

You are requested to attend a meeting of the Council to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 19 August 2014 at 18:30.

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## **Agenda**

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

- 1 To report any apologies for absence.
- 2 To receive any communications.
- 3 Declaration of Interests  
To receive declarations of Disposable Pecuniary Interests or personal or prejudicial interests, in accordance with the Code of Conduct. The usual declarations made at meetings of Full Council are shown on the attachment.
- 4 To receive questions from Taunton Deane Electors under Standing Order 15.
- 5 To receive any petitions or deputations from Taunton Deane Electors under Standing Orders 16 and 17.
- 6 Financial Outturn 2013/2014 - Recommendation of Councillor John Williams (attached). Motion in relation to the decision made by Full Council on 22 July 2014 which is a decision to which the 'six month' rule applies. However, as required by Standing Order 23 (1) (b), the motion has been supported by Councillors Mrs Allgrove, Bishop, Miss Durdan, Edwards, Hall, Hunt, Nottrodt, D Reed, Mrs Reed, Mrs Warmington, Watson and Williams. A supporting report titled 'Request for Use of Reserves' which is to be considered by the Corporate Scrutiny Committee on 14 August 2014 is also attached for information. Any alternative spending proposals or comments which emerge from the Corporate Scrutiny Committee meeting will be reported to Members to enable them to be considered at the Full Council meeting.
- 7 Council Accommodation - Recommendations of Councillor Norman Cavill (attached). Motion in relation to the decision made by Full Council on 22 July 2014 which is a decision to which the 'six month' rule applies. However, as required by Standing Order 23 (1) (b), the motion has been supported by Councillors Mrs Allgrove, Bishop, Miss Durdan, Edwards, Hall, Hunt, Nottrodt, D Reed, Mrs Reed, Mrs Warmington, Watson and Williams. As well as the recommendation, background information is included in the form of a revised version of the report of the Director - Housing and Communities which was

considered by the Executive (attached). Please also see the confidential appendices at agenda item No. 8.

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

- 8 Council Accommodation - Confidential Appendices 1 and 2 (attached). See also agenda item No. 7.  
Paragraph 3 - Financial or Business Affairs.

Bruce Lang  
Assistant Chief Executive

28 July 2016

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

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

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

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

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

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

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

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



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

**For further information about the meeting, please contact the Corporate Support Unit on 01823 356414 or email [r.bryant@tauntondeane.gov.uk](mailto:r.bryant@tauntondeane.gov.uk)**

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## **Council Members:-**

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

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

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

### **Full Council**

- **Members of Somerset County Council – Councillors Mrs Baker, Coles, A Govier, Henley, Hunt, Prior-Sankey, A Wedderkopp and D Wedderkopp**
- **Employee of Somerset County Council – Councillor Mrs Hill**
- **Employee of Sedgemoor District Council – Councillor T Slattery**
- **Employee of Job Centre Plus – Councillor Henley and Councillor Mrs Herbert**
- **Employee of UK Hydrographic Office – Councillor Tooze**
- **Clerk to Milverton Parish Council – Councillor Wren**
- **Somerset Waste Board representatives – Councillors Hunt and Ross**
- **Director of Southwest One – Councillor Nottrodt**
- **Alternate Director of Southwest One – Councillor Ross**
- **Tone Leisure Board representatives – Councillors D Durdan and Stone**
- **Part-time Swimming Instructor – Councillor Swaine**
- **Member of the Board of Governors at Somerset College – Councillor Gill Slattery**
- **Patron of Supporters, Taunton Women’s Aid – Councillor Gill Slattery**
- **Director of Tone FM – Councillor Ms Lisgo**



# Taunton Deane Borough Council

## Council Meeting – 22 July 2014

### Councillor Williams

#### Financial Outturn 2013/2014 (Revised Recommendation)

The Executive has recently considered a report concerning the Council's financial performance for the 2013/2014 financial year.

Effective financial management forms an important part of the Council's overall performance management framework. It is also vital that the Council maintains strong financial management and control in the face of continuing and unprecedented financial pressures as funding for Council services continues to be squeezed.

During the last financial year, Members have been presented with regular financial monitoring information, with quarterly performance reports submitted to both the Corporate Scrutiny Committee and the Executive.

A summary of the Council's Financial Performance as far as the General Fund Revenue Account 2013/2014 is concerned is as follows:-

**General Fund (GF) Revenue** - The GF Revenue Outturn for 2013/2014 is a Net Expenditure position of £13,453,000, which is a £964,000 (6.7%) underspend against the Final Net Budget for the year. This has been driven largely by above forecast income levels in parking, planning, burials/cremations - as well as cost reductions in the final months of the year.

The following proposals are those the Executive wishes to recommend for approval which would allocate £418,000 of the underspend or additional budget approvals for 2014/2015:-

#### ***Supplementary Requests of Underspend 2013/2014***

<b>Bid Description</b>	<b>Bid (£'000)</b>
Development of IT Strategy For TDBC	50
Cemetery Extension – Taunton	121
Grass Cutting	50
Weed Spraying	10
Street Cleansing	42
Car Park Improvements	125
Capital Grants for Parish Play Equipment/Sports Halls/Clubs	20
<b>TOTAL requested for approval</b>	<b>418</b>



It is **recommended** that General Fund Supplementary Estimates in 2014/2015 in the following areas, utilising 2013/2014 underspends, be supported and that the following be approved:-

- i. £50,000 to fund an IT Strategy for the Council in 2014/2015.
- ii. £121,000 to be added to the General Fund Capital Programme for 2014/2015 to fund the Taunton Cemetery extension, funded by a Revenue Contribution to Capital outlay (RCCO).
- iii. £50,000 to fund additional grass cuttings in 2014/2015.
- iv. £10,000 to fund additional weed spraying in 2014/2015.
- v. £42,100 to fund Street Cleansing works in 2014/2015.
- vi. £125,000 be added to the General Fund Capital Programme for 2014/2015 to fund Car Park improvements, funded by a RCCO; and
- vii. £20,000 be added to the General Fund Capital Programme for 2014/2015 to fund Play Equipment grants in 2014/2015, funded by a RCCO.

# Taunton Deane Borough Council

## Corporate Scrutiny Committee – 14 August 2014

### Request for Use of Reserves

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

#### 1. Executive Summary

This report provides further detail in relation to the requests for use of the 2013/2014 underspend that were recently considered but not supported by Full Council.

Scrutiny is now requested to review this issue further and suggest any new issues that may need consideration by Full Council.

The full Business Case for the Taunton Cemetery Extension is provided as Appendix A.

#### 2. Introduction

- 2.1 During discussions at the Executive Meeting on 9 July 2014, Councillor Horsley requested further detail relating to the costs associated with Table 7: Supplementary Requests of Underspend 2013/14 (see below).

**Table 7: Supplementary Requests of Underspend 2013/14**

<b>Bid Description</b>	<b>Bid (£'000)</b>
Development of IT Strategy For TDBC	50
Cemetery Extension – Taunton*	121
Grass Cutting	50
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- 2.2 The following narrative and table give more detail on some of the specific areas included in the request.

### **3. Development of IT Strategy for TDBC (£50k)**

- 3.1 This request relates to the costs of engaging a specialist to work with the Assistant Director Corporate Services and our IT Manager to develop an IT Strategy that will support the Councils needs moving forward.
- 3.2 This is a significant piece of work, and we do not have the resources to do this in 14/15 and keep the organisations IT service running. The resulting IT Strategy will set out the Councils direction of travel for IT – and must embrace the Councils ambitions on customer access and transformation, on operating shared services, and flexible working arrangements (all of which will bring savings to the Councils revenue position). We must also have an eye on the horizon and plan for the 2017 formal conclusion of the contract with SW1, which brings other issues forward for consideration such as the future of the SAP system.
- 3.3 We need to plan for this now if we are to ensure the Council is moving forward in the right direction. This is a complex and ever changing area and will require expert and up to date knowledge to formulate the plan. Although we have IT specialists on the payroll they have limited time to devote to this strategic area. We therefore believe the way forward is to employ a specialist to provide options and bespoke advice.
- 3.4 At this stage the estimated cost is based on previous appointments. The budget would be managed tightly, and if this work can be delivered at lower cost, then the unspent funds would be returned to the Councils reserves.

