Details of person responsible for signing off this EIA:

Name: Stephen Boland	Signature:
Designation: Housing Services Lead	Date:

7. Review date/timeline of this EIA:

The proposed increase in fees and charges will be applicable from April 2018.
The review of this EIA will take place on 8 October 2018

8. Comments/Observations relating to this analysis:

The proposed fees and charges increases will apply to all services users and as such no potential discrimination amongst the protected groups has been identified.

To help support service users on low incomes Housing and Community Services will continue to provide a number of initiatives to enable service users to manage their finances and maximise their income:

- Publish clear information on all the fees and charges which helps service users to manage their own finances;
- Signpost service users to a relevant benefit agency to help ensure they are maximising their income to meet their living costs;
- Take action to raise the awareness of accessing a range of welfare benefits; and
- Provide the opportunity to access direct support for service users in checking they are in receipt of the welfare benefits they are entitled to claim.

Appendix D1
Taunton Deane Borough Council and West Somerset Council
Equality Impact Assessment Form and Action Plan

Appendix G1 Impact Assessment

Responsible person	Erica Lake	Job Title: Environmental Health Manager
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy or service	
	Change to Policy or Service	
	Budget/Financial decision – MTFP	Yes
	Part of timetable	
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	Private Water Supplies Fees and Pest Control Fees and Charges	
Section One – Scope of the assessment		
What are the main purposes/aims of the policy?	<p>Proposal to increase the fees and charges from April 2018 for the pest control service as detailed in the attached reports. Fees and charges for private water supply service to remain the same as 17/18.</p> <p>The proposed increase to fees and charges will ensure sufficient financial resources are in place to deliver the services.</p>	
Which protected groups are targeted by the policy?	All protected groups are affected equally by the changes.	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	Historic evidence has been gathered regarding people that access these services including property and land owners and tenants. Information is available on those people who are entitled to the subsidies applied to the pest control fees. This information is available via the business support team and officers within Environmental Health team.	
Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality.		
I have concluded that there should be:		
The proposed fees and charges increases will apply to all services users and as such no potential discrimination amongst the protected groups has been identified.		

To help support service users on low incomes a subsidised rate will continue to be available for those in receipt of income-related benefit. This subsidised rate will apply to public health nuisance pests such as rats and mice only.

No major change - no adverse equality impact identified	Yes
Adjust the policy	
Continue with the policy	
Stop and remove the policy	

Reasons and documentation to support conclusions: Historic data and knowledge of the service gained through a number of years of administering discounts for those that have hardship issues lend itself to continuing to make discretionary relief available for public health nuisance pests (rats and mice only).

Section four – Implementation – timescale for implementation

April 2018

Section Five – Sign off

Responsible officer: Erica Lake
Date: 10th October 2017

Management Team: Scott Weetch
Date: 10th October 2017

Section six – Publication and monitoring

Published on

Next review date

Date logged on Covalent

Action Planning

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

Service area	Environmental Health		Date	10th October 2017		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions	
N/A						

**Appendix G2
Environmental Health Food Safety Charges**

Equality Impact Assessment

Responsible person	Erica Lake	Job Title: Environmental Health Manager
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy or service	No
	Change to Policy or Service	Yes
	Budget/Financial decision – MTFP	Yes
	Part of timetable	No
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	Introduction of fees for food hygiene re assessment inspection, food hygiene advice and food safety guidance pack.	
Section One – Scope of the assessment		
What are the main purposes/aims of the policy?	<p>Proposal to introduce a cost recovery fee for the provision of food hygiene advice to food businesses. This includes a charge for food safety advisory visits, a printed copy of a guidance booklet and a Food Hygiene Rating Scheme request for a re-inspection visit.</p> <p>The proposed introduction will assist with cost recovery for this part of the statutory service.</p>	
Which protected groups are targeted by the policy?	All protected groups are affected equally by the changes.	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	N/A	
Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality.		
I have concluded that there should be:		
The proposed charges will apply to all businesses in this sector and as such no potential discrimination amongst the protected groups has been identified.		

