



To: All Councillors

Our Ref CS/KK  
Contact Krystyna Kowalewska kkowalewska@westsomerset.gov.uk  
Date 7 April 2015

**THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THE MEETING  
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OR IN OTHER LANGUAGES ON REQUEST**

Dear Councillor

I hereby give you notice to attend the following meeting:

**COUNCIL MEETING**

**Date: Wednesday 15 April 2015**  
**Time: 4.30 pm (Presentation at 4pm, prior to the Council meeting – see details below)**  
**Venue: Council Chamber, Council Offices, Williton**

There will be a short presentation by the Friends of the Steam Coast Trail and a question and answer session at 4.00 pm in the Council Chamber to which all Councillors are invited.

Please note that this meeting may be recorded. At the start of the meeting the Chairman will confirm if all or part of the meeting is being recorded.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during the recording will be retained in accordance with the Council's policy.

Therefore unless you advise otherwise, by entering the Council Chamber and speaking during Public Participation you are consenting to being recorded and to the possible use of the sound recording for access via the website or for training purposes. If you have any queries regarding this please contact Committee Services on 01643 703704.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bruce Lang".

**BRUCE LANG**  
Proper Officer

## RISK SCORING MATRIX

Report writers score risks in reports uses the scoring matrix below

**Risk Scoring Matrix**

<b>Likelihood</b>	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
<b>Impact</b>							

<b>Likelihood of risk occurring</b>	<b>Indicator</b>	<b>Description (chance of occurrence)</b>
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%

- Mitigating actions for high ('High' or above) scoring risks are to be reflected in Service Plans, managed by the Group Manager and implemented by Service Lead Officers;
- Lower scoring risks will either be accepted with no mitigating actions or included in work plans with appropriate mitigating actions that are managed by Service Lead Officers.

## WEST SOMERSET DISTRICT COUNCIL

Meeting to be held on Wednesday 15 April 2015 at 4.30 pm

Council Chamber, Williton

### AGENDA

1. **Apologies for Absence**

2. **Minutes**

2.1 Minutes of the Meeting of Council held on 18 March 2015 to be approved and signed as a correct record – **SEE ATTACHED.**

2.2 Minutes of the Licensing Committee held on 10 March 2015 to be approved and signed as a correct record – **SEE ATTACHED.**

3. **Declarations of Interest**

To receive and record any declarations of interest in respect of any matters included on the agenda for consideration at this meeting.

4. **Public Participation**

The Chairman to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public wishing to speak at this meeting there are a few points you might like to note.

A three-minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue. There will be no further opportunity for comment at a later stage. Your comments should be addressed to the Chairman and any ruling made by the Chair is not open to discussion. If a response is needed it will be given either orally at the meeting or a written reply made within five working days of the meeting.

5. **Chairman's Announcements**

6. **HPC Section 106 Agreement – Allocations of Housing Funding**

To consider Report No. WSC 76/15, to be presented by Councillor K H Turner, Lead Member for Housing, Health and Wellbeing – **SEE ATTACHED.**

The purpose of the report is to present Cabinet's recommendation that allocations from the Hinkley Point C Housing Fund are made, subject to a number of conditions, to two sites in Bridgwater – Paragon Laundry and Monmouth Street.

**7. Report of the Joint Independent Members' Remuneration Panel and Review of Members' Allowances**

To consider Report No. WSC 70/15, to be presented by Councillor T Taylor, Leader of Council – **SEE ATTACHED.**

The purpose of the report is to advise the Council of the report of the Joint Independent Members' Remuneration Panel and to seek endorsement of the recommendations set out therein.

**8. Review of the Council's Constitution**

To consider Report No. WSC 71/15, to be presented by Councillor S J Pugsley, Lead Member for Executive Support and Democracy – **SEE ATTACHED.**

The purpose of the report is to consider agreeing the process for the review of the West Somerset Council's Constitution.

**9. Transfer of Wheddon Cross Public Conveniences to the Parish Council**

To consider Report No. WSC 73/15, to be presented by Councillor K M Mills, Lead Member for Regeneration and Economic Growth – **SEE ATTACHED.**

The purpose of the report is to consider leasing the West Somerset District Council owned public conveniences at Wheddon Cross to the Parish Council, along with a capital contribution of up to £12,000.

**10. Grant to Exford Parish Council for Future Public Convenience Provision**

To consider Report No. WSC 74/15, to be presented by Councillor K M Mills, Lead Member for Regeneration and Economic Growth – **SEE ATTACHED.**

The purpose of the report is to consider formally terminating the Council's lease of the current public conveniences building and giving a grant to Exford Parish Council of up to £9,000 as a contribution to the provision of new public toilet facilities in Exford.

**11. Proposed Asset Transfer of Flatner Boat Museum, Watchet**

To consider Report No. WSC 75/15, to be presented by Councillor K V Kravis Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to consider the freehold transfer of the Watchet Flatner Boat Museum building and surrounding land to the Onion Collective (OC) Community Interest Company in exchange for a peppercorn i.e. £1 consideration. Any transfer would be within the basis of a Community Asset Transfer. The transfer would enable significant investment through OC enabling the Museum to continue operating from the building, albeit with improved facilities, complemented by a new build Visitor Centre housing a revitalised visitor information service, the existing taxi occupier as well as co-location of the Town Council offices and shared use of public space for Town Council meetings.

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

To consider Report No. WSC 54/15, to be presented by Councillor A H Trollope-Bellew, Lead Member for Environment - General – **SEE ATTACHED.**

The purpose of the report is seek approval to create a Somerset Building Control Partnership as outlined in the appended Business Case, comprising Mendip and Sedgemoor District Councils, Taunton Deane Borough Council and West Somerset Council; and to seek approval to transfer employees to Sedgemoor District Council under TUPE - Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014.

## **13. Steam Coast Trail – Fund Holder Governance Arrangements**

To consider Report No. WSC 72/15, to be presented by Councillor K M Mills, Lead Member for Regeneration and Economic Growth – **SEE ATTACHED.**

The purpose of the report is to outline the proposed fund holder arrangements West Somerset Council will undertake in partnership with the Friends of The Steam Coast Trail in respect of delivery of the Steam Coast Trail Project.

## **14. Member Reporting on Membership of Outside Body for information**

- Somerset Building Preservation Trust from Councillor H J W Davies – **SEE ATTACHED**

## **15. Minutes and Notes for Information**

Notes and minutes relating to this item can be found on the Council's website using the following links:

- Notes of the Dunster Area Panel held on 26 January 2015  
<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Dunster-Area-Panel/Dunster-Area-Panel---26-January-2015.aspx>
- Notes of the WWQ Area Panel held on 3 March 2015  
<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Watchet,-Williton-and-Quantock-Area-Panel/Watchet,-Williton---Quantocks-Area-Panel--2-March.aspx>
- Notes of the Exmoor Area Panel held on 5 March 2015  
<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Exmoor-Area-Panel/Exmoor-Area-Panel---5-March-2015.aspx>
- Notes of the Minehead Area Panel held on 11 March 2015  
<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Minehead-Area-Panel/Minehead-Area-Panel---11-March-2015.aspx>
- Notes of the Watchet Harbour Advisory Committee held on 14 January 2015  
<http://www.westsomersetonline.gov.uk/Environment/Harbours/Watchet-Harbour-Advisory-Committee>

**COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS**

**The Council's Vision:**

**To enable people to live, work and prosper in West Somerset**

**The Council's Corporate Priorities:**

- Local Democracy:  
Securing local democracy and accountability in West Somerset, based in West Somerset, elected by the people of West Somerset and responsible to the people of West Somerset.
- New Nuclear Development at Hinkley Point  
Maximising opportunities for West Somerset communities and businesses to benefit from the development whilst protecting local communities and the environment.