### **4. Cemetery Extension – Taunton (£121k)**

- 4.1 A full business case is provided in Appendix A of this report. Members should note that the Council will run out of burial space in Taunton early next year unless this extension is progressed.
- 4.2 We are continuing reviewing options for supporting future need in Wellington. The timing is slightly less urgent than Taunton as we currently have approximately two to three years. A report will be brought forward to Members in due course.

### **5. Further Detail re Weed Spraying and Street Cleansing (£52k)**

Weed Spraying (1 x additional spray to pavements in Taunton and Wellington)	10,000
Litterbins (replace bins Station Rd)	4,800
Litterbins (replace bins East Reach)	4,800
Litterbins (Town Centre)	16,000
Street Cleansing - (additional caretaker post up to 31/3/15)	16,500
	<b>52,100</b>

5.1 It is proposed to invest £10,000 in an additional weed spraying to pavements in Taunton and Wellington town centres. This would enhance the current service level within the main budget for this year, from 2 sprays to 3 sprays, and is intended to provide a better environment for businesses and customers in the town centres and to help boost the local economy.

5.2 There have been a number of concerns raised recently over the condition of the town centre in Taunton. We continue to work with local businesses around the disposal of their commercial waste, but due to the wide ranging impacts this waste has on the appearance of the town we propose to put in place an additional town centre caretaker resource which is a move from 2 to 3 FTE.

## **6. SCC Highway Verge Maintenance 4 additional cuts (£40k)**

6.1 It is a well-known fact that SCC restricts itself to the statutorily required level of grass cutting to comply with Health and Safety Standards. It is also evident that Taunton Deane believe that further maintenance is needed to ensure that the areas are aesthetically pleasing. Although it was not possible to include this additional maintenance in the ongoing base budget it would be a positive use of the previous year's underspend. This request relates to the high amenity highways verges in the urban areas.

6.2 Proposed profile: Mid Aug – 2nd SCC cut; End September – TDBC cut 1; End October – TDBC cut 2; End Nov TDBC cut 3; Mid-March – TDBC cut 4.

## **7. Car Parks – Various elements totalling £125k**

7.1 These are outlined in the table below and include replacing old parking payment machines and some maintenance and redecoration.

Car Parks (tidy up weeds and debris)	4,000
Car Parks (White lining - priority car parks)	8,000
Car Parks (Priority Pot hole repairs)	8,000
Car Parks (resurfacing sections of North St Wellington & Canon St Taunton)	25,000
Car Parks (upgrade some machines in central car parks)	20,000
Stairwell & Lobbies - Orchard Multi Storey Car Park Redecoration	60,000
	<b>125,000</b>

## **8. Capital Grants for Parish Play Equipment/Sports Halls/Clubs (£20k)**

8.1 TDBC has in the past offered grants for Halls & Sports Centres, Parishes for play equipment and replacement play equipment. The budget within 2013/14 was a total of £66,000. The funds are offered for suitable projects following a bidding process from clubs and Parish Councils. It can then take some time for the actual work to be completed.

8.2 As part of the savings plans by TDBC for 2014/15 the Council agreed to cut these budgets in their entirety however, several appeals by local Parish Councils encouraged the Portfolio holder to request that some money is transferred for 2014/15 to enable some of these requests to be met. Hence an approval of £20k is sought.

## **9. Legal Comments**

There are no legal implications associated with this report.

## **10. Links to Corporate Aims**

This report supports the delivery of the corporate aims by maintaining clean streets etc.

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

This report has no environmental and community safety implications.

## **12. Equalities Impact**

No equalities impact assessment is required in relation to this report since it makes no recommendations for changes affecting specific groups of either staff or the public.

## **13. Risk Management**

There are no risk management implications of the proposals contained within this report.

## **14. Partnership Implications**

None

## **15. Recommendations**

15.1 Corporate Scrutiny is requested to:-

1. Review the items in this report and provide comment to Full Council on the proposals.
2. Amend or share any new proposals for consideration at Full Council.

**Contacts:**

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TAUNTON CEMETERY EXTENSION BUSINESS CASE

**TAUNTON DEANE CEMETERIES AND CREMATORIUM**

**CEMETERY EXTENSION**

**1. Background**

- 1.1 A burial service has been provided at the Taunton Deane crematorium site since 1956, this cemetery was in situ before the crematorium opened in 1963.
- 1.2 The Council is not legally obliged to provide a burial service, but by offering this facility we are providing the community with a public service that is very welcomed whilst generating some income for the Authority.
- 1.3 Taunton Deane cemetery was originally divided into two sections; the first (Traditional Section) allowed for full grave memorials and provided a small Roman Catholic section, and the other (Lawn Headstone Section) was inter-denominational and allowed for upright headstones.
- 1.4 Since 1956 the cemetery has expanded and new sections continually planned and developed. Due to the pressures on capital resources we have been unable to provide for future demand, hence there is now an urgent need for capital funding.

**2. Burial Sections**

- 2.1 When the cemetery opened the service provided a separate Roman Catholic section. That section was eventually filled and now the Catholic community are content to use the main cemetery, and so Taunton Deane cemetery is currently inter-denominational.
- 2.2 In comparatively recent years our society has become increasingly diverse with many different religious, ethnic and secular groups becoming established.
- 2.3 The council's policy is to provide an inter-denominational cemetery thus meeting the needs of the majority without discriminating against any particular group. Given the difficulties experienced trying to find land to increase burial provision in Taunton and Wellington this policy would appear the only viable option.

### **3. Demand/Charges**

- 3.1 During 2013 Taunton Deane cemetery sold 58 new graves for full burial and 49 new cremated remains graves.
- 3.2 Currently each new lawn grave will be charged at £585.00 and each cremated remains grave £429. When an interment takes place charges for burial will be made depending on the depth of the grave required, which will be; £478, £585 or £650. Cremated remains interments are all charged at £113.
- 3.3 Before a memorial can be placed upon a grave the council will levy a memorial permit fee of £170 per headstone, this is also made against the memorial placed upon a cremated remains grave.
- 3.4 The demand for the provision of a cemetery is clearly demonstrated and the fees & charges provide the local authority with a steady income, albeit not with a high profit-making focus.

### **4. Current Performance**

- 4.1 The service has under-recovered on income by £83k in 2013/14 mainly due to an overall reduction in the number of funerals. A new crematorium opened in Bridgwater and another in Honiton has taken some of the business. The forecast on Quarter 3 was overly pessimistic and the service has reduced the variance to budget in the last quarter as the number of funerals increased substantially. Other management action was taken to reduce costs. Total income amounted to:-

<b>Details</b>	<b>Amount £</b>
Sale of Urns and Caskets	1,252.00
Sale of Memorial Cards	2,554.99
Memorial Plaques and Tablets	23,275.83
Cremation Fees	1,275,367.12
Entries in the book of Memory	17,217.79
Interment Fees	97,162.57
Use of Chapel	4,698.16
Purchase of Rights	58,341.00

- 4.2 This means that it would not be possible this year to offer up a contribution to the proposed capital outlay. In previous years this may have been possible. It is also noteworthy that the service is required to maintain several existing cemeteries for which no income stream is available. The maintenance of cemeteries is for public benefit rather than an income generating activity.