No major change - no adverse equality impact identified	Yes
Adjust the policy	
Continue with the policy	
Stop and remove the policy	
Reasons and documentation to support conclusions: Historic data and knowledge of the service gained through a number of years of administering discounts for those that have hardship issues lend itself to continuing to make discretionary relief available for public health nuisance pests (rats and mice only).	
Section four – Implementation – timescale for implementation	
Jan 2018	
Section Five – Sign off	
Responsible officer: Erica Lake Date: 10 th October 2017	Management Team: Scott Weetch Date: 10 th October 2017
Section six – Publication and monitoring	
Published on	
Next review date	Date logged on Covalent

Action Planning

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

Service area	Environmental Health	Date	10 th October 2017		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions
N/A					

Appendix H

Impact Assessment form and action table

What are you completing this impact assessment for? E.g. policy, service area	Price changes for Promotional Pennants and Spaces in Taunton Town Centre
Section One – Aims and objectives of the policy /service	
<p>Opportunities have been created for businesses, charities and event organisers to promote themselves through Town Centre promotional banners, pennants, rotunda (poster) and spaces located in Taunton Town Centre.</p> <p>Revisions have been proposed to the charges for the Promotional pennants and spaces.</p>	
Section two – Groups that the policy or service is targeted at	
The service is targeted at businesses, charities and event organisers.	
Section three – Groups that the policy or service is delivered by	
The service is delivered by the Marketing and Visitor Centre team all of who are varying ages and genders. We are not aware of any disabilities among the current staff group. All are White British. No information is held on staff's religion, belief or sexual orientation, these are also not specifically relevant to the changes in this review.	
Section four – Evidence and Data used for assessment	
<p>The promotional pennant charge change has been made to take in to account the proposed installation costs of providing this service by our DLO. Plus research undertaken to ensure this service remains competitive.</p> <p>The promotional space charges have been reviewed by an external consultant. Several local and national town and city centres who offer this service were queried for their pricing structure to ensure the Service is in line with competitors.</p>	
Section Five - Conclusions drawn about the impact of service/policy/function on different groups highlighting negative impact or unequal outcomes.	
<p>As the increase affects all customers equally no social group will be affected more heavily than any other. Since taking over this service in 2011 annual increases have taken place and no negative impact has been identified to the service from doing so.</p> <p>Indeed in this instance we are proposing some reductions to the promotional space service which we believe will increase use and bookings.</p> <p>The introduction of charges to national charities who employ companies to sign up supporters is the norm in other town centre locations and a comparable charge has been applied.</p> <p>No negative equality impacts have been identified.</p>	
Section six – Examples of best practise	

We have consulted with "Pinpointer" who are the market leader in booking promotional spaces and have compared Taunton with similar size town and city centres. We believe the new proposed charges will encourage bookings in these spaces.

Signed: Person/Manager completed by	Andrew Hopkins Marketing and Place Manager	Signed: Group Manager/Director	
---	--	--------------------------------------	--

Impact Assessment Issues and Actions table						
Service area	Business Development			Date	8 th October 2017	
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Potential negative impact from price increase only identifiable after the change	Unknown	Review numbers of new customers after twelve months to reassess any negative impact	Andrew Hopkins	12 Months from date of change	No	Unknown
Responsive services and customer care						
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Appendix L

Impact Assessment form and action table – Open Spaces

What service is impacted and why complete this assessment?	Price increases for the sale of non-statutory waste stream collection.
Section One – Aims and objectives of the policy /service	
<p>To increase the costs, reducing the subsidy of the Open Spaces maintenance operation.</p> <p>Each year it is necessary to consider an increase in chargeable services offered within our Open Spaces to reduce the subsidy from the general fund.</p> <p>This report also introduces new charges for services not previously offered and gives businesses operating within the district enhanced opportunities to market their offering to customers.</p>	
Section two – Groups that the policy or service is targeted at	
<p>This will impact on all of the current businesses or groups that hire open spaces with the district or use the sponsorship opportunities.</p> <p>Charities continue to receive a discount of 20%.</p> <p>Friends Groups continue to have free access in recognition of the work they undertake to support the parks.</p>	
Section three – Groups that the policy or service is delivered by	
<p>This is an in house service for the parks and open spaces within the district, various groups business and event's organisers make us of the space and the charges contribute towards the overall maintenance costs.</p>	
Section four – Evidence and Data used for assessment	
<p>These charges have been considered in association with the Executive Member.</p>	
Section Five - Conclusions drawn about the impact of service/policy/function on different group highlighting negative impact or unequal outcomes.	
<p>There are not thought to be any unequal outcomes from this proposal</p> <p>There remains no requirement for users to use this service.</p>	

Section six – Examples of best practise
--

Best practice is not identified in this report as there are a number of charging models used by different authorities around the country.