**The Council's Core Values:**

- Integrity
- Respect
- Fairness
- Trust

**WEST SOMERSET COUNCIL****Minutes of the Meeting held on 18 March 2015 at 4.30 pm****in the Council Chamber, Williton****Present:**

Councillor G S Dowding ..... Chairman  
Councillor A F Knight..... Vice-Chairman

Councillor M J Chilcott	Councillor M O A Dewdney
Councillor J Freeman	Councillor S Y Goss
Councillor A P Hadley	Councillor B Heywood
Councillor K V Kravis	Councillor E May
Councillor K M Mills	Councillor C Morgan
Councillor P H Murphy	Councillor S J Pugsley
Councillor D D Ross	Councillor D J Sanders
Councillor L W Smith	Councillor M A Smith
Councillor T Taylor	Councillor A H Trollope-Bellew
Councillor K H Turner	Councillor D J Westcott

**Officers in Attendance:**

Chief Executive (P James)  
Assistant Chief Executive and Monitoring Officer (B Lang)  
Director of Operations/Section 151 Officer (S Adam)  
Finance Manager (S Plenty)  
Director – Growth and Development (B Cleere)  
CIM Fund Manager (L Redston)  
Housing Initiatives Implementation Officer (A Devine)  
New Nuclear Programme Manager (A Goodchild)  
Economic Regeneration Manager (C Matthews)  
Director – Housing and Communities (J Barraah)  
Assistant Director – Property and Development (K Ibezi)  
Principal Benefits Officer (M Antonelli)  
Media and Communications Officer (D Rundle)  
Meeting Administrator (K Kowalewska)

**C124     Apologies for Absence**

Apologies for absence were received from Councillors H J W Davies, I R Melhuish and K J Ross.

**C125     Minutes**

(Minutes of the meetings of Council held on 18 February and 25 February 2015, circulated with the Agenda.)

**RESOLVED** that the Minutes of the meetings of Council held on 18 February and 25 February 2015 be confirmed as correct records.

**C126**     **Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

<b>Name</b>	<b>Minute No.</b>	<b>Member of</b>	<b>Action Taken</b>
Cllr S Y Goss	All	Stogursey	Spoke and voted
Cllr P H Murphy	All	Watchet	Spoke and voted
Cllr L W Smith	All	Minehead	Spoke and voted
Cllr K H Turner	All	Brompton Ralph	Spoke and voted
Cllr D J Westcott	All	Watchet	Spoke and voted

**C127**     **Public Participation**

No members of the public spoke at the meeting on any items on the agenda.

**C128**     **Chairman's Announcements**

16 March 2015	Attended the Pupil Parliament held in the Council Chamber, West Somerset House
17 March 2015	Attended the Bath & North Somerset Council's Annual Civic Reception in Bath
March 2015	Attended the funeral of WSC's past Chairman Cllr Pam Driver

The Chairman, on behalf of the Council, conveyed good wishes to Councillor K J Ross on his continued recovery.

**C129**     **HPC Section 106 Agreement – Allocations of Housing Funding**

(Report No. WSC 56/15, circulated with the Agenda.)

The purpose of the report was to present the recommendations of Cabinet regarding the recommendations of the Hinkley Point Planning Obligations Board (POB) for the allocation of Housing Fund monies secured through the Section 106 legal agreement for the Site Preparation Works at Hinkley Point. The report related to the recommendations made by Cabinet at its meeting held on 4 March 2015 in relation to the YMCA Somerset Coast and SHAL Housing Association schemes. Since the Cabinet meeting on 4 March 2014 Officers, having noted the recommendations regarding the two proposals from LV Property Rentals Ltd at Paragon Laundry and Monmouth Street, had worked with Officers at Sedgemoor to reassess these schemes. The outcome of these deliberations would be considered further at the meeting of Cabinet on 1 April 2015 and by full Council on 15 April 2015.



The Lead Member for Housing, Health and Wellbeing presented the report advising that Cabinet had considered the report. He provided further details on the applications for the release of funding from the Housing Contribution Fund for the Prospect House Routes Youth Hub development and the housing enabling scheme at the former Withycutter site.

The Lead Member proposed the recommendations in the report which were seconded by Councillor E May.

Members were fully supportive of both schemes and various questions and issues were raised regarding the Prospect House project. It was noted that the YMCA was carrying out fantastic work by helping and fully integrating with the local young people, and that both projects had tangible assets to support the communities and would deliver results to those most vulnerable.

**RESOLVED (1)** that the allocation of £37,800 (£36,000 grant to YMCA Somerset Coast, plus £1,800 administrative fee) from the Housing Contribution Fund for the Routes Youth Hub at Prospect House, Minehead be approved.

**RESOLVED (2)** that SHAL Housing Association be granted £80,000 from the Housing Contribution Fund for the housing enabling scheme at the former Withycutter site with the conditions contained in section 6.9 of the report.

**C130 Discretionary Reduction in Council Tax Liability Policy and Discretionary Housing Payment Policy**

(Report No. WSC 50/15, circulated with the Agenda.)

The purpose of the report was to outline the Council's approach to awarding Discretionary Housing Payments (DHPs) and Discretionary Rebates in Council Tax liability and to seek Full Council's agreement to revise our policies from 1 April 2015.

The Lead Member for Community and Customer presented the item and provided Members with the background information, highlighting the key points from the report and drawing attention to the summary of policy changes.

The Lead Member went on to propose the recommendation which was duly seconded by Councillor S J Pugsley.

A question was asked in regard to the breakdown of DHP spending and whether Members could be provided with a more detailed breakdown of the figures relating to customers out of work and the Principal Benefits Officer advised that the system of reporting on DHP did not allow for a further breakdown. The point was made that the Policy was robust and each application for DHP was looked at on its own merit and an income and expenditure assessment was completed for each case.

In response to a question regarding next year's allocation to the Council Tax Rebate Scheme it was confirmed that the sum would be allocated via the preceptors and performance was managed and monitored monthly.

**RESOLVED** that the revised policies for Discretionary Reduction in Council Tax liability (Appendix 1 of the report) and Discretionary Housing Payments (Appendix 2 of the report) be agreed to be applied from 1 April 2015.

**C131 Hinkley Point C: Land Management and Skills Scheme Allocation**

(Report No. WSC 49/15, circulated with the Agenda.)

The purpose of the report was to outline proposals relating to the Land Management and Skills Scheme allocation that forms part of the mitigation activity for the Visual Amenity elements of the HPC Site Preparation S106 Agreement.

The Lead Member for Regeneration and Economic Growth presented the report and provided background information, advising that £127,000 had been allocated via the Section 106 agreement for the purposes of implementing a scheme for young people to learn the necessary skills to manage the Quantock and Vale landscapes, and for a traditional skills scheme involving funding for anyone to learn traditional skills. She highlighted the key consultees and the range of providers involved in the proposals and provided a summary of the three activities. The Lead Member drew Members' attention to the fact that the Council's Economic Development team would be retaining £50,000 to enable them to identify other programmes of activity and lever in additional monies through match funding. Reassurance was provided that this would be consulted upon through the usual democratic process and that partners would also be fully consulted.

She went on to propose the recommendation which was seconded by Councillor C Morgan.

**RESOLVED** that the drawdown of the HPC S106 Landscape Skills allocation of £127,000 to support the delivery of the three areas of activity, as detailed in paragraph 5 and Appendix A of the report, be approved.

**C132 HPC Planning Obligations Board – Allocations of CIM Funding**

(Report No. WSC 51/15, circulated with the Agenda.)

The purpose of the report was to present the recommendations of the Hinkley Point C Planning Obligations Board and West Somerset Council Cabinet, for the allocation of monies from the Community Impact Mitigation (CIM) Fund secured through the Section 106 legal agreement for the Site Preparation Works at Hinkley Point; and to present the recommendation of Stogursey Parish Council and West Somerset Council Cabinet for the allocation of monies from the Stogursey Contribution Fund secured through the Section 106 legal agreement for the Site Preparation Works at Hinkley Point.

The Lead Member for Resources and Central Support presented the item and provided information on each of the four applications submitted for consideration by the Planning Obligations Board. She informed that those bids that worked within the section 106 agreement by proving the links and mitigating against the impacts of the Hinkley development were praised by the Board and it was hoped these good examples would encourage other applicants to come forward with effective bids.

The Lead Member went on to propose the recommendations contained within the report which were seconded by Councillor M J Chilcott.

Council was informed by the Chairman of the Scrutiny Committee that there had been a request by the Committee to review the process by which CIM funds were allocated and it was envisaged that by jointly working with the Sedgemoor District Council's Scrutiny Officer a joint scrutiny could be undertaken after the May election.