- 4.3 It is also difficult and would be imprudent in this demand-led service to offer assurance that capital contributions could be made in future years to offset this bid.

## **5. Capital Bid**

- 5.1 It is estimated that the cemetery will be full within the next 12 months, with only 50 burial graves available and a limited number of cremated remains graves.
- 5.2 Fortunately the land required to meet future demand is adjacent to the existing site, earmarked for burial and owned and managed by Taunton Deane Borough Council.
- 5.3 Some major preparation has already been completed; Persimmon Homes paid for the fencing and hedging around the perimeter of the field. An entrance has been provided and in consultation with the Environment Agency a small stream has been piped and levelled.
- 5.4 In order for the land to be accessible and in an appropriate condition to be used for graves, additional capital expenditure is urgently required. The timescales are particularly pressing as ideally the site would have time to establish before it is used, ie grounds and pathways etc would be mature and the site would appear complete and established. This may not be the case in this instance as the demand will be in the near future.
- 5.5 We have obtained a quote for the remaining works required and these are detailed in a quotation provided by Lance Povah, and estimated at £110k. See Appendices A and B. Further quotes will of course be obtained under procurement rules if approval is granted. A 10% contingency has been added to this figure as would be normal in construction projects.
- 5.6 Any adhoc and incremental revenue implications for the service would be limited and would be covered within the normal operating costs.

## **6. Funding**

- 6.1 In order to fund the £121k capital outlay we could use unallocated balances within the Capital Financing Reserve. This would be a legitimate use with a tangible outcome. Alternatively, as we will be reporting a potential underspend for the Council overall this year, we could earmark this request as a first call to address the urgent need.
- 6.2 In either option, the revenue implications would be limited to a marginal reduction in interest income, when interest rates are very limited and this would avoid the need for borrowing against the service.

## **7. Recommendation**

- 7.1 The long term provision of this service and whether it is cost effective is not addressed in this paper and will need detailed analysis and public consultation. The immediate need for the preparation of the grounds has made this an urgent request. The grounds will take time to establish and will still be “immature” in a year’s time if work started immediately.
- 7.2 The recommendation is therefore that in order to maintain this service and offer assurance to the public that the council values the service despite not being legally obligated to provide it, a capital bid be approved for £121k. The service would then have enough capacity at this site to operate for another 10 years.

# **Taunton Deane Borough Council**

## **Council Meeting – 22 July 2014**

### **Councillor Cavill**

#### **Council Accommodation (Revised Recommendation)**

Consideration has recently been given to a report concerning the future of Taunton Deane Borough Council's Office Accommodation following an options appraisal exercise in December 2013.

The two options which have been under consideration over the past six months are a new build at Firepool, Taunton and a move to County Hall.

The Deane House was built in 1987 and has seen little refurbishment since then. It performs at EPC (Energy Performance Certificate) Level E and some of its infrastructure is coming to the end of its natural life. The building now needs significant investment.

The Council also has the challenge of meeting an unprecedented budgetary challenge and is considering all ways of cutting overhead costs in order to safeguard investment in front line services.

The review undertaken has focused on the future of the Council's main office base and has looked at options for this. Whilst a detailed financial and qualitative evaluation of the two options has been undertaken, in making the key leadership decision on a preferred future solution, the Council has to be mindful of a number of key factors.

The Deane House currently offers 4,355 sqm NIA (Net Internal Area) and occupancy surveys have shown that desks are vacant for 40% of the time. The Deane House costs around £650,000 per annum to occupy. Staying at The Deane House would involve significant additional cost although, in any event, the building was too large for the Council's current requirements.

A full Condition Survey has been carried out on the building with recommendations of what work is needed to make it fit for purpose. The offices would require some £4,300,000 of expenditure on M&E and backlog, of which in the region of £3,000,000 would need to be spent during the course of the next 2-5 years.

Other organisations which had chosen to rationalise their office accommodation have at the same time incorporated new ways of working. The outcome of introducing these was to reduce the amount of office space provided utilising the fact

that desk spaces were occupied on for example a 60% basis. The terminology that has been adopted for this is “Smart Office”.

The evaluation of the Council’s accommodation needs has included a range of qualitative criteria, including the importance of a flexible accommodation solution. In addition, the evaluation has focussed on a “best assessment” of the accommodation needs for the Council as currently understood. However, it is important to note that this context continues to evolve and change with increasing pace, and as such, the accommodation requirement is likely to continue to alter.

A DTZ study from as far back as 2008 stated the following two key findings from its survey of local authorities’ approach to accommodation:-

- Reductions in space per employee and improved sustainability credentials were cited as the main achievements; nearly half of the Councils believed that major change projects had significantly contributed to improvements in staff performance.
- Over 40% of respondents reported significant success in implementing new work space strategies including flexible working, improvements in space utilisation ratios and reductions in staff to desk ratios.

During the second half of 2013 an internal review and high level option appraisal had been undertaken culminating in the following resolution being made by the Executive:-

- (1) The Key Principles against which the Council’s future accommodation needs would be made be accepted as the correct ones;
- (2) Option 3 – Move to County Hall and Option 4 – New build at Firepool be adopted as the preferred options for the provision of the main office base of Taunton Deane Borough Council as the options which best met the Key Principles; and
- (3) Officers be requested to carry out full feasibility reports on the preferred options.

Following this resolution, the property consultancy DTZ was appointed to undertake the detailed feasibility study of the two preferred options.

The appraisal process has brought together two areas of analysis - financial and non financial. Once both the financial and non-financial scores are finalised, the two scores are combined to derive an Overall Value for Money Outcome and the overall weighting is financial 60% and non-financial 40% as it has been agreed that the financial aspects carry more weighting.

The following is the outcome of the Overall Value for Money assessment:-

	60%	40%	100%	VFM Ranking
	Financial Scoring	Qualitative Scoring	Total Combined Scoring	
DH SQ+	48.67	95.15	67.26	4
SCC 25- Year Lease	97.68	100.00	98.61	1
Firepool LL	73.46	98.79	83.59	2
Firepool 25 Year Lease	76.09	68.48	73.05	3

The above exercise has concluded that, when combining the Financial and Non-Financial scores, an accommodation solution at County Hall is shown the best overall Value for Money Option. A Virtual Freehold at Firepool ranks in second place. Remaining in occupation of The Deane House and investing in the building fabric and services, ranks in last place.

Both the main options under consideration have assumed the subsequent disposal of The Deane House and the wider site. However, there was now a clear commitment to reinvest the amount of any receipt obtained for The Deane House and site in an income generating investment.

Any agreement to move Taunton Deane Borough Council's accommodation from The Deane House to either County Hall or Firepool will involve many substantial next steps and tasks to implement and require significant resource.

Some cost estimates have been acquired to support the project via external project management support and other professional services. These will be subject to further negotiation and suitable scrutiny via procurement. The anticipated third party costs to see the project through to completion in 2017 are in the region of £250,000. This figure included the costs associated with the disposal of The Deane House site.

It is **recommended** that:-

- (1) It be agreed that the Council's preferred option for its future main office accommodation, reception and Member debating space is at County Hall, Taunton subject to Somerset County Council confirming its intent to develop the site and the agreement of Heads of Terms, detailed commercial negotiations and design;
- (2) Delegated authority be provided to the Director of Housing and Communities to progress this project in consultation with a cross party working group including the Portfolio Holder for Asset Management and Shadow Portfolio Holder. At all stages, key decisions will be brought back to Full Council for determination;

- (3) A Supplementary Estimate of £250,000 for project related costs, funded by £210,000 (84%) from General Fund (GF) Reserves and £40,000 (16%) from the Housing Revenue Account (HRA) Reserves based on the current level of usage of The Deane House by GF and HRA services;
- (4) Approval be granted to initiate steps to facilitate either the disposal of The Deane House site on the most favourable terms or entering into a regeneration project which will enable retention of the site and derives benefit to the Council; and
- (5) Subject to (4) above, a suitable investment be made in an income deriving asset of equivalent value to the receipt derived from The Deane House site disposal.