Signed: Person/Manager completed by		Signed: Group Manager/Director	
---	--	--------------------------------------	--

Impact Assessment Issues and Actions table						
Service area	Operational Delivery			Date	11th September 2017	
Identified issue drawn from your conclusions	Groups affected	Actions needed – how will your service or policy be amended	Who is responsible	By when	Is a monitoring system required	Expected outcomes from carrying out actions
Knowing our Communities, engagement and satisfaction						
Potential negative impact from price increase	All customer equally	Review numbers of users and any waiting list throughout the year to assess any negative impact	Chris Hall	As part of the budget setting process for 19/20	Budget monitoring is in place.	Unknown
Responsive services and customer care						
Place shaping, leadership and partnerships						
A modern and diverse workforce						

Executive Forward Plan

29/11/2017, Report:Fees and Charges 2018/2019

29/11/2017, Report:Earmarked Reserves Review

29/11/2017, Report:2018/2019 Draft Budget Estimates Update

29/11/2017, Report:Somerset Waste Partnership Business Plan
Reporting Officers:Chris Hall

29/11/2017, Report:TDBC General Fund Asset Strategy

11/01/2018, Report:Crematorium Waiting Room Extension
Reporting Officers:Chris Hall

08/02/2018, Report:General Fund Revenue Budget 2018/ 2019

08/02/2018, Report:Housing Revenue Account Budget 2018/2019

08/02/2018, Report:Treasury Management Strategy 2018/

19/03/2018, Report:Transitioning to a New Council
Reporting Officers:Penny James,Shirlene Adam

05/07/2018, Report:Quarter 4 Performance Monitoring Report
Reporting Officers:Richard Doyle

05/07/2018, Report:Finance Outturn Report
Reporting Officers:Paul Carter

06/09/2018, Report:Taunton Transport Strategy
Reporting Officers:Dan Webb

06/09/2018, Report:Electric Vehicle Charging Points
Reporting Officers:Chris Hall

28/11/2018, Report:North Taunton Woolaway Project Proposal
Reporting Officers:Jo Humble

Executive- 29 November 2017

- Present: Councillor Williams (Chairman)
Councillors Beale, Berry, Edwards, Habgood, Mrs Herbert, Parrish and Mrs Warmington
- Officers: Chris Hall (Assistant Director – Operational Delivery), Tim Child Asset Manager), Paul Fitzgerald (Section 151 Officer), Jo Nacey (Finance Manager) and Richard Bryant (Democratic Services Manager)
- Also present: Councillors Aldridge, Coles, Ms Lisgo and Mrs Stock-Williams
Mickey Green and Bruce Carpenter of the Somerset Waste Partnership

{The meeting commenced at 6.15 pm.}

41. Minutes

The minutes of the meeting of the Executive held on 7 September 2017, copies of which had been circulated, were taken as read and were signed.

Councillor Coles enquired whether there was any update on the situation relating to the repairs needed to the premises at Tonedale Mill, Wellington which had been the subject of a report to the last meeting of the Executive.

The Chairman stated that arrangements would be made for an update to be sent to Councillor Coles.

42. Public Question Time

(Councillor Ms Lisgo declared a personal interest as a trustee of the North Taunton Partnership.)

Councillor Ms Lisgo made reference to the charges for using the Council's open spaces which was referred to in the Fees and Charges report (agenda item No. 10).

It was now clear that "Friends or groups did not have to pay the charges, but she asked why this did not also apply to a local community group such as the North Taunton Partnership who, during the summer, ran a series of activities for teenagers and children in Lyngford Park. Fortunately, the Housing Revenue Account had met the charges for using the Council's open space this year. Nevertheless, in the future it could well be the Partnership itself which had to find the necessary funding.

At the recent meeting of the Corporate Scrutiny Committee this matter had been discussed and it was agreed to suggest to the Executive that a list ought to be drawn up of community organisations which should have equal status to the "Friends of' groups who would not be charged for the use of the Council's open spaces.

In response, Councillor Williams stated that care would have to be taken to distinguish which community groups should qualify and ensure that this did not end

up supporting commercial events.

43. Declaration of Interests

Councillor Mrs Warmington declared a personal interest as a Member of Bishops Lydeard and Cothelstone Parish Council.

44. Somerset Waste Partnership Draft Business Plan 2018-2023

Considered report previously circulated, which sought approval for the Somerset Waste Partnership's (SWP) Draft Business Plan 2018-2023. The draft Plan had been made available to Members.

Whilst the Business Plan had a five year horizon, Councillors were only requested to approve the plan for the financial year 2018/2019.

The Draft Business Plan and associated Action Plan were the means by which the partnership described its business, evaluated changes to the operating environment, identified strategic risks and set out its priorities. The plan had a five year horizon with particular focus on the next 12 months. It was the primary means to seek approval for and to secure the necessary resources to implement its proposals from the partner authorities.