**RESOLVED (1)** that the decisions of Cabinet on 4 March 2015 be noted, as follows:

- To award £13000 from the Community Impact Mitigation fund to Williton Bowling Club for improvements to the bowling green.
- To not award funding to the Victoria Park Community Centre of £1760 towards the PC and internet access project on the basis that the application did not sufficiently demonstrate the projects ability to deliver its aims and did not demonstrate how the project would effectively mitigate impacts relating to the HPC development.
- To award £2640 from the Stogursey Contribution Fund to Stogursey Parish Council to enable the purchase of bespoke earplugs for residents of Shurton and Burton with the aim of mitigating the impacts of external noise for residents closest to the site boundaries of the Hinkley Point C development.

**RESOLVED (2)** that the recommendations of Cabinet and the Hinkley Point C Planning Obligations Board be endorsed, as follows:

- To award £110,000 from the Community Impact Mitigation Fund to Westfield United Reform Church to provide a permanent Street Café with extended opening hours subject to the conditions recommended by the Planning Obligations Board.

- To not award funding to the Roadwater Village Trust of £25,000 towards the Roadwater Community Playground project on the basis that the application did not demonstrate how the Hinkley Point C development will have a significant impact on the community in Roadwater or how the project will mitigate impacts for the wider community in West Somerset.

**C133 Hinkley Point C – Project Update and Section 106 Agreement Staff Allocations for Approval**

(Report No. WSC 52/15, circulated with the Agenda.)

The purpose of the report was to set out the latest position on the Hinkley Point C project and in light of that for Full Council to consider Cabinet's recommendations for proposals to allocate the staff resources set out in the Development Consent Order Section 106 agreement. The report also sought to remind Members of the contributions which are due to be paid to West Somerset Council from the DCO Section 106 agreement and set out the process for how those funds are to be managed and spent.

The Lead Member for Environment - Hinkley presented the item advising that the proposal would finalise the establishment of the new team which was a necessity for West Somerset Council in terms of responding to the responsibilities of the Hinkley Point C project. He drew Members' attention to the staffing structure of the New Nuclear Programme Team and proposed the recommendations in the report which were seconded by Councillor E May.

**RESOLVED (1)** that remaining £209,000 from the Site Preparation Works Section 106 Agreement relating to staff resources be allocated to continue to employ the existing posts holders either post 'transition' as part of the New Nuclear Programme Team structure or prior to 'transition' via a further 4 month contract extension.

**RESOLVED (2)** that the structure be supported and progressed in line with funding plans and that the £2,603,572 which the Council will receive from the DCO Section 106 agreement be allocated to support the funding of the structure set out in the structure report at Appendix B.

**C134 New Nuclear Programme Manager – Upgrade of Post to Assistant Director**

(Report No. WSC 53/15, circulated with the Agenda.)

The purpose of the report was to seek the Council's approval to upgrade the post of New Nuclear Programme Manager to that of an Assistant Director.

The Lead Member for Environment - Hinkley presented the report and proposed the recommendation which was duly seconded by Councillor A F Knight.

Clarification was provided on the remit of the post of Assistant Director – Energy Infrastructure and Members were advised that although the core purpose remained the delivery of the new nuclear programme, the post was designed to encompass other wider energy infrastructure projects.

Members noted the staffing structure and were fully supportive of the post upgrade.

**RESOLVED (1)** that the proposal to upgrade the post of New Nuclear Programme Manager to Assistant Director be approved.

**RESOLVED (2)** that the additional cost of this proposal being entirely catered for within the staff resource funding plans for the New Nuclear Programme Team, reported to Cabinet on 4 March 2015 and appearing as a separate item on the agenda to this meeting, be noted.

**RESOLVED (3)** that the decisions made by West Somerset Council being considered by Taunton Deane Borough Council, in its role as employing authority, at its Council Meeting of 31 March 2015, be noted.

**C135 Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy 2015/16**

(Report No. WSC 55/15, circulated with the Agenda.)

The purpose of this report was to obtain approval by Council of the proposed Treasury Management Strategy Statement (TMSS), Annual Investment Strategy (AIS), and Minimum Revenue Provision Policy (MRP) for 2015/16 in line with the statutory and regulatory guidance.

The Lead Member for Resources and Central Support introduced the item and the Finance Manager provided the background information contained within the report, as well as highlighting the key points contained within the TMSS, AIS and the MRP Policy.

The Lead Member proposed the recommendations contained within the report which were duly seconded by Councillor M J Chilcott.

Clarification was provided by the Section 151 Officer on capital expenditure relating to non-WSC assets, and it was suggested that Arlingclose, the Council's treasury advisors, be invited to attend a Members' briefing, post the May 2015 elections, in order to provide further understanding on such technical financial matters.

The Section 151 Officer and Finance Manager provided further detailed information on matters relating to internal and external borrowing and money market investments.

Members noted an error in Appendix B to the report 'Existing investment and debt portfolio position' and that Net Debt should read Net Investments.

**RESOLVED (1)** that the combined Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy for 2015/16 be approved.

**RESOLVED (2)** that the Prudential Indicators contained within the Treasury Management Strategy Statement be noted.

**C136 Creation of the Somerset Building Control Partnership**

(Report No. WSC 54/15, circulated with the Agenda.)

**RESOLVED** that the report be deferred until the next meeting of Council held on 15 April 2015.

**C137 Watchet Harbour Cargo Shed Demolition Report**

(Report No. WSC 61/15, circulated prior to the meeting.)

The purpose of the report was to secure authorisation and funding for the urgent demolition of the Watchet Harbour Cargo Shed as a result of significant health and safety concerns and risk to life and limb.

The Lead Member for Resources and Central Support presented the item. She provided details of the background information and explained the reasons for the urgency to carry out the demolition works. Other options had been discussed but none were deemed viable. She went on to say how impressed she was with the expertise and knowledge of the Council's Property Services team. The Lead Member drew attention to the Section 151 Officer comments contained within the report, advised that the relevant parties had been informed about the situation and confirmed that the site had now been emptied and was securely locked and, if approved, work would start as soon as possible.

The Lead Member proposed the recommendations which were duly seconded by Councillor C Morgan.

During the discussion the following points were raised:

- The Council owed a duty of care and should act reasonably and responsibly.
- The Leader reminded Members of the resolution agreed by full Council on 26 March 2014 (Minute No. C148 refers) regarding the approval of a supplementary lease with the Watchet marina operator which stated that it was the marine operator's responsibility to demolish the cargo shed; and informed that if the decision was approved for the Council to demolish the cargo shed then this would make the previous resolution null and void.
- It was requested that consultation with the Watchet Harbour Advisory Committee be undertaken to explain fully the reasons of what was proposed.
- Concern was expressed about the funding of future capital projects and it was agreed to arrange for an update to be provided.
- The site should be revalued following the demolition.

- It was imperative to maintain checks to ensure that the Council's assets were safe and were being used properly, safely and efficiently and there was an intention to carry out an asset management plan in order to prioritise work.

**RESOLVED (1)** that the building be demolished to ground level urgently, using the revised tender submission from the specialist demolition contractor.

**RESOLVED (2)** that a Supplementary Estimate for the 2015/16 Capital Programme of £50,000 be approved, funded by unallocated capital receipts, to undertake the demolition of the Watchet Harbour Cargo Shed and related works.

**NOTE:** Having regard to the special circumstances pertaining in relation to this item – namely due to the health and safety of the public – the Chairman was of the opinion that, despite its non-inclusion on the agenda, this item should be considered at this meeting as a matter of urgency.

The meeting closed at 6.31 pm





**LICENSING COMMITTEE****MINUTES OF THE MEETING HELD ON 10 MARCH 2015****AT 4.30 PM****IN THE COUNCIL CHAMBER, WILLITON****Present:**

Councillor D J Sanders ..... Chairman

Councillor H J W Davies  
Councillor A F Knight  
Councillor E May  
Councillor K H TurnerCouncillor A P Hadley  
Councillor R P Lillis  
Councillor L W Smith  
Councillor D J Westcott**Officers in Attendance:**Licensing Manager (I Carter)  
Licensing Officer (J Rendell)  
Mendip Legal Representative (L Dolan)  
Meeting Administrator (K Kowalewska)**LEP1      Apologies for Absence**

No apologies for absence were received.