# Taunton Deane Borough Council

## Council Meeting – 19 August 2014

### Council Accommodation

#### Director of Housing and Communities, James Barrah

(This matter is the responsibility of Executive Councillor Cavill)

#### 1. Executive Summary

This report presents a detailed feasibility study of two future options for Taunton Deane Borough Council Office Accommodation. The two options considered are a new build at Firepool and a move to County Hall. These two options are the Council's preferred accommodation solutions following an options appraisal exercise in December 2013. Members are requested to consider the evaluation and make a decision on the Council's preferred option so that detailed planning, commercial negotiation and project management can commence.

#### 2. Introduction and Context

- 2.1 Taunton Deane Borough Council currently has its main office at Deane House. Deane House was built in 1987 and other than some minor internal changes, has had little refurbishment since then. It performs at EPC (Energy Performance Certificate) Level E and some of its infrastructure is coming to the end of its natural life. The building now needs significant investment.
- 2.2 At the same time the Council has the challenge of meeting an unprecedented budgetary challenge and is considering all ways of cutting overhead costs in order to safeguard investment in front line services. This report therefore further considers the future options for the Council's office requirements.
- 2.3 This review focuses on the future of the Council's main office base and looks at options for this. However accommodation cannot be considered in isolation or purely just as a financial and "bricks and mortar" issue. Whilst this report considers a detailed financial and qualitative evaluation of the two options, in making the key leadership decision on a preferred future solution the Council must be mindful of the following factors:

- That the Council's accommodation solution is just one part of our wider transformation agenda which also includes:-
  - IT enablement.
  - Our approved Customer Access strategy and in particular moving customers away from face to face interactions to more efficient service channels.
  - Agile and flexible ways of working for staff (remote and home working).
  - The implications of JMASS and a single workforce supporting two Councils.
  
- The extent and ambition of the Council to seize the current opportunity to improve the service provided to customers by joining up services at the point of face to face delivery in a Town centre location with other public sector partners.
  
- The ability for the Council to be as flexible as possible in future to generate ongoing efficiencies to assist in meeting the challenges of our MTFP, including the likelihood of further reductions in head count.

2.4 Deane House currently offers 4355 sqm NIA (Net Internal Area). It is currently occupied by around 400 staff mainly from Taunton Deane Borough Council and Southwest One. This includes the Southwest One Call Centre. All of these currently have a desk that they consider "theirs". The Audit Partnership and Tone Leisure also have small offices within the building. Occupancy surveys show that desks are vacant for 40% of the time.

2.5 Deane House costs the Council around £650,000 per annum to occupy. Staying at Deane House will involve significant additional cost. The building is too large for the Councils current requirements. A full Condition Survey has been carried out on the building with recommendations of what work is needed to make it fit for purpose office accommodation. The building requires some £4.3M (inc fees) of expenditure on M&E and backlog, of which c. £3M will need to be spent during the course of the next 2-5 years. Without this investment, the Council runs the risk of the building becoming unfit for purpose.

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



2.7 The evaluation of our accommodation needs includes a range of qualitative criteria, including the importance of a flexible accommodation solution. In addition the evaluation focusses on a “best assessment” of the accommodation needs for the Council as we currently understand them. However it is important to note that this context continues to evolve and change with increasing pace, and as such our accommodation requirement will continue to alter. Key known variables that will have an influence on this issue to a greater or lesser extent include:-

- Contract end for Southwest One 2017 and the extent of any shared services (eg Call Centre) post any decision regarding the future of Southwest One.
- The extent of utilisation of West Somerset House in light of interest from other partners.
- End of present contract for Tone Leisure, 2019.
- Depot relocation project.
- Extent of IT investment and enablement.
- Outcome of JMASS staff proposals.
- Materialisation of community hubs where Taunton Deane Borough Council’s staff may be located eg Halcon and Priorswood.

2.8 A DTZ study from as far back as 2008 (“Local Authority Office Accommodation: A determination to Change”) stated two key findings from their survey of local authorities’ approach to accommodation:

- Reductions in space per employee and improved sustainability credentials were cited as the main achievements; nearly half of the Councils believed that major change projects had significantly contributed to improvements in staff performance.
- Over 40% of respondents reported significant success in implementing new work space strategies including flexible working, improvements in space utilisation ratios and reductions in staff to desk ratios.

2.9 In the last five years since this study, many authorities have embraced this change, including several within Somerset (Somerset County Council, Mendip District Council, Sedgemoor District Council). All have found that it is possible to reduce desk space requirements by circa 40% by introducing new ways of working and investing in modern office space and equipment. All have then sought to share accommodation with other public and community sector

colleagues in order to minimise overhead costs. This sharing has brought the additional significant benefit of closer working between organisations and improved access for customers by introducing one stop shop approaches.

- 2.10 An example of this approach is “Shape Mendip”, based in the District Council Offices in Shepton Mallet. Here the District Council hosts Somerset County Council, the Police and a range of many other public sector agencies and partners at the Council Offices in Shepton Mallet. The facility is branded as “Shape Mendip” and not any single organisation and offers customers an increasingly joined up service at a refurbished reception facility. The refurbished offices now accommodate a greater number of staff, consequently freeing up other public sector assets for regeneration or release of capital receipts.

### **3. Background**

- 3.1 During the second half of 2013 an internal review and high level option appraisal was undertaken. This work culminated in the following Council resolution:-
- (1) The Key Principles against which the Council’s future accommodation needs would be made be accepted as the correct ones;
  - (2) Option 3 – Move to County Hall and Option 4 – New build at Firepool be adopted as the preferred options for the provision of the main office base of Taunton Deane Borough Council as the options which best met the Key Principles; and
  - (3) Officers be requested to carry out full feasibility reports on the preferred options.
- 3.2 Following this and subsequent to a procurement process, the property consultancy “DTZ” were appointed to undertake detailed feasibility study of the two preferred options. The confidential report at Appendix 1 is the culmination of this stage of the exercise.

### **4. Review Process and Criteria**

- 4.1 During the course of the review a refresh exercise of the previous assessment undertaken by Taunton Deane Borough Council has been undertaken with regard to Taunton Deane Borough Council’s floor space requirements, and financial assumptions. This provides some fine tuning of the previous work and also allows the utilisation of Deane House as a baseline or comparison with which to contrast the two options being assessed.
- 4.2 The review process has also included further engagement with elected members to re-test the Key Principles used in the qualitative evaluation exercise. This has

resulted in confirmation that the principles being used are the correct ones and established a ranking of these issues, as follows:

<b>Key Principle</b>	<b>Rank</b>
Asset Retention	1
Premises that are able to change as the authority changes (expand/contract)	2
Opportunities to add value by close working or shared/integrated services with other partners	2
Improvement in environmental sustainability	4
Located within Taunton	4
Make sense for the public purse/taxpayer (public perception)	4
Support the regeneration of Taunton	7
Deliverable within the next three years	8

4.3 The appraisal process brings together two areas of analysis:-

- (1) Financial. A discounted Cashflow Model is utilised, this enables the projected costs of each option over a 25 year period, with a discount factor applied to convert the aggregated sums into Net Present Cost (NPC). The NPC's are then capable of direct comparison.
- (2) Non Financial. The options are tested against the Key Principles outlined above, with weighting applied to reflect the ranking of these principles applied by members.