The plan also set out the draft Annual Budget for the Waste Partnership for 2018/2019.

All partner authorities had previously endorsed the implementation of Recycle More and delegated their waste collection functions to the Somerset Waste Board (SWB). Whilst the original delivery plan was to implement Recycle More with Kier, it had not been possible to reach acceptable terms with them.

Recycle More depended upon having a new fleet of vehicles in place with the correct containment for the new material. Due to the importance of aligning the procurement of a new fleet with the implementation of Recycle More and the need to have sufficient time to undertake a robust procurement process the SWB had, by mutual consent with Kier, agreed to bring forward the expiry date of the current collection contract from September 2021 to 27 March 2020.

The actions in the draft Business Plan set out the most significant set of changes to Somerset's waste services since SWP's inception in 2007. Co-ordinated for maximum impact and value the changes spanned all three major contracts for waste collection, treatment, disposal and infrastructure.

The Business Plan set out three related areas of activity which together would enable SWP's vision to be realised:-

- Building capability- This included improving how the partnership used data, developing and implementing a technology roadmap and doing more to understand people's behaviour. SWP was working closely with all partners to implement a new website, a new customer service system and a mobile app in order to improve the way customers were supported.

- Action on waste prevention, reuse, recycling and recovery - These actions aimed to improve Somerset's recycling rate from 52% towards 60% and potentially beyond, lead to a reduction in residual waste generated per household and generate energy from materials that could not be recycled. Close working with all partners will be necessary to maximise the impact of work to change people's behaviours, focussing on reducing the 50% of recyclable waste that is still in our residual waste.
- Maintaining services and operational effectiveness - These activities would ensure the day to day functions of the SWP were delivered effectively and safely. It included a review of SWP's core services contract with Viridor ahead of its expiry in 2022, focussing on whether there was value for money in extending this agreement.

The Draft Plan had been brought together against the background of the continuing difficult economic situation but with a continuing desire from partners to deliver the following key priority areas:-

- (1) Waste minimisation, high diversion and high capture;
- (2) Improved services for customers;
- (3) Contract monitoring and review;
- (4) Alternatives to landfill and optimising material processing;
- (5) Investigating Recycling Centre options;
- (6) Investigating collection service options; and
- (7) Organisational efficiency.

The SWB had undertaken a major review of the commissioning options and proposed to undertake a competitive dialogue procurement to secure a new collection contractor following the expiry of the contract with Kier. Full details of this were set out in the report.

Despite early expiry there were no changes to the charging process for 2018/2019 and, as such, the budget was to be set in accordance with the usual contractual criteria. The cost increase for 2018/2019 when compared with 2017/2018 was £177,000. The budget for 2018/2019 had a contract increase in mind, however the actual increase was greater than this creating a small additional impact of £40,000 on the Medium Term Financial Plan.

Further reported that this item had been considered by the Corporate Scrutiny Committee on 16 November 2017 and the views expressed by Members were set out in detail in the Executive's report.

Resolved that:-

- (i) The Somerset Waste Partnership's Draft Business Plan 2018-2023, in particular the proposed approach to the procurement of a new collection contract be approved;
- (ii) It be noted that, in line with their delegated authority and in order to implement Recycle More as requested by partners, the Somerset Waste Board had agreed

with Kier to bring forward the expiry date of the current collection contract from September 2021 to 27 March 2020; and

- {iii) The projected budget for 2018/2019 be approved subject to the finalisation of the figures.

45. Taunton Deane Borough Council General Fund 2018-2020 Asset Strategy

Considered report previously circulated, concerning the draft Taunton Deane Borough Council 2018-2020 Asset Strategy, a copy of which had been circulated to the Members of the Executive.

The issues identified within the draft strategy were very significant and actions were needed to be taken to address them via the protocols within the strategy. It was critical that delivery of the strategy, when adopted, was not delayed due to lengthy decision making cycles.

The Asset Strategy required the General Fund asset portfolio to be managed more proactively and commercially moving forward to enable disposal of poor performing assets, acquisition where there was a sound business case, investment in a proactive and informed manner and much greater commercialism in respect of the 'let' portfolio. Unless this strategy was adopted then significant additional budget would need to be secured to maintain this portfolio.

What was key was the ability for the Council to make informed and proportionate decision making but in a way that did not stifle the delivery of the strategy and the need for more 'agile' decision making. For the previous three years this has been a significant issue which has impacted on delivery.