**LEP2      Declarations of Interest**

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

<b>Name</b>	<b>Minute No.</b>	<b>Member of</b>	<b>Action Taken</b>
Councillor H J W Davies	All	SCC	Spoke and voted
Councillor L W Smith	All	Minehead	Spoke and voted
Councillor K H Turner	All	Brompton Ralph	Spoke and voted
Councillor D J Westcott	All	Watchet	Spoke and voted

**LEP3      Public Participation**

No member of the public had requested to speak on any item on the agenda.

**LEP4 Licensing Regime for Hackney Carriage/Private Hire Drivers and Taxi Assessment Test**

(Report No. WSC 47/15 – circulated with the Agenda.)

The purpose of the report was for Members to consider the licensing requirements for Hackney Carriage/Private Hire Drivers within West Somerset with regard to the requirement to pass a practical driving assessment before a drivers licence was granted or renewed.

The Licensing Officer presented the report and advised that Members were being asked to approve one of the two options as set out in the report, having considered the impact upon the trade and the obligations on the Council to protect the safety of the public using licensed Hackney Carriages or Private Hire Vehicles. It was highlighted that option 2 of the recommendation was the officers' preferred option.

The Committee debated the recommended options and various questions and issues were asked and answered by the officers.

The main points raised during the discussion included:

- Members objected to the current arrangement of the Somerset Road Safety tests starting and finishing at Deane House, Taunton due to the inconvenience this would cause to the taxi drivers with regards to fuel costs and the potential loss of trade by taking the time to travel to Taunton. However, officers confirmed that options to undertake the tests in West Somerset could be explored, and it was proposed to amend the recommendation to indicate that the tests could be held at an alternative location in West Somerset.
- It was also proposed that the recommendation should have a three year period written into it so that the test should be taken at renewal or every three years.
- There was no flexibility on the location of where the DVSA test centres were held.
- Members supported the requirement of applicants having to retake the test on renewal of a hackney carriage and private hire vehicles drivers licence.
- It was noted that Option 2 of the recommendations should be amended to read "That Members resolve to require all applicants for the grant and/or renewal of..."
- The differences between the DVSA Taxi Test and the Somerset Road Safety were explained, however it was advised that the same test was conducted and applicants were tested to the same level by qualified examiners using the same requirements.
- Following concerns, it was confirmed that a portion of the test called the 'free drive' was designed to examine the applicant's knowledge of the area.

- Queries pertaining to the wheelchair exercise being optional were raised and officers confirmed that there was a requirement for a hackney carriage vehicle to be wheelchair accessible but this did not apply to a private hire vehicle. Further clarification would be sought from Somerset Road Safety on this issue and the Committee would be advised accordingly.

On being put to the vote Option 1 of the recommendation was REFUSED.

It was proposed to approve Option 2, to include amendments relating to the tests being held in West Somerset and to be undertaken over a three year period from renewal. The amended recommendation was duly seconded. On being put to the vote Option 2, as amended, was CARRIED.

**RESOLVED** that all applicants for the grant and/or renewal, over a three year period, of a hackney carriage and private hire vehicles drivers licence be required to provide proof that they have completed the DVSA Taxi Test or Somerset Road Safety Test. All Somerset Road Safety Tests to be offered in West Somerset.

**Note:** With the agreement of the Chairman this item was brought forward on the Agenda.

**LEP5      Licensing Regime for Hackney Carriage/Private Hire Drivers and Private Hire Operators**

(Report No. WSC 46/15, circulated with the Agenda.)

The purpose of the report was for Members to consider the licensing requirements for Hackney Carriage/Private Hire Drivers and Private Hire Operators within West Somerset with regard to the removal of one year licences, the granting of licences that run for a period of up to three years from the date of issue, the replacement of the Knowledge Test with a Knowledge and Suitability Interview, requiring applicants for renewal of a drivers licence to pass a knowledge and suitability interview and obtain a suitable medical certificate before a licence is granted.

The Licensing Manager presented the item, providing brief details and reasons for the proposed recommendations that would change the practice of hackney carriage/private hire drivers and private hire operators.

During the debate the following main points were raised:

- Clarification was provided on the removal of the DBS check for those years when it was not required; and it was confirmed that DBS was required at grant and every three years.
- In response to concerns regarding the monitoring of convictions during the three year period, there was a requirement within the taxi policy, and a condition on the licence, that the Council must be notified if a driver was convicted of an offence.

- The discretion for giving a refund would lie with the Licensing Manager who would look at each situation on its own merits and would be able to calculate what was owed. Legislation did not require a refund to be provided.
- In response to a request for the Licensing Committee Chair or Vice-Chair to be present at the knowledge and suitability interview, it was advised that under the Scheme of Delegations responsibility for granting a licence to a suitable applicant was currently delegated to the Licensing Manager and under the current scheme the Chair or Vice-Chair of the Licensing Committee did not have a role in granting a licence.
- The Legal Advisor advised that the Scheme could be amended to enable the Chair or Vice-Chair to be consulted by the Licensing Manager before a licence was granted; the Constitution would have to be revised because in its present form it did not support the request.
- The set format of the face-to-face interview was explained.
- The reason for not restricting the location of the interview was explained, however it was advised that the majority of the interviews would be held at the Williton Council Offices.
- It was proposed to amend recommendation 2.4 of the report to include 'Choice of office by arrangement'.
- The proposed amendments to the policy would be put in effect in April 2016 to allow the trade to become fully informed and accustomed to the changes.
- It was confirmed that the licensing regime did not have statutory consultees.

Councillor D Sanders proposed the recommendations of the report, as amended, which were seconded by Councillor D J Westcott.

On being put to the vote the recommendations, as amended, were CARRIED, with one abstention.

**RESOLVED (1)** that the removal of one year licences for Hackney Carriage and Private Hire Vehicles Drivers Licences and Private Hire Operators Licences be approved.

**RESOLVED (2)** that the removal of the requirement to provide a conviction check in the form of either a standard DBS check or a Police Subject Access check (data held on PNC) for those years when an Enhanced DBS disclosure is not required be approved.

**RESOLVED (3)** that the granting of Hackney Carriage and Private Hire Vehicles Drivers Licences and Private Hire Operators Licences for a period of up to three years from the date of grant of the licence be approved.

**RESOLVED (4)** that the replacement of the knowledge test with a knowledge and suitability interview be approved. Choice of office by arrangement.

**RESOLVED (5)** that the requirement for all drivers seeking a renewal of a drivers licence to pass a knowledge and suitability interview prior to the granting of a licence be approved.

**RESOLVED (6)** that all applicants for the grant or renewal of a hackney carriage and private hire vehicles drivers licence be required to obtain a suitable medical certificate before a licence is granted.

In recognition of this being the last Licensing Committee before the May elections, the Chairman took the opportunity to thank the Members of the Committee and the officers and legal advisors who attended the meetings for their help, guidance and commitment.

The meeting closed at 5.37 pm



*Report Number:* WSC 76/15

*Presented by:* Cllr Keith Turner, Lead Member for Housing, Health and Wellbeing

*Author of the Report:* Andrew Goodchild, Assistant Director Energy Infrastructure

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*Report to a Meeting of:* Council

*To be Held on:* 15<sup>th</sup> April 2015

*Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:*

## **HPC SECTION 106 AGREEMENT – ALLOCATIONS OF HOUSING FUND**

### **1. PURPOSE OF REPORT**

- 1.1 The purpose of this report is to present Cabinet's recommendation that allocations from the Hinkley Point C Housing Fund are made, subject to a number of conditions, to two sites in Bridgwater – Paragon Laundry and Monmouth Street.

### **2. CONTRIBUTION TO CORPORATE PRIORITIES**

- 2.1 The approved Housing Funding Strategy is directly related to the delivery of Objective 5 of the WSC Corporate Plan which is "The availability of housing supply within West Somerset is increased to mitigate the extra demands linked to Hinkley Point workers".