## 5. Firepool Option Overview

This option incorporates a new build development immediately adjacent to the new Viridor building. Within this two sub options have been considered:- a 25 year commercial lease; and a Long (999 year) Lease (Virtual Freehold). Dialogue has been maintained with the Council's development partner (St Modwen) throughout the review process. It is important to note that St Modwen's ability to provide a building exclusively for Taunton Deane Borough Council's use based on a reduced space requirement for Taunton Deane Borough Council is restricted. It is therefore likely that a larger building would be provided with the remainder of the space built on a speculative basis. Therefore Taunton Deane Borough Council would be sharing the building with another tenant(s). As part of an ongoing dialogue with St Modwen a number of further variants options have been considered including a smaller building for sole TDBC occupancy. However none of these have improved the financial evaluation of this wider option.

## **6. County Hall Option Overview**

Throughout the life of the review the plans for a Taunton Public Service Hub at the County Hall site have continued to evolve. The “offer” from Somerset County Council is to occupy refurbished Smart Office accommodation in either A or B block. This will include a new shared public reception and new shared member debating space centred around A block. The reception area may involve a new glass atrium/extension between A and B blocks, incorporating other partners and services such as the Library. As outlined in the DTZ report there is significant interest from a wide range of other public sector organisations in coming to the site, primarily relating to a refurbished C Block. Firm intent has been expressed by the Police.

The County Council intends to make its investment decision on the redevelopment of County Hall as a public sector hub in the next few months. This is so it has enough time to get the accommodation ready to meet the deadlines set by other public service agencies moving to the campus. If the Council wishes to shape the design of County Hall to meet its own needs then there is an imperative to confirm its intention this summer.

## **7. West Somerset House**

The evaluation process has included consideration of greater utilisation of West Somerset House, in light of the JMASS project. This is appropriate and would be expected as part of a comprehensive assessment. However in light of the comments received during the report cycle to date, the administration has decided that greater pro rata occupation of West Somerset House by staff currently occupying Deane House will not be progressed further.

Whilst the DTZ evaluation looked at two space requirements giving potential flexibility around the use of West Somerset House. The substantive DTZ evaluation utilised the higher space requirement and did not assume any pro rata increase in West Somerset House occupation. Therefore the evaluation and outcomes are unchanged.

## **8. Option Assessment – Overall VFM Outcome**

Once both the Financial and Non-Financial Scores are finalised, the two scores are combined to derive an Overall Value for Money Outcome.

Before the scores are combined, a weighting is applied to represent the comparative importance of the Financial and Non Financial elements. It has been agreed that Financial aspects carry more importance to the Council than the Non Financial aspects. The overall agreed weightings were, therefore, financial 60% and Non Financial 40%.

In addition, it was recognised that there were different elements of the Financial analysis that would carry different weightings. As agreed with the Council, different weightings applied to these also as follows:-

- Revenue Costs 45%
- Capital investment 30%
- Longer term impact (Net Present Cost) 25%

The following is the outcome of the Overall Value for Money assessment:

	60%	40%	100%	
	Financial Scoring	Qualitative Scoring	Total Combined Scoring	VFM Ranking
DH SQ+	48.67	95.15	67.26	4
SCC 25- Year Lease	97.68	100.00	98.61	1
Firepool LL	73.46	98.79	83.59	2
Firepool 25 Year Lease	76.09	68.48	73.05	3

The above concludes that, when combining the Financial and Non-Financial scores, an accommodation solution at County Hall is shown to be the best overall Value for Money Option.

A Virtual Freehold at Firepool ranks in second place.

Remaining in occupation of Deane House and investing in the building fabric and services, ranks in last place.

## 9. Deane House Disposal

Both the options under consideration assume the subsequent disposal of Deane House and the wider site. Resource will need to be targeted to address this issue and to ensure the Council does not retain a costly liability and that the financial and regeneration benefits of this key town centre site are realised for the benefit of the Council and the Community.

Options to be considered and progressed for the site:

- Straight unconditional sale.
- Seek outline planning permission and then dispose.
- Unconditionally or conditionally.
- Unconditional sale in part or plots.

Other Joint Venture type proposals where the Council retains an interest in the site in conjunction with a partner organisation will also need to be assessed.

## 10. Potential Next Steps

Any agreement to move Taunton Deane Borough Council's accommodation from Deane House to either County Hall or Firepool would involve many substantial next steps and tasks to implement, this in turn will require significant resource. A more detailed assessment of these tasks and potential timescale is included in the DTZ report, however these steps can be summarised in the table below:-

<b>Role/Task</b>	<b>Responsibility</b>	<b>Source internally or externally</b>
Lead Member  And  Director Project Sponsor	To take overall responsibility for the Project.  To act as the main point of Senior Contact within the Council.  To provide updates to Members.  To monitor the overall budget and spend related to the Project.	Internal
Project Management (internal)	To take responsibility for the day to day progress of the project and the Project Programme.  To liaise with Officers and Advisors as necessary to monitor their activities and performance against the agreed programme.	Internal
Project Management (external)	To take overall responsibility for the performance of the External Advisory Team eg the agents, the works administrators and the development consultants.  To act as the main point of Senior Contact within the External Advisory Team liaising regularly with the Project Champion.	External.

	<p>To attend Member presentations.</p> <p>To monitor the overall spend of the External Advisory Team against the agreed advisory budget.</p> <p>To recommend and co-ordinate additional advisory services (eg space planning, valuation, planning) if essential to the delivery of the Project.</p>	
Agency	<p>To negotiate Heads of Terms for the occupation of Block A.</p> <p>To instruct solicitors to draft the Agreement for Lease and Lease.</p> <p>To comment on the drafting of the Agreement for Lease and Lease as required ensuring it meets the Council's requirements.</p>	External
Space Planning	<p>To undertake space planning at:</p> <p>County Hall</p>	External
Due Diligence	<p>To undertake a survey of the appropriate Block at County Hall to ascertain potential future repairing obligations.</p>	External
Fit Out and Works Monitoring	<p>To agree the layout and the application of the Smart Office specification to TDBC space.</p> <p>To liaise day to day with SCC's Contracts Manager.</p> <p>To represent TDBC at site meetings (potentially weekly once works are on site).</p> <p>To monitor the quality of workmanship and progress against an agreed programme.</p> <p>To monitor costs (if they impact upon TDBC).</p>	External

	To sign off practical completion of the fit out works.	
Development Consultancy (and planning)	<p>To prepare a Development Brief and Marketing Strategy for Belvedere Road.</p> <p>To co-ordinate any pre disposal site/value maximisation activities.</p> <p>To act on the Council's behalf in the disposal of Belvedere Road.</p> <p>To confirm that Best Consideration has been achieved.</p> <p>To act on the Council's behalf in the submission of an outline planning application (if required).</p>	External

## 11. Project Management Costs

Some cost estimates have been acquired to support the project via external project management support and other professional services. These will be subject to further negotiation and suitable scrutiny via procurement.

The anticipated third party costs to see the project through to completion in 2017 are in the region of £250,000. This figure includes the costs associated with the disposal of the Deane House site. It is important to note that these costs would be incurred for both new accommodation solutions being considered.

It is therefore recommended a budgetary provision is made of £250,000 for project implementation split proportionately between the General Fund and Housing Revenue Account.

If members do not agree to progress the recommended option and therefore remain at the Deane House site, this will also necessitate significant project management costs in order to scope and procure the investment required to allow ongoing occupation of Deane House.



## **12. Consultation and Governance**

At the time of the previous report on this matter a consultation response was provided from Unison which was considered by the Executive in making its decision at that time on the two preferred options.