Noted that the Executive was recommended to choose one of the following two options as the favoured decision making route moving forward:-

(a) Detailed asset specific final protocol decisions that flowed from the approved strategy, including key decisions being undertaken by delegation to a Director in consultation with the Portfolio Holder for Asset Management (no call in); or

(b) Detailed asset specific final protocol decisions that flowed from the approved strategy, including key decisions being undertaken as Executive Portfolio Holder decisions {call-in possible}.

From a speed of delivery perspective and in terms of generating the receipts and increasing the revenue income, decision making option (a) was the preferred route. However, if decision making option (b) was the outcome eventually agreed, the portfolio holder and officers would review any impact to the delivery of the Asset Strategy if it was deemed that the use of the Scrutiny 'Call in Procedure' negated the delivery of the strategy.

In accordance with the strategy, protocol decisions would result in an options appraisal as part of the flowchart contained in the document. All options appraisals would be undertaken using a standard format.

Ward Councillors would be consulted where assets in the ward were being appraised and given an opportunity to discuss any concerns with the Asset Management Team. The team would seek to address any apprehensions and suggestions the Ward Councillor might have, including considering alternative options or what compromises might be possible.

However, if their support on the outcome for the asset in question could not be mutually agreed, then it would be for the portfolio holder to decide how to proceed. In addition to Ward Councillors, appropriate Portfolio Holders would also be consulted.

An Asset Management Group (AMG) for the General Fund portfolio would be re-established and would include relevant portfolio holders who would consider these options appraisals and agree how to proceed.

Further reported that delivery of the strategy and realisation of the benefits would be reliant on adequate staffing resource, asset data in easily reportable datasets and the prioritisation of projects to focus on delivery of the strategy with less emphasis on non-key tasks. The current way of working would need to change.

The strategy made it clear that disposals were just one consideration and would be pursued alongside Investment In assets, acquisitions and being more commercial with the let portfolio but officers did need the ability to implement the strategy. Investment plans and the results from options appraisals would be reported to the Council through the AMG.

The Action Plan would be reviewed quarterly by the AMG and reported to Scrutiny, the Executive and Full Council annually.

Further reported that this item had been considered by the Corporate Scrutiny Committee on 16 November 2017 and the views expressed by Members were reported verbally at the meeting. From these, it was agreed that when the report was considered by Full Council, It should contain an updated list of all the Council's assets. It was also noted that Scrutiny had opted for decision making 'route (b)' which would allow for call-ins to be made.

Resolved that Full Council be recommended:-

- (a) To formally adopt the Taunton Deane Borough Council 2018-2020 Asset Strategy, the principles within and the recommendations; and
- (b) To agree that the favoured decision making route moving forward should be:-

"Detailed asset specific final protocol decisions that flowed from the approved Strategy. including key decisions being undertaken by delegation to a Director in consultation with the Portfolio Holder for Asset Management (no call-in)".

Note : The Director might, if appropriate, choose to take a decision through Committee if such a decision was likely to be contentious.

46. Someraet Buain- Rataa Pooland 100% BusIn- Rates Retention Pilot

Considered report previously circulated, concerning a bid that had been submitted to the Department of Communities and Local Government (DCLG) to become a pilot for 100% Business Rates Retention (BRR) in 2018/2019 with our County-wide district and County neighbours.

The current 50% BRR system had been Introduced in the 2013/2014 financial year as part of a wider suite of changes implemented following the Local Government Finance Review. It included the potential for groups of local authorities to apply to pool Business Rates resources.

As a result, Taunton Deane had joined a Business Rates Pool with Bath and North East Somerset, North Somerset, Somerset County Council (SCC), Mendip District Council (MDC), Sedgemoor District Council (SOC), and South Somerset District Council (SSDC) with effect from April 2015.

Although this pooling arrangement had ended on 31 March 2017, a smaller pool was then formed In 2017/2018 comprising SCC, MDC and SOC.

On 1 September 2017, DCLG had issued an invitation to local authorities to pilot 100% BRR in 2018/2019 – for one year only – and to pioneer new pooling and tier-split models.

The first set of pilots for 100% BRR had been launched in 2017/2018. The Government had Indicated it would like to see other authorities form pools and apply for pilot status. In assessing applications the Government has set out a criteria. This included aspects that would suggest the potential for a successful Somerset bid, such as:-

- The proposed pooling arrangements operating across a functional economic area i.e. the County Council and all relevant District Councils;
- The Government was particularly interested in piloting in two-tier areas focussing on rural areas; and
- There was a variation in the types of Business Rates base represented.