### **3. RECOMMENDATIONS**

- 3.1 That Full Council approve the following bids:
- a. **£302,662** grant to LV Property Rentals Ltd for the Paragon Laundry affordable housing (for 10 years) enabling scheme providing 93 bed spaces.
  - b. **£302,236** grant to LV Property Rentals Ltd for the Monmouth Street affordable housing (for 10 years) enabling scheme to provide 142 bed spaces.

Subject to the following conditions:

- *That Full planning permission for each scheme must be in place;*
- *That the S106 agreement between the developer and Sedgemoor District Council must reflect the number and tenure of affordable housing units and a mechanism for review as stated in the proposals for funding;*
- *That any variation, to the extent that the development costs less than predicted within the proposal for funding, is returned to the Housing Contribution Fund up to the value of the grant amount;*

- *An agreement must be in place between WSC, SDC and LV Property Rentals Ltd (for Paragon Laundry and Monmouth Street schemes) to agree key milestones including a start on site in August 2015 with scheme completion in November 2016 and performance measures with clauses to include the repayment of grant if key milestones are not met;*
- *That the financial Due Diligence exercise is completed and its results are presented to the Director of Operations and Assistant Director Energy Infrastructure for approval prior to the release of funds;*
- *That the draft funding agreements confirm the rental arrangements described in 5.14 below and includes provision for Sedgemoor District Council to retain formal nomination rights in terms of vacancies for the initial 10 year period following completion of the schemes; and*
- *That the results of the financial Due Diligence exercise inform the content of funding agreements (which have been presented in draft form) between SDC and LV Property Rentals Ltd which are completed and presented for approval by the Director of Operations and Assistant Director Energy Infrastructure prior to the release of funding*

#### 4. **RISK ASSESSMENT (IF APPLICABLE)**

##### **Risk Matrix**

<b>Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>
That the effectiveness of the Housing Contribution is not maximised resulting in those in housing need being adversely affected by the Hinkley Point C project	3	4	12
<i>That proposals which develop bed space provision in line with the approved Housing Funding Strategy are brought forward in a timely manner</i>	2	4	8
That decisions on how to apply the Housing Contribution are taken without due regard to either the principles relating to the contribution or the obligations placed on West Somerset Council within the Section 106 agreement	2	5	10
<i>That firstly the Planning Obligations Board and then Cabinet and Council take decisions having carefully considered the principles set out within the Section 106 agreement and West Somerset Council takes account of its obligations pursuant to paragraph 3.3 of Schedule 2 of the Section 106 agreement</i>	1	5	5

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

#### 5. **BACKGROUND INFORMATION**

##### **Recommendations from the Planning Obligations Board**

- 5.1 On 1<sup>st</sup> April 2015 Cabinet considered the recommendations from the Planning Obligations Board for two schemes which were:
- a. **£302,662** grant to LV Property Rentals Ltd for the Paragon Laundry affordable housing (for 10 years) enabling scheme providing 93 bed spaces, which would be affordable for 10 years and then revert to market housing (£3417 per b/s).



- b. **£302,236** grant to LV Property Rentals Ltd for the Monmouth Street affordable housing (for 10 years) enabling scheme to provide 142 bed spaces, which would be affordable for 10 years and then revert to market housing (£2235 per b/s).

5.2 Summaries of the two bids are presented below:

Project Name:	<b>Enabling Fund – Paragon Laundry</b>
Organisation(s) that will receive funding:	LV Property Rentals Limited (LV)
Summary of Project:	<p>LV has requested gap funding of £302,662 to enable the Former Paragon Laundry, Bridgwater development to proceed. The scheme has been stalled due to abnormal development costs previously making this site unviable and unattractive as a market driven project. Providing £302,662 additional grant funding would help bring forward 21 affordable homes in a sustainable location for period of 10 years upon which they would revert to market accommodation. The site is close to good public transport routes and well placed in relation to the proposed Hinkley C construction worker bus routes. The delivery of this scheme will also help mitigate pressure on the private rented sector in Bridgwater and will be a positive investment into the area; benefiting the community significantly by providing 21 residential units (equating to 93 bed spaces). If funding is awarded works would begin on site in August 2015 with the units being completed and ready to be occupied in November 2016. <i>Full details available in the Appendix to the Bid Form.</i></p>
Expected Impact(s) Project Mitigates:	<p>S106 Agreement – Site Preparation Works  Schedule 2 - 1.1: <i>Delivery of additional housing capacity to mitigate any potential adverse effect on the local private rented and low cost housing market that might arise from the Hinkley Point C development and/or other elements of the Project (if permitted) in West Somerset and Sedgemoor District areas.</i>  Initiatives under S3.2.8 *</p>
Evidence of need:	<ul style="list-style-type: none"> <li>• Identified need for additional affordable homes in this area of Bridgwater</li> <li>• Will increase the supply of affordable-housing during the period (peak construction worker numbers) of greatest housing pressure.</li> </ul>
Expected benefit/outcomes of Project:	<ul style="list-style-type: none"> <li>• The project would see 36 new residential units built in total (119 bed spaces). The funding being sought will specifically bring forward 21 homes (93 bed spaces) to be provided on affordable-rented basis for 10 years. The homes will be built and owned by LV Property Rentals Limited.</li> <li>• The 21 units will be available on an affordable-rented basis, for 10 years, to people in housing need from the Council's Homefinder somerset register. A mix of houses (17no) and flats (4no)</li> <li>• This site is situated close to central Bridgwater (on Taunton Road, A38).</li> <li>• This development will mitigate pressure on the private rented sector by increasing the number of affordable housing in the area</li> <li>• Economic benefit to the local community, including construction training and employment opportunities</li> </ul>

Sustainability:	<ul style="list-style-type: none"> <li>The scheme has been designed to a high standard with all units meeting a minimum level 3, Code for Sustainable Development.</li> </ul>
Cost effectiveness:	£317,795 (gap funding+5%) to provide 93 bed spaces (affordable for 10 years) = £3417 per b/s
Amount applied for:	£302,662 gap funding (£317,795 including 5% SDC admin fee)
Total Project Costs:	£4,803,000 (£4,818,112 with 5% SDC admin fee) including £4,500,764 developer investment
Start Date:	August 2015
Completion Date:	November 2016

*\*S3.2.8: Equity investment into new build housing development schemes to assist developers in bringing forward stalled development opportunities*

Project Name:	<b>Enabling Fund – Monmouth Street</b>
Organisation(s) that will receive funding:	LV PROPERTY RENTALS LIMITED (LV)
Summary of Project:	<p>LV has requested gap funding of £302,236 to enable the Monmouth Street, Bridgwater development to proceed. The scheme has been stalled due to abnormal development costs previously making this site unviable and unattractive as a market driven project. Providing £302,236 additional grant funding would help bring forward a 100% affordable scheme in a highly sustainable location for period of 10 years upon which they would revert to market accommodation. The site is close to good public transport routes and well placed in relation to the proposed Hinkley C construction worker bus routes. The delivery of this scheme will also help mitigate pressure on the private rented sector in Bridgwater and will be a positive investment into the area; benefiting the community significantly by providing 37 new homes (equating to 142 bed spaces). If funding is awarded works would begin on site in August 2015 with the units being completed and ready to be occupied in November 2016. <i>Full details available in the Appendix to the Bid Form.</i></p>
Expected Impact(s) Project Mitigates:	<p>S106 Agreement – Site Preparation Works  Schedule 2 - 1.1: <i>Delivery of additional housing capacity to mitigate any potential adverse effect on the local private rented and low cost housing market that might arise from the Hinkley Point C development and/or other elements of the Project (if permitted) in West Somerset and Sedgemoor District areas.</i>  Initiatives under S3.2.8*</p>
Evidence of need:	<ul style="list-style-type: none"> <li>Identified need for additional affordable homes in this area of Bridgwater</li> <li>Will increase the supply of affordable-housing during the period (peak construction worker numbers) of greatest housing pressure.</li> </ul>
Expected benefit/outcomes of Project:	<ul style="list-style-type: none"> <li>The project would see 37 new homes built in total (equating to 142 bed spaces). The homes will be built and owned by LV Property Rentals Ltd</li> <li>The 37 units will be available on an affordable-rented basis, for 10 years, to people in housing need from the Council's Homefinder somerset register. A mix of houses (15no) and flats (22no)</li> <li>The site is located close to Bridgwater Town Centre.</li> </ul>