Subsequently a further response to the current report has been provided by Unison. This is attached at Appendix3.

Following establishing the Councils preferred option a staff consultative and working group will be established to assist the project team in moving the issue forward.

A small working group of Members has been established to assist with the project. To date some site visits have been undertaken. In addition a Members Briefing session was held recently where representatives of Mendip District Council (Shape Mendip), Somerset County Council (County Hall) and St Modwen (Firepool Option) provided further background information on what has been achieved elsewhere and the options being considered by the Council. It has been suggested that there could be some benefit in a representative member group to have an oversight of all our transformation work. This could be an evolution of the "JPAG" arrangement set up for the JMASS project.

In addition a staff working / consultative group will be established to support the detailed design of the project and provide detailed operational feedback. This will be set up once a preferred option is identified.

The report was considered by Corporate Scrutiny on the 19<sup>th</sup> June, who did not support the recommendation. Concerns were raised about the Qualitative aspects of the assessment, future parking provision and the potential loss of a Council Asset.

The report has also been considered by the Tenants Services Management Board on the 30 June. The board were split on the issue with some members of the Board supporting the recommendation and others not. In terms of detailed design of any future option the board were particularly concerned to ensure there will be adequate provision for services to tenants, such as payment facilities, interview rooms and visitor parking. In relation to the Deane House site the board were keen to support a potential future use for affordable housing provision.

## **13. Finance Comments**

Given the nature of the financial comments these are on a confidential paper, this is attached at Appendix 2.

#### **14. Legal Comments**

At this stage there are significant legal implications to consider however significant legal input will be required once a preferred option is identified.

#### **15. Links to Corporate Aims**

This work is a key project identified in the Council's current business plan under Aim 4: A Transformed Council and to Transform the way we work.

#### **16. Environmental Implications**

Deane House currently operates at an EPC rating of E. The two options considered will improve this position:

Option 1: New Build Firepool – Likely EPC rating A/B.

Option 2: County Hall – Predicted EPC rating after refurbishment is B or good C.

#### **17. Community Safety Implications**

No significant implications identified.

#### **18. Equalities Impact**

A high level assessment suggests both options do not raise any specific equalities issues. However once a preferred option is identified a detailed Equalities Impact Assessment will be undertaken.

#### **19. Risk Management**

Key risks of the options have been considered as part of the feasibility study. Once a preferred option is known a full risk assessment of the project will be undertaken as part of the project management process.

Risks that will be included in this process include:-

- Mitigation and “plan B” if the preferred option does not materialise for example if agreement is not reached on heads of terms.
- How reliant the options are on the participation and sign up by other partners?
- Delays on the disposal of the Deane House site.

#### **20. Partnership Implications**

The two options considered present varying degrees of opportunity to align the work of the Council more closely with key partners, most notably the County Hall

option presents a significant opportunity to further join up services with SCC, ASP etc by the creation of a public sector campus at County Hall.

## 21. Recommendations

It is recommended:-

1. That the Council's preferred option for its main office accommodation, reception and member debating space is at County Hall, subject to the County Council confirming its intent to develop the site and the agreement of Heads of Terms, detailed commercial negotiations and design.
2. That delegated authority is provided to the Director of Housing and Communities to progress this project in consultation with a cross party working group including the portfolio holder for Asset Management and Shadow Portfolio Holder. At all stages key decisions will be brought back to Full Council for determination;
3. That a Supplementary Estimate of £250,000 for project related costs, funded by £210,000 (84%) from General Fund Reserves and £40,000 (16%) from HRA Reserves based on the current level of usage of Deane House by General Fund and HRA services.
4. That approval is provided to initiate steps to facilitate either the disposal of the Deane House site on the most favourable terms or entering into a regeneration project which enables retention of the site and derives benefit to the council.
5. Subject to 4. above that a suitable investment will be made in an income deriving asset of equivalent value to the receipt derived from the Deane House site disposal.

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## Background Papers

Taunton Deane Borough Council's Executive Report 4 December 2013 – Future Options for Council Accommodation.

## Appendices

1. Confidential DTZ report: Operational Offices Options – Value for Money Assessment .
2. Confidential paper – financial comments section.
3. Unison response.

**Council Accommodation**

**Comments from UNISON**

General

The proposal shows signs of being an attempt to rush Taunton Deane into renting space at County Hall, even though this is arguably not the best option for the Borough Council, its staff or the future of Taunton. It also seems doubtful that it is in fact cheaper than a new-build office at Firepool.

Nowhere does the report address the negative economic impact that closing its offices would have on the north end of the town centre. This is likely to be quite significant. Elsewhere, public investment in new buildings continues to be used as a tool of regeneration – Taunton Deane is proposing to disinvest, with the associated economic decline.

It seems wrong for the crucial information on which a decision will be taken to be contained in a confidential appendix. The financial information and assumptions must be placed in the public domain, and not hidden behind a cloak of ‘commercial confidentiality’.

Comments on the Report by the Director of Housing and Communities

- 2.3 ‘Moving customers away from face-to-face interviews’ is a concept that has recently been criticised by the National Pensioners Convention – millions of older people are not on line, and are unlikely to acquire access to the Internet in the foreseeable future.
- 2.9 The ‘Public Sector Hub’ idea is based on an urban myth. People do not approach the Council on, say a planning or environmental health issue and then decide to engage with a range of other, unrelated public sector services.
- 2.10 The example quoted of the ‘hub’ at Shepton Mallet is different in one very important respect to what is now being proposed. In that case, Mendip District Council retain control of their own offices – as do all the other Districts in Somerset. The District Councils are then able to rent space to other agencies. This is the exact opposite of what is being proposed for Taunton, which will leave the Borough Council as a tenant.

The ‘hub’ concept may therefore work for the other Districts, but it does not work for Taunton Deane, and will leave the Borough Council in the unique position amongst the other Somerset Districts of having no accommodation of its own.

Once the Borough Council moves in to rent part of County Hall, it will have the County Council’s ‘thumb on its windpipe’. There is no guarantee that the occupation of part of County Hall would in future not become markedly less convenient or more expensive from the Borough Council’s point of view – the situation will be largely outside its control. This is conceded by the Council’s

own finance officers who state that ‘...although a 6% cap has been factored in for the first 5 years, we currently have no indication of how the lease/rental cost may move beyond that horizon’.

There is another sense in which it would be wrong for the Borough Council to end up as a tenant of the County Council. County Hall has empty space in significant part because the authority has deliberately cut staff and services, to the point that some of the latter are now almost laughably bad. (The County can’t even cut the highway verges regularly in Taunton). It is not clear exactly what value would be added (to use the jargon) by moving in with the County Council. Taunton Deane will in reality be paying rent to subsidise a cuts programme by a County Council which has already managed to part company with two Chief Executives, and is if anything diverting investment away from Taunton Deane to other parts of the County (exemplified by its designation of the modest town of Frome as a growth area).

- 4.2 Although there is inevitably a degree of subjectivity in these exercises, it seems hard to justify why ‘public perception’ should be given such a high rating. Surely what matters is what is genuinely the best value for money. It would be a mistake to base a decision on a hypothetical, superficial public reaction to a new council office building if that was actually the more cost-effective option. Besides, the Council could also point to its vacation and sale of the much larger site of the Deane House.

Other local authorities, such as Northamptonshire, are proposing new council office buildings to allow them to vacate rented accommodation elsewhere in their area. Yet Taunton Deane is proposing to sell its own accommodation, move some of its staff to less convenient locations and pay rent to another party!