The pilot areas – if selected – would retain 100% of Business Rates growth above the baseline. Under the 50% system, half of this growth would be paid over to the Government. This provided an opportunity therefore to keep more funding locally and the Government had indicated it was looking for authorities to show how the additional retained resources would be of benefit locally, for example whether the proposals would promote the financial sustainability of the authorities involved.

Following the publication of the Government's invitation, the Section 151 Officers within the six local authorities in Somerset had sought to urgently assess the potential gains from establishing a wider pool and applying to be a pilot for 100% BRR.

The specialist advisors, LG Futures, had been appointed to undertake an initial assessment and having considered the analysis, advantages and disadvantages. it

was believed the case for a County-wide pool and becoming a pilot was overwhelming.

The six Councils had therefore decided it was worth investing in further analysis and preparing an application to become a pilot for 100% BRR in 2018/2019. LG Futures had again been appointed to assist on a 'no win no fee' arrangement where they would only receive payment if the application to become a pilot area was successful. It was expected DCLG would announce successful applications for new pools and pilot areas through the provisional Local Government Finance Settlement in December 2017. This will set the starting point for the new Business Rates Pool and would confirm the tariffs, top up and levy rates for each Council, together with their spending baselines and should confirm the benefits arising through this pooling arrangement. The Government had indicated that the Safety Net for a 50% pool would remain at 92.5% of Baseline, and that under a 100% Pilot the Safety Net would rise to 97% of Baseline – reducing the risk of losses.

Councils would have the opportunity, during the 30-day Financial Settlement consultation period, to decide to withdraw from a pooling arrangement if they decided that it did not offer the benefits they had thought. Through the application to become a 100% BRR pilot the Councils had to indicate what, if any, pooling arrangement was preferred and, at this stage, the Councils had indicated that they wished to establish a new Somerset-wide Pool even if the pilot bid was unsuccessful.

Noted that the modelling undertaken to date had suggested the potential financial benefits are considerable, albeit not without risk.

The Government had recently confirmed that any new 100% BRR pilots for 2018/2019 would benefit from a 'no detriment' clause within the funding agreement which would remove the risk of volatility in respect of 100% BRR gains in 2018/2019.

The analysis undertaken to assess the potential financial benefits, and potential benefit sharing arrangements, had indicated that a Somerset Pool would benefit by an estimated £4,400,000 (compared to acting as individual authorities) and a further £10,300,000 if the bid to be a pilot area for 100% BRR was successful. This was summarised in the table below:-

	Projected Potential Gain in 50% BRR Pool £m	Projected Additional Gain under 100% BRR Pilot £m	Total Projected Gain if 100% BRR Pilot £m
Mendip	0.8	0.9	1.7
Sedgemoor	1.0	1.1	2.2
South Somerset	0.5	0.5	1.0
Taunton Deane	0.2	0.5	0.7
Wilt Somerset	0.6	0.7	1.3
Somerset County	1.2	6.6	7.8
TOTALS	4.4	10.3	14.7

This matter was considered by the Corporate Scrutiny Committee at its meeting on 16 and 27 November 2017. As well as supporting the proposals, Members had asked the Executive to consider a fourth recommendation that the Section 151 Officer should establish a reporting system that met the standards of transparency and accountability through the democratic process on any expenditure gained through the pilot bid, if successful. This was not endorsed by the Executive.

Resolved that Full Council be recommended to:-

- (a) Endorse the urgent decision made by the Leader of the Council and the Section 151 Officer that the Council participated in the pooling arrangement together with the other Somerset authorities under the 50% Business Rates Retention scheme for 2018/2019;
 - (b) Also endorse the urgent decision to apply to the Government for the Somerset Business Rates Pool comprising the County and five Districts Councils to become a pilot area for 100% Business Rates Retention in the 2018/2019 financial year; and
 - (c) Delegate authority to the Section 151 Officer, in consultation with the Leader of the Council, to decide whether to remain in the Pool and, if approved by the Government, the 100% Business Rates Retention Pilot scheme when the Government's Provisional Settlement details were announced in December 2017.
47. 2018/2019 Budget Options and Medium Term Financial Plan Update

Considered report previously circulated which provided an update on progress with regard to Budget Setting for 2018/2019, the latest Medium Term Financial Plan (MTFP) forecasts and the areas to be finalised.

There remained a number of areas where budget forecasts were to be finalised therefore there was potential for the estimated Gap to change, and this would be reported to Members as the budget process progressed.