	<ul style="list-style-type: none"> <li>This development will mitigate pressure on the private rented sector by increasing the number of affordable housing in the area</li> <li>Economic benefit to the local community, including construction training and employment opportunities</li> </ul>
Sustainability:	<ul style="list-style-type: none"> <li>The scheme has been designed to a high standard with all units meeting a minimum level 3, Code for Sustainable Development.</li> </ul>
Cost effectiveness:	£317,348 (gap funding+5%) to provide 142 bed spaces (affordable for 10 years) = £2235 per b/s
Amount applied for:	£302,236 gap funding (£317,348 including SDC 5% admin).
Total Project Costs:	£4,803,000 (£4,818,112 with 5% SDC admin fee) including £4,500,764 developer investment
Start Date:	August 2015
Completion Date:	November 2016

*\*S3.2.8: Equity investment into new build housing development schemes to assist developers in bringing forward stalled development opportunities*

5.3 The recommendations presented to Cabinet in April followed an extraordinary meeting of the POB on the 13<sup>th</sup> February 2015 and the Cabinet meeting in March. The POB resolved to support the bids subject to a combination of conditions and receipt of further information. The further information needed in relation to these bids was:

- Evidence of how the schemes' will deliver types and tenure of properties required to mitigate impacts of the HPC development on the local housing market;*
- Brief written description of the history of the schemes, options that have been considered and current status of discussions;*
- Details of the funding agreements that are in place between SDC and LV Property Rentals Ltd*
- Confirmation (including details) that full planning permission is in place for the proposed schemes at the Monmouth Street and Paragon Laundry sites and that planning permission will not be effected due to variations in the proposed schemes from any planning permission in place.*
- Clarity that abnormal costs have been built into the viability assessments for both the Monmouth Street and Paragon Laundry sites.*
- Confirmation in writing from LV Property Rentals Ltd that they accept and have adopted the viability assessment presented by SDC within the proposals for funding.*

5.4 The POB resolved that the 5% administration fee should not be considered at this time and recommended that the following conditions should be applied:

- Full planning permission must be in place for the proposed scheme.*
- The S106 agreement between the developer and Sedgemoor District Council must reflect the number and tenure of affordable housing units and a mechanism for review as stated in the proposals for funding.*
- That any variation, to the extent that the development costs less than predicted within the proposal for funding, is returned to the Housing Contribution Fund up to the value of the grant amount.*
- An agreement must be in place between WSC and SHAL (for the Withycutter scheme) and WSC and LV Property Rentals Ltd (for Paragon Laundry and Monmouth Street schemes) to agree key milestones and performance measures with clauses to include the repayment of grant if key milestones are not met.*

- *That the development will be delivered in accordance with the timetable set out in the proposal for funding, with an expected start on site date of 1st August 2015.*

5.5 Following an assessment of the information received pursuant to 5.2 above which was received in time to draft the Cabinet report presented on 4<sup>th</sup> March 2015, the following additional condition would be appropriate:

- *That funding agreements (which have been presented in draft form) are completed and presented prior to the release of funding*

5.6 Discussions between officers representing WSC and SDC also resulted in a proposal to amend the 4<sup>th</sup> bullet point above to read:

- *An agreement must be in place between WSC, SDC and SHAL (for the Withycutter scheme) and WSC, SDC and LV Property Rentals Ltd (for Paragon Laundry and Monmouth Street schemes) to agree key milestones and performance measures with clauses to include the repayment of grant if key milestones are not met.*

#### **Cabinet Meeting on 4<sup>th</sup> March 2015**

5.7 At the Cabinet meeting on 4<sup>th</sup> March 2015, Cabinet resolved to recommend to Full Council that these two bids be refused for the following reasons:

- **RESOLVED (3)** that it be recommended to Council to refuse the proposal to grant LV Property Rentals Ltd £302,662 from the Housing Contribution Fund for the housing enabling scheme at Paragon Laundry site as it did not maximise the effectiveness of the Housing Contribution.
- **RESOLVED (4)** that it be recommended to Council to refuse the proposal to grant LV Property Rentals Ltd £302,236 from the Housing Contribution Fund for the housing enabling scheme at the Monmouth Street site as it did not maximise the effectiveness of the Housing Contribution.

5.8 The draft minutes of the Cabinet meeting record that Cabinet's reasons for recommending refusal included the following:

...concerns were raised regarding the affordable housing on the Paragon Laundry and Monmouth Street sites. The Lead Member reported on the main issues of concern, namely it was felt that neither of these two schemes delivered value for money and the concept of only providing affordable housing for ten years, with the properties then reverting back to the open market, was not acceptable as it was at this time when it was felt that there would be even more of a demand for affordable housing. He further expressed that he did not think the balance was right and wanted to see affordable bed spaces for the long term to ensure a lasting legacy of the housing enabling fund.

The main points raised during the discussion included:

- There was seen to be a considerable profit element to the private developer.
- It was important to maximise the effectiveness of the housing contribution and there should be further negotiations with the developer and the landowner to negotiate the land value, to extend the term of affordable housing, or even to lengthen it to perpetuity.
- The abnormal land conditions should be reflected in the land value.
- The mix of units did not match the profile of the Hinkley workforce.
- Concerns were expressed in terms of setting a precedent relating to other projects.

- 5.9 A combination of the importance and significance of the bids on these sites resulted in Senior Officers representing West Somerset Council and Sedgemoor District Council meeting after the Cabinet meeting in March to see if any changes / additional information could be identified which would assist Full Council in making its decision in light of the original recommendations from POB, the additional information presented between POB and Cabinet, and the concerns which led Cabinet to recommend to Full Council that these bids should be refused.
- 5.10 It was proposed during that meeting and subsequently agreed with Cabinet that the bids be differed for one cycle to enable a further assessment of what is necessarily a complex set of proposals along with providing an opportunity for additional conversations and discussions about the 'shape' of the bids, all of which it was hoped would enable Full Council to make a fully informed and considered decision.

#### **Update since Cabinet on 4<sup>th</sup> March 2015**

- 5.11 The following provides a commentary on the discussions between officers and new / revised / clarified information which has come to light since the Cabinet meeting on the 4<sup>th</sup> March 2015.
- 5.12 Officers from WSC and SDC met with the agents acting on behalf of the applicant, LV Property Rentals Ltd, and the author of the viability appraisal appointed by SDC. The key points arising from that meeting are as follows:
- The abnormal development and infrastructure costs have been taken into account by the applicant when agreeing, in the case of the Paragon Laundry Site, the price which has been paid to the former landowner;
  - Those abnormal development and infrastructure costs have been taken into account when the applicant has arranged an option to purchase the Monmouth Street site for an agreed price;
  - The detail of the viability appraisal was discussed at length and officers are comfortable that the assessment is sound and does not identify any anomalies and does not indicate that any underlying assumptions are either too high or too low;
  - Officers can confirm on this basis that, in their view, the price paid for the land and the profit levels derived by the applicant are not unreasonable;
  - LV Property Rentals Ltd and SDC are clear that the intention for the projects to start on site during August 2015 forms an integral part of the proposed bids. Should the projects not start on site during August 2015, LV Property Rentals Ltd and SDC are of the view that any money allocated to these projects could be returned to the Housing Contribution and could be applied to other projects in Sedgemoor and West Somerset; and
  - LV Property Rentals Ltd are providing the necessary information to enable SDC to complete the Homes and Communities Agency's Due Diligence process, the outcomes of which will be shared with WSC.
- 5.13 To assist in ensuring that Members have all the relevant information to hand when making their decision, officers at SDC were asked for and have provided commentary on the following issues:
- Confirmation of the rental arrangements;
  - The rationale for their support for the type of accommodation which is provided; and
  - The likely direction and shape of the rental market in Bridgwater
- 5.14 Of note is confirmation that the rental arrangements for units provided on both schemes will be on an affordable rented basis (capped at 80% of the prevailing market rent) for 10 years and then for a minimum period of 20 years will be provided with rents capped at the Local Housing Allowance which will mean rents will be below the prevailing market rent for a comparable property and will enable those in receipt of housing benefits to occupy the units

without any additional assistance / financial expenditure. The information provided by SDC is provided in full at Appendix A.