- 4.3 It seems clear that plans are being considered to require up to 115 Taunton Deane staff to work from West Somerset House at Williton. Apart from being extraordinary to suggest that one third of the Council’s workforce should be relocated 15 miles away in a neighbouring local authority, this does not seem physically possible. It is not solely a question of accommodating the additional desks within the offices at Williton. The centre of Williton would not be able to accommodate the car parking required by the additional staff (at times it is already almost impossible to find space to park at Williton), and being in a much more rural location than Taunton, most people will have no option but to drive to work.

One can well imagine the reaction from traders and the local community who would find that their car parks were full up with Council employees, and that there was nowhere for shoppers etc. to park.

Williton would also be a highly inconvenient location for many TDBC employees to have travel to work – as well as being 15 miles (35-40 minutes) from Taunton, it is very much further for people who currently live south, east or west of the County town. Already a great deal of time is being staff by staff travelling between Taunton and Williton – a round trip takes 1 – 1.5 hours out of the working day.

- 4.4 It is not clear why a DCF (discounted cash flow) of 25 years is used. A new office building could be expected to have a significantly longer life than 25 years. Use of a shorter period of time could well have the effect of skewing the analysis. 60 years is used for some forms of transport investment.

After 25 years the Borough Council will be in inferior office accommodation at County Hall that will then be 75 years old (over 100 years in the case of A Block).

- 6.0 The Taunton Public Service Hub seems a deeply flawed concept, for a variety of reasons. For example, it seems extraordinary for it to be suggested that the library might be located there, and on the first floor – County Hall would not be a convenient location for users of the facility, being remote from the main shopping area; indeed almost invisible from any public thoroughfare.

If the library is not to occupy its current site in Paul Street, the question arises as to what will happen to the Borough Council's Tourist Information Centre. That cannot sensibly move to County Hall – it needs to be in an accessible location in the town centre for visitors to Taunton (as indeed, does the library!)

It seems clear that this proposal is being rushed through to suit the County Council's internal deadline for its 'public sector hub'. It would be entirely wrong for this to occur – adequate time must be allowed for any proposals to be formulated, and concerns properly answered.

- 8.0 The proposal appears to rely on a rushed sale of the Deane House site within 3 years. Such haste seems highly unlikely to result in an acceptable form of development on what is a key site in the middle of Taunton. It seems that Planning Policy staff have not been consulted about this, which seems wholly unacceptable. The Council will also need to address the future of Flook House, whose position prevents the Deane House site from having a proper frontage to Station Road. This is not mentioned anywhere.

- 9.0 Although the report refers to '...be that County Hall or Firepool...' the references in the ensuing table imply that County Hall has already been decided upon and that this process is not therefore a genuine consultation on alternatives. Given the major implications for the terms and conditions and staff arising from a change of workplace location, this is not appropriate. As already noted, some aspects of what is being proposed appear fundamentally unsound.

#### Comments on the DTZ paper

It is not clear why it apparently costs 8 times more per annum to occupy Deane House than the annual energy costs. No breakdown is given to support the statement made.

Why has the option of a new build on the Council's own land, rather than a virtual freehold or lease, not been addressed?

## *Section 2 – Future Operational Office Requirement*

Whilst DTZ state that the current space standards at Deane House are too generous, there is reason to think that the standard proposed of 6 sq m per person is too low: staff in Sedgemoor have sometimes found themselves with nowhere to work owing to too few desks having been provided. Forcing staff to work at home to alleviate space problems would not be acceptable.

As already noted, the suggestion that up to 115 Taunton Deane staff may in future work at Williton, is not realistic. Such a proposal raises serious concerns in terms of staff travel to work, and parking at Williton (which is in short supply already).

## *Section 4 – Overview of the Options*

It seems clear from the DTZ report that no other public sector organisation has actually committed to taking up surplus space at County Hall. The County Council may well be seeking to induce Taunton Deane to move there to stave off the embarrassment of its 'public sector hub' not actually working.

The Borough Council is being offered part of Block A at County Hall, which is a listed building accompanied by the constraints that this designation imposes.

It appears that the County Council is only prepared to make 900 sq m of floorspace available, which is substantially less than the Borough Council requires. Even on this basis, however, it appears that Taunton Deane will have to pay an annual rent plus rates of around **£250,000**.

It appears that the County Council propose to charge TDBC a substantial sum for each parking space they require as part of the relocation. The County Council are proposing to allocate 25 parking spaces to Taunton Deane, but this figure is grossly inadequate.

Taunton Deane currently has around 65 'Essential car users', and there is no reason to think that this number will decline in future. It may even increase, given the emphasis on shared services and greater travelling between sites, as staff will be required to cover a wider range of duties. On top of this, there are also around 100 employees who are defined as 'casual users', many of whom are currently able to park at The Deane House.

The Borough Council would have to fund the purchase and running costs of additional pool cars, and provide space for them on-site, to meet the travel requirements of staff who would no longer be able to bring their own vehicle to the Council's offices.

Essential car users have contractual rights, which despite previous comments from UNISON, the Council is clearly ignoring. This risks the possibility of a dispute with its employees over staff travel, as well as interfering with the efficient conduct of the Council's business.

The provision of parking based on TDBC's current operational requirements is likely to cost the Council **an additional £100,000** per annum. This would increase the

running costs at year 5 by 16% per annum – around 20% more than the Firepool option – a much more substantial difference than appears to have been allowed for.

The difference would be even greater based on the revenue estimates of the Council's own finance officers.

For reasons explained, the assumed figure in parking charges that would have to be paid to the County Council appears a significant underestimate.

The quality of accommodation in Block A can only be guessed at, as there will be no 'comfort cooling'...

#### *Section 6 – Options Assessment – Financial*

The figures need to be recalculated taking account of the need to pay for more than 25 car parking spaces in the County Hall option, which will increase significantly the Running Costs. Also, the DCF should be varied.

#### *Section 7 – Options Assessment – Non-Financial*

Tables such as the one in this section should be treated with scepticism.

No analysis has been attempted of the negative impact on the Station Road area of the closure of the Borough Council's activities.

No analysis has been undertaken of the negative effect of the Borough Council failing to invest in its own regeneration scheme at Firepool – a marked contrast to locations elsewhere in the country.

Phil Bisatt  
Branch Secretary, Taunton Deane UNISON  
13<sup>th</sup> June 2014



## **Taunton Deane Borough Council**

At a meeting of Taunton Deane Borough Council held in the John Meikle Room, The Deane House, Belvedere Road, Taunton on 19 August 2014 at 6.30 p.m.

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

### **1. Apologies**

Councillors Mrs Adkins, Farbahi and Ross.

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

Councillors Mrs Baker, Coles, Prior-Sankey, A Wedderkopp and D Wedderkopp declared personal interests as Members of Somerset County Council. Councillor Henley declared personal interests as a Member of Somerset County Council and as an employee of Job Centre Plus. Councillor Hunt declared personal interests both as a Member of Somerset County Council and as one of the Council's representatives on the Somerset Waste Board. Councillor Mrs Hill declared a personal interest as an employee of Somerset County Council. Councillor Tooze declared a personal interest as an employee of the UK Hydrographic Office. Councillor Wren declared a personal interest as Clerk to Milverton Parish Council. Councillor Nottrodt declared a personal interest as a Director of Southwest One. Councillors D Durdan and Stone declared prejudicial interests as Tone Leisure Board representatives. Councillor Gill Slattery declared personal interests as a member of the Board of Governors at Somerset College, a Patron of the Supporters of Taunton Women's Aid and as one of the Council's representatives on the Parrett Internal Drainage Board. Councillor Swaine declared a personal interest as a part-time swimming instructor. Councillor Farbahi declared a personal interest as a local owner of land in Taunton Deane. Councillor Mrs Herbert declared a personal interest as an employee of Job Centre Plus. Councillor Ms Lisgo declared a personal interest as a Director of Tone FM.