At the Executive meeting on 3 August 2017, officers committed to reviewing the underspends identified at outturn for 2016/2017 to establish if there were any continuing savings which could help address the budget gap. Overall, progress to address the gap had been positive and there were new savings which had emerged for 2018/2019.

Noted that in August, the estimated Budget Gap for 2018/2019 was £388,000, rising to £1,118,000 by 2022/2023 as shown below:-

	2018/19 £k	2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
Budget Gap Increase	388	-16	166	233	347
Budget Gap Total	388	372	538	771	1,118

Since then the budget gap for 2018/2019 had been updated for detailed estimates

related to service costs and funding based on information available to date. The table below summarised the changes to the Budget Gap, which was currently estimated at £99,000 (rising to £835,000 by 2022/2023) but which contained several unknowns at this stage of the process:-

Summary 2018/2019 Budget Gap Reconciliation

	·£k	£k
2018/19 Budget Gap as reported to Executive Aug 2017		388
<i>Service Cost Pressures:</i>		
TDBC Assets – Void Pressure 100/o	46	
SHAPE Contract	89	
DLO Trading - Reset Pressure (reduction from £101k)	51	
SWP loan interest delay? (£31k)	?	
Waste contract pressure (TBC)	40	
Transformation savings delay	?	
Subtotal- Service Cost Pressures		226
<i>Service Cost Savings:</i>		
PSAA audit fees reduction	-27	
Deane Helpline- Additional income	-20	
Council Tax Collection- Additional Court Fees	-100	
Recycling/Green Waste	-20	
Additional Investment Income	-250	
Bereavement services-Additional income	-48	
Street Cleansing saving	-50	
Council Tax £5 assumed increase (implication £86k)	?	
Subtotal- Service Cost Savings		-515
Fees and Charges (Possible £42k towards gap)	?	
2018/19 Latest Budget Gap Estimate 16 November 2017		99

A brief explanation of the service cost pressures was outlined in the report.

As a result of the above changes the up to date estimated budget gap for 2017/18 stands at £99k, rising to £835k by 2022/23 as can be seen below.

	'2018/t9 £k	2019/20 £k	2020/21 £k	20,21/2:2 £k	2022/23 £k
Budget Gap <u>Increase</u>	99	-12	166	233	348
<u>Budget Gap Total</u>	99	87	254	487	835

Fees and Charges for 2018/2019

The proposals in respect of Fees and Charges for 2018/2019, if approved by Full Council, would add approximately £42,000 to the General Fund income budget estimates for 2018/2019.

Council Tax

Information provided with the four year funding settlement indicated that, as a shire district, Taunton Deane would have the option to increase the Band D by a maximum of £5 each year in 2018/2019 and 2019/2020 if Members are minded.

This would be confirmed each year by the Secretary of State.

If confirmed by the Secretary of State and if recommended by Executive, an increase of £5 on a Band D property would raise a further £85,610 compared to the 1.99% increase assumed in the MTFP, based on the current Taxbase estimate.

Council Tax Increase Scenarios for 2018/2019

Assumes 1st tax Base of 41,558.0 per Ina/CBt1V8 MTFP Estimate

Council Tax Increase	Band D Tax Per Year £	Band D Increase Per Year £	Basic Council Tax Income £	Additional Income £
0.00%	147.88	0.00	6,145,590	0
1.00%	149.36	1.48	6,207,100	61,510
1.99% (MTFP assumption)	150.82	2.94	6,267,770	1,22,180
3.38%	152.88	5.00	6,353,380	207,790

Areas Still to be Completed:-

- o The Business Rates Retention provisional estimates would be completed in the coming days. This was a complex calculation and subject to change following the Provisional Local Government Finance Settlement.
- o The Council Tax base provisional estimates would be completed shortly and these would be added to the forecast as soon as they could be verified.
- o Budget holders had been asked to put forward their Capital Bids for 2018/2019. Although Capital in nature many schemes had revenue implications which might add to the Budget Gap.

Other Factors- Business Rates 100% Retention Pilot

Reported that the Somerset County area had presented a Business Case to the Department of Communities and Local Government to create a new Somerset Pool for Business Rates comprising the County and all five districts and apply for Pilot status. There were potential rewards that firstly pooling and then growth in Business Rates retention might produce. It was likely that news as to whether the pilot bid had been successful when the Provisional Settlement was received in December.

Risk, Opportunities and Uncertainty

Continuing risks and uncertainty for the budget at this stage included:-

- The Local Government Finance Settlement;
- New Homes Bonus;
- Council Tax;
- Fees and Charges;
- Capital Programme; and
- Transformation Savings.