- 5.15 Given that this information has come to light, it was considered appropriate to present it to Cabinet so that Cabinet could assess whether or not to amend their recommendation to Full Council at this meeting. The role of Cabinet and Council, as described in the paragraphs below, is to balance the principles which apply to the Housing Contribution when considering their recommendation and decision respectively.
- 5.16 In addition, the s151 Officer has set out the requirements on financial due diligence and this is being progressed currently by SDC. It is important that any financial risks are identified and steps taken via the legal documentation to mitigate these.

### **Clarity on the Scope of West Somerset's Role in the Decision Making Process**

- 5.17 Schedule 1 of the Section 106 agreement for Site Preparation Works sets out very clearly the principles which apply to the administration of the Housing Contribution. Those principles which apply to the Housing Contribution are as follows:

In relation to the Housing Contribution, the Board shall recognise the degree of actual or potential impact on the immediate local housing market across the geography of the administrative areas of West Somerset Council and Sedgemoor Council only and that the application of funds from the Housing Contribution will reflect this (paragraph 4.1.10).

Priority will be given to those schemes, measures and projects that (paragraph 4.1.12):

- a. have been identified as priorities to the communities within Parish or Community Plans as applicable;
- b. are aligned to approved policies or plans of the West Somerset Council, Sedgemoor Council and the County Council as applicable;
- c. can demonstrate the greatest potential to achieve mitigation of impacts, taking into account value for money;
- d. can demonstrate the greatest potential to address need arising from the Development and other elements of the Project (if permitted), taking into account value for money;
- e. can demonstrate overall value for money in terms of cost and effectiveness;
- f. can demonstrate a contribution to developing and maintaining sustainable communities throughout the areas of impact; and
- g. complement other measures committed in this Deed or practised by the parties.

- 5.18 The Section 106 agreement (paragraph 4.1.16) goes on to set out that the following principles will be applied just to the Housing Contribution:

Bids for funding from the Board from the Housing Contribution will be submitted on a model application form for consideration and to allow for consideration by the Board *inter alia* against the criteria outlined below (project meaning the relevant mitigation project or measure):

- a. Priority impact zones – priority shall be given in accordance with paragraph 4.1.10;
- b. Extent of benefit – the Board shall recognise that the principal purpose of the contribution is to mitigate potential adverse effects on the availability of accommodation to local residents, particularly those on lower incomes;
- c. Sustainability – to what extent has the applicant demonstrated that the project will contribute to the wider goal of achieving sustainable communities, contributing to

regeneration objectives and achieving higher standards of environmental sustainability;

- d. Community support – to what extent is there demonstrable local community and/or business support for the project;
- e. Partner support – where relevant, to what extent is there demonstrable local partner support for the project;
- f. Alignment to relevant housing strategies – to what extent does the proposal align with developing or approved housing strategies for the appropriate administrative area/s;
- g. Governance – can the applicant demonstrate good governance arrangements are in place, including financial and project management to ensure deliverability; and
- h. Value for money – can the applicant demonstrate value for money and that reasonable efforts have been made to maximise the impact of any investment? Has match funding been secured where appropriate.

Bids will not be required to meet all criteria but all criteria will be taken into account and the provisions and limitations of this Deed in relation to the Housing Contribution shall apply. (para. 4.1.17)

- 5.19 Members will recall that the POB makes recommendations to West Somerset Council for final approval. In the case of the Housing Contribution, paragraph 3.3 of Schedule 2 of the Section 106 agreement legally obligates West Somerset Council to do the following:

When considering how to apply the Housing Contribution, West Somerset Council shall take into account the recommendations of the Board and the extent to which the relevant initiative:

- gives priority to localities within the administrative areas of West Somerset Council and Sedgemoor Council where the impacts of the Development are most likely to be felt;
- would maximise the cost effectiveness of the Housing Contribution;
- addresses both direct and indirect accommodation demands;
- would be responsive to changes in the housing market; and
- offers the potential for recycling the Housing Contribution so that it can be reinvested in other housing initiatives, as far as reasonably practicable and **PROVIDED THAT** any recycled monies are not considered as unspent parts of the Housing Contribution.

- 5.20 In light of all of the above information Cabinet resolved at their meeting in 1<sup>st</sup> April 2015 to recommend to Full Council that the two bids are approved subject to the following conditions:

- *That Full planning permission for each scheme must be in place;*
- *That the S106 agreement between the developer and Sedgemoor District Council must reflect the number and tenure of affordable housing units and a mechanism for review as stated in the proposals for funding;*
- *That any variation, to the extent that the development costs less than predicted within the proposal for funding, is returned to the Housing Contribution Fund up to the value of the grant amount;*
- *An agreement must be in place between WSC, SDC and LV Property Rentals Ltd (for Paragon Laundry and Monmouth Street schemes) to agree key miles stones*

*including a start on site in August 2015 with scheme completion in November 2016 and performance measures with clauses to include the repayment of grant if key milestones are not met;*

- *That the financial Due Diligence exercise is completed and its results are presented to the Director of Operations and Assistant Director for Energy Infrastructure for approval prior to the release of funds;*
- *That the draft funding agreements confirm the rental arrangements described in 5.14 above and includes provision for Sedgemoor District Council to retain formal nomination rights in terms of vacancies for the initial 10 year period following completion of the schemes; and*
- *That the results of the financial Due Diligence exercise inform the content of funding agreements (which have been presented in draft form) between SDC and LV Property Rentals Ltd which are completed and presented for approval by the Director of Operations and Assistant Director for Energy Infrastructure prior to the release of funding*

## **6. FINANCIAL/RESOURCE IMPLICATIONS**

- 6.1 Members will appreciate that the financing of the bids comes directly from the Section 106 agreement for Site Preparation Works at Hinkley Point C and will recall that the Section 106 agreements fund two housing officers at WSC (and equivalents at SDC) who will be responsible for delivering some of the work, working with partners to deliver some of the work and monitoring partners delivering the remaining work. As such there are no significant financial or resource implications for the Councils General Fund. The Section 106 agreement also funds a Finance Officer who will work with the Housing Team and the Assistant Director for Energy Infrastructure to track spend and delivery.
- 6.2 The 2 bids the subject of this report total £604,898 which would leave a total of £656,440 to be spent on Housing Enabling schemes. The total Housing Contribution which would have an uncommitted balance of £1,752,906.

## **7. COMMENTS ON BEHALF OF SECTION 151 OFFICER**

- 7.1 The funding for the delivery of the Housing Strategy is from the s106 agreement for Site Preparation Works at Hinkley Point C, not the Council's own resources. However, we must be able to demonstrate to our stakeholders that we have maximised the benefit from this fund in terms of mitigating of the impact of HPC on West Somerset and Sedgemoor, as well as taking due care of these public funds.
- 7.2 In addition, Schedule 19 paragraph 1.2 of the Section 106 agreement does obligate West Somerset Council not to spend the housing contribution "other than for the purposes specified" within the agreement. It is appropriate therefore, that the Councils collectively ensure that risks are appropriately managed via the funding agreement with the developer to ensure that there is no risk that the Council might be required to either step or to repay contributions back to the housing fund should the development not proceed after monies have been paid. The combination of the final three conditions ensures that this risk is appropriately managed.
- 7.3 Within the Housing schedule set out in the s106 agreement, WSC on behalf of West Somerset and Sedgemoor District Councils received £4.004m (£4m plus inflation uplift), making this the largest single contribution received under the agreement. Within the agreement, there is a further restriction. The Councils can only spend a total of up to £2m on schemes other than Private Sector Initiatives and Social Housing services (except for



Accreditation of landlords). We will need to monitor what we spend on these areas to avoid breaching this limit.

- 7.4 The Planning Obligations Board considered bids and supported their progress for consideration by West Somerset Council subject to further information being forthcoming. The information subsequently received was sufficient for officers to be confident in promoting the recommendations of the Planning Obligations Board to allocate the funds subject to completion of due diligence, for the allocation of funds for the Paragon Laundry and Monmouth Street schemes. Noting clearly the role of the Planning Obligations Board remains appropriate for the Council to ensure that it is satisfied that due diligence has been completed. This is important to ensure the safeguarding of these resources.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

- 8.1 **Members need to demonstrate that 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 are:

- 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

- 8.2 The Hinkley Housing Funding Strategy complies with recommendations that the Council should maximise all opportunities to monitor and measure responses and outcomes against diversity criteria to help plan future housing provision in a way that reflects the needs of all groups within the community. The proposals are intended to increase the supply of accommodation available to all, with measures to assist vulnerable local residents to access housing across West Somerset and Sedgemoor. All actions should be in compliance with the Human Rights Act.