### **3. Communications**

Councillor Williams reported that he had recently received an email with a link to an article in a national newspaper regarding 'Britain's 20 friendliest places

to live'. According to a survey conducted by a comparison website in relation to the British property market, Taunton was number three on the list.

Councillor Williams read from the article which stated:- *“You don’t have to be tanked up with the local cider to appreciate the friendliness of Taunton and the people who live there. The County Cricket Ground, beloved of West Country sports fans, is legendary for its relaxed good humour. An abundance of independent shops and businesses in the town centre reveals an idiosyncratic community brimming with optimism. There are plenty of charming Victorian terraces in town and picturesque country cottages nearby.”*

#### 4. **Financial Outturn 2013/2014 - Recommendation to Council from the Executive**

Following the decision made by Full Council on 22 July 2014 to which the ‘six month’ rule applied, a motion in accordance with Standing Order 23 (1) (b) had been received seeking rescindment of the part of the decision as to the proposed use of the General Fund (GF) Revenue 2013/2014 underspend.

The GF Revenue Outturn for 2013/2014 was a Net Expenditure position of £13,453,000, which was a £964,000 (6.7%) underspend against the Final Net Budget for the year. This was largely due to above forecast income levels in parking, planning, burials/cremations - as well as cost reductions in the final months of the year.

The following proposals were those the Executive wished to recommend for approval which would allocate £418,000 of the underspend or additional budget approvals for 2014/2015:-

#### ***Supplementary Requests of Underspend 2013/2014***

<b>Bid Description</b>	<b>Bid (£'000)</b>
Development of IT Strategy For TDBC	50
Cemetery Extension – Taunton	121
Grass Cutting	50
Weed Spraying	10
Street Cleansing	42
Car Park Improvements	125
Capital Grants for Parish Play Equipment/Sports Halls/Clubs	20
<b>TOTAL requested for approval</b>	<b>418</b>

Moved by Councillor Coles, seconded by Councillor Prior-Sankey, that an additional £20,000 be allocated to enable Capital Grants to be provided for Play Equipment, Sports Halls and Clubs in the Taunton Unparished Area.

The amendment was put and was carried.

Moved by Councillor Coles, seconded by Councillor Prior-Sankey, that a sum of £300,000 be set aside from the Reserves towards meeting any essential

payments towards the maintenance of The Deane House whilst the outcome of the Local Government Elections in May 2015 was awaited.

The amendment was put and was lost.

On the motion of Councillor Williams, it was:-

**Resolved that:-**

General Fund Supplementary Estimates in 2014/2015 in the following areas, utilising 2013/2014 underspends, be supported and that the following be approved:-

- i. £50,000 to fund an IT Strategy for the Council in 2014/2015;
- ii. £121,000 to be added to the General Fund Capital Programme for 2014/2015 to fund the Taunton Cemetery extension, funded by a Revenue Contribution to Capital outlay (RCCO);
- iii. £50,000 to fund additional grass cuttings in 2014/2015;
- iv. £10,000 to fund additional weed spraying in 2014/2015;
- v. £42,100 to fund Street Cleansing works in 2014/2015;
- vi. £125,000 be added to the General Fund Capital Programme for 2014/2015 to fund Car Park improvements, funded by a RCCO;
- vii. £20,000 be added to the General Fund Capital Programme for 2014/2015 to fund Play Equipment grants in 2014/2015, funded by a RCCO; and
- viii. £20,000 be allocated to enable Capital Grants to be provided for Play Equipment, Sports Halls and Clubs in the Taunton Unparished Area.

## **5. Council Accommodation - Recommendation to Council from the Executive**

Following the decision made by Full Council on 22 July 2014 to which the 'six month' rule applied, a motion in accordance with Standing Order 23 (1) (b) had been received seeking rescindment of the decision concerning the future of the Council's Office Accommodation.

Following an options appraisal exercise in December 2013, the two options which had been under consideration over the past six months were a new build at Firepool, Taunton and a move to County Hall.

The Deane House had been built in 1987 and had seen little refurbishment since then. The building now needed significant investment.

The Council also had the challenge of meeting an unprecedented budgetary challenge and was considering all ways of cutting overhead costs in order to safeguard investment in front line services.

The review that had been undertaken had focused on the future of the Council's main office base and had looked at options for this. Whilst a detailed financial and qualitative evaluation of the two options had been undertaken, the Council had to be mindful of a number of key factors.

The Deane House cost around £650,000 per annum to occupy and staying at this location would involve significant additional costs although, in any event, the building was too large for the Councils current requirements.

A full Condition Survey had been carried out on the building and it was likely that in the region of £3,000,000 would need to be spent during the course of the next 2-5 years to make it fit for purpose.

Other organisations which had chosen to rationalise their office accommodation had at the same time incorporated new ways of working such as "Smart Office".

The evaluation of the Council's accommodation needs had included a range of qualitative criteria, including the importance of a flexible accommodation solution. In addition, the evaluation had focussed on a "best assessment" of the accommodation needs for the Council as currently understood.

During the second half of 2013 an internal review and high level option appraisal had been undertaken culminating in the property consultancy DTZ being appointed to undertake the detailed feasibility study of the two preferred options of either moving to County Hall or a new build at Firepool.

The appraisal process had brought together two areas of analysis - financial and non-financial. The following was the outcome of the Overall Value for Money assessment:-

	60%	40%	100%	
	Financial Scoring	Qualitative Scoring	Total Combined Scoring	VFM Ranking
DH SQ+	48.67	95.15	67.26	4
SCC 25- Year Lease	97.68	100.00	98.61	1
Firepool LL	73.46	98.79	83.59	2
Firepool 25 Year Lease	76.09	68.48	73.05	3

The above exercise had concluded that an accommodation solution at County Hall was the best overall Value for Money Option. A Virtual Freehold at Firepool ranked in second place and remaining in occupation at The Deane House and investing in the building fabric and services, ranked in last place.

Both the main options under consideration had assumed the subsequent disposal of The Deane House and the wider site. However, there was now a clear commitment to reinvest the amount of any receipt obtained for The Deane House and site in an income generating investment.

Any agreement to move to either County Hall or Firepool would involve many substantial next steps and tasks to implement and would require significant resource.

Some cost estimates had been acquired to support the project via external project management support and other professional services. These would be subject to further negotiation and suitable scrutiny via procurement. The anticipated third party costs to see the project through to completion in 2017 were in the region of £250,000. This figure included the costs associated with the disposal of The Deane House site too.

On the motion of Councillor Cavill, it was

**Resolved that:-**

- (1) It be agreed that the Council's preferred option for its future main office accommodation, reception and Member debating space was at County Hall, Taunton subject to Somerset County Council confirming its intent to develop the site and the agreement of Heads of Terms, detailed commercial negotiations and design;
- (2) Delegated authority be provided to the Director of Housing and Communities to progress this project in consultation with a cross party working group including the Portfolio Holder for Asset Management and Shadow Portfolio Holder. At all stages, key decisions would be brought back to Full Council for determination;
- (3) A Supplementary Estimate of £250,000 for project related costs be approved, funded by £210,000 (84%) from General Fund (GF) Reserves and £40,000 (16%) from the Housing Revenue Account (HRA) Reserves based on the current level of usage of The Deane House by GF and HRA services;
- (4) Approval be granted to initiate steps to facilitate either the disposal of The Deane House site on the most favourable terms or entering into a regeneration project which would enable retention of the site and derived benefit to the Council; and
- (5) Subject to (4) above, a suitable investment be made in an income deriving asset of equivalent value to the receipt derived from The Deane House site disposal.

(The meeting ended at 7.45 pm.)