.....&1.-A- ---&\ntta ...-- "" n-A"

Housing Revenue Account (HRA)

The HRA Budget for 2018/2019 was currently being developed and shared with the Tenant Services Management Board and Tenants Forum for comment.

Details of progress on the HRA Budget estimates would be included in a report to the Executive in January 2018. This would be presented alongside an updated overview of the 30-Year Business Plan.

Resolved that the report be noted.

48. Earmarked Reserves Review

Considered report previously circulated, concerning a review which had recently been undertaken of a number of earmarked reserves held by the Council for various purposes with a view to balances being returned to the General Fund.

The level of earmarked General Fund reserves as at 31 March 2017 was £17,344,000 which was equivalent to 120.5% of the Council's Net Revenue Budget.

As a result of the review, there were various earmarked reserves, totalling £91,649, that were no longer required. These related to budgets in connection with Climate Change, the F E Colthurst Trust, Waste, Debt Recovery, Legal, Civic Hosting Costs and Transparency.

Resolved that Full Council be recommended to approve a Budget Return of £91,649 to General Reserves of surplus balances currently held in Earmarked Reserves.

49. Fees and Charges 2018/2019

Considered report previously circulated, concerning the proposed fees and charges for 2018/2019.

Those services proposing an increase to charges included:-

- Cemeteries and Crematorium – It was proposed to increase the main cremation and interment fees and make minor increases for other charges within the service. The income increase from this was expected to be £120,000. Of this, £75,000 was needed to meet the cost of deferred maintenance to the cremator and filtration equipment and to increase the capacity of the waiting room and the refurbishment of the toilets for visitors within the chapel complex;
- Waste Services – The Somerset Waste Partnership proposed to make modest increases to its charges for the Garden Waste Collection and Recycling Service. The price increases would allow the service to continue on a cost neutral basis in terms of the contract price paid to Kier. The increases would not alter the net position on green waste services as the increased charges were matched by the increasing cost of provision;

- Housing Services – In accordance with the 30 year Housing Business Plan, it was proposed to increase housing (non-rent) fees and charges by applying Retail Price Index (RPI) inflation as at September 2017 (3.9%), with some exceptions. The increases were likely to generate £336,000 for the Housing Revenue Account;
- Licensing -Although the fees in some areas had been increased last year any surplus or deficit would be dealt with across a rolling three year period such that the balance was zero on those fees which were set locally;
- Environmental Health – It was proposed to introduce a cost recovery fee for the provision of food hygiene advice to food businesses in Taunton Deane from 1 January 2018 which could provide a potential increased income of up to £2,450;
- Flag Post Pennants and Promotional Spaces – The proposed increase for the pennant service would cover the increase in installation charge. The fees for promotional spaces had been altered to reflect research which had shown that the Council's charges were not comparable to other towns and actually deterred bookings. Any additional income would contribute towards the Visitor Centre staffing budget;
- Court Fees- Following a High Court Case, there was a requirement to evidence a detailed breakdown of how the Court Fees were calculated. This had resulted in a proposal to reduce the Court Fees to £72. This was likely to result in a reduction of £860; and
- Open Spaces -The aim of this proposal was to formalise the charging for roundabout sponsorship and plant beds. It was anticipated that these proposals would generate additional income of £3,500.

No increases to the fees charged by Land Charges, Planning, the Deane Helpline and Freedom of Information Enquiries were proposed.

The proposed fees and charges had been discussed at the meeting of the Corporate Scrutiny Committee held on 16 and 27 November 2017. Although generally supportive of the proposals, Members had suggested that in relation to charges for Open Spaces, a list should be drawn up of approved Community Organisations which would have an equal status to "Friends Of Groups in order to ensure that there would be no charges levied on Community Events organised by non-profit making organisations which were non-ticketed events.

This was considered by the Executive and it was agreed that a criteria should be drawn up against which requests for the waiving of charges could be assessed in the future.

Resolved that Full Council be recommended to:-

- (1) To approve the fees and charges for 2018/2019 in respect of the Cemeteries and Crematorium, Garden Waste Collection and Recycling, Housing Services, Licensing, Environmental Health, Flag Post Pennants and Promotional

Spaces, Court Fees and Open Spaces; and

- (2) To authorise the Portfolio Holder for Sports, Parks and Leisure to introduce a criteria against which requests to waive charges for the use of the Council's Open Spaces could be assessed.

50. Executive Forward Plan

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

Resolved that the Forward Plan be noted.

(The meeting ended at 8.52 p.m.)



CHAIRMAN