## **9. CRIME AND DISORDER IMPLICATIONS**

- 9.1 All housing developments should be designed to minimise the potential for crime and disorder. The Housing Fund proposals are designed to mitigate the impact of HPC workers on accommodation in the district, by meeting the needs and aspirations of the local community, improving the quality of housing across the district, increasing housing supply and housing options, so could be expected to have a positive impact on crime and disorder.

## **10. CONSULTATION IMPLICATIONS**

- 10.1 All the various housing initiatives have been developed in consultation with Somerset West Private Sector Housing Partnership (SWPSHP), Somerset West Landlord & Tenant Services (SWELT), private sector landlords, the West Somerset Affordable Housing Group, and the West Somerset Housing Forum.

## **11. ASSET MANAGEMENT IMPLICATIONS**

- 11.1 There are no direct asset management implications.

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

- 12.1 There are no direct implications of approving the Housing allocations. However, there are obviously environmental impacts associated with the wider proposed development of Hinkley Point C. These have been assessed within the Environmental Statement submitted by NNB GenCo with the application to carry out Site Preparation Works at Hinkley Point C (West

Somerset Council Planning Application No: 3/32/10/037) and mitigation measures have been secured.

### **13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

- 13.1 The Housing Fund proposals are designed to mitigate the impact of HPC workers on accommodation in the district, by meeting the needs and aspirations of the local community, improving the quality of housing across the district, increasing housing supply and housing options, so could be expected to have a positive impact on health and wellbeing.

### **14. LEGAL IMPLICATIONS**

- 14.1 The funds under consideration have been paid by a developer (NNB GenCo) as part of the signing of a Section 106 legal agreement for planning permission to carry out the site preparation works at Hinkley Point C (West Somerset Council Planning Application No: 3/32/10/037). As part of this legal agreement West Somerset Council shall take into account the recommendations of the Planning Obligations Board when deciding how to apply those elements of the Housing Contributions and needs to consider its obligations as set out within the agreement.

## **Supplementary Information for West Somerset Cabinet**

**1 April 2015**

### **1) Confirmation of Rental Arrangements**

- 1.1 Section B1 of both bid forms (Monmouth Street & Paragon) confirm that this proposal will deliver 37 & 21 (respectively) units provided on a rented basis. The initial 10yr period will see these units being provided on an affordable rented basis (capped at 80% of the prevailing market rent). After this initial period, the units will be rented out on private rented basis for a minimum further period of 20yrs, with rents capped at the LHA (Local Housing Allowance), which will inevitably mean the rents will be below the prevailing market rent level for a comparable property.
- 1.2 The properties will be managed by experienced property management company. The management company will become an accredited landlord with Sedgemoor District Council. The rental company has confirmed their intention to sign up to a formal landlord agreement with SDC. This agreement will be the basis of the landlord-SDC relationship. The agreement will deal with matters such as property quality and safety standards, landlord behaviour towards their tenants and others matters associated with the SWELT Accredited Landlord policy. These will also be included.
- 1.3 The Council will have formal nomination rights in terms of vacancies (100%) for the initial 10yr period.
- 1.4 The Council will enter into a formal nomination agreement with developer to secure nomination rights for 100% of initial ten-years, with a view to extending this nomination arrangement beyond this period when the units revert to private rented homes.

### **2) Rationale for Type of Accommodation**

- 2.1 As Cabinet are aware, the two projects put forward include a mix of unit sizes, including three and four bedrooms properties. The rationale for this mix arises out of evidence gathered during the LIR process, and emerging information from the Homelet system. The specific Bridgwater policy (P1) also seeks to ensure that new development contributes to a range of objectives. These include delivering a range of housing that meets the needs of existing and newly forming households and inward migration. This includes the demands of the ancillary workforce who will demand larger homes to accommodate family units.
- 2.2 Whilst Members are correct that the majority of Hinkley's emerging workforce are likely to be single workers, and therefore would normally be seeking a room / bedspace, the impact of accommodating this workforce within the wider housing market, and the type and tenure of properties they are likely to move into, is likely to be more complex than a simple one to one demand ratio.

- 2.3 Within the LIR (pg 142), the Councils set out the view that, should the number of workers modelled by EDF seek to live within a 45 minute drive time area of the site, 90% of all spare capacity in the local private rented sector would need to be utilised. This included units of all sizes, from one bedroom flats to large units (6 bedroom plus). Based on experience from Suffolk during the construction of Sizewell and other major construction sites, the Councils were aware also that subcontractors tend to pool together to rent larger units in areas of high demand. Similarly, a number of contractors also tended to rent/buy larger local homes which could be utilised by groups of workers rather than seek to utilise hotel space or other facilities.
- 2.4 Given this, the Councils made a strong case during examination around addressing displacement and rent pressure across *the entire private rented sector* over the lifetime of the project. The case set out argued that, whilst demand for small unit accommodation was likely to be a significant challenge, it was also highly likely that availability of three and four bedroom units would become challenging within key areas (e.g. Bridgwater, Wilton, Burnham) as the workforce rapidly moved towards peak.
- 2.5 With this in mind, the mix outlined in both cases seeks to provide a balanced approach to displacement and market pressure, locally, providing a stock of both small and larger units which are offered on an affordable basis for ten years and protected from wider Hinkley demand. This is in line with the case made to the Inspectorate.
- 2.5 It should be noted that the case made above is based on the project going exactly to plan, with the base scenario considered during examination envisaging a 60 minute drive time for workers; a capped number of workers on site; and a housing market growing at or above historic trends. Early activity in the market and at other sites however suggests that the reality may be different, with workers already focusing on accommodation within 30 minutes of site (focused primarily upon Bridgwater). This is already exacerbating stock availability when compared with the original case made, particularly in the absence of campus accommodation in the medium term. Initial data from Homelet further confirms that landlords are already actively market a mix of unit sizes around Bridgwater for workers, with 26 properties listed at present across a mix of size. Turnover has to date been healthy, as Cabinet will be aware. Should this approach be replicated over the next three years, it is likely that the market will face exceptional additional pressures across the unit mix.
- 2.6 Sedgemoor would also highlight that whilst small unit accommodation is important, a degree of additional demand from migrating families and workers linked to Hinkley was identified in the LIR. The Housing Strategy does therefore also include provision for building out larger units.

### **3) Likely Direction and Shape of the Rental Market in Bridgwater: 2015-2025**

- 3.1 As discussed at Cabinet on the 4 March, the tenure mix and the approach being taken with the units put forward is considered to be in line and complementary to the likely shape of the market over the next 20 years. This would envisage a ten year

period of high demand and affordability challenges, followed by a period of reducing demand and price pressures.

- 3.2 As set out within the joint Local Impact Report (pg 135), and already mentioned above, it is anticipated in the medium term that the market within a 60 minute drive time area of Hinkley will see increased demand pressures, leading to a localised increase in rental values. Based upon experience with outages and the implementation of the Morrisons RDC, the market will likely see short term fluctuations, with an early focus on small units, followed by greater demand spilling out into family and other accommodation. The net effect of this additional demand will be to drive prices over the next 5-7 year period as workforce moves to peak and units become hard to find in the immediate locality. In this scenario, it is imperative that medium term affordable units are available.
- 3.3 However, as set out in paragraph 4.4.1.24, this is likely to be a medium term pressure, with demand in the private rented sector likely to fall off from year 7 onwards, as staff numbers contract and the HPC workforce stabilises to operational levels. As discussed at Cabinet, the current view of the likely direction of the market from year 7 onwards is difficult to fully predict, but it would be surprising if rental increases continued beyond workforce peak. Given the high likelihood that the buy to let and private rented sector will grow during years 2-6 of the project, as individual property owners seek to maximise the benefit of the project's expenditure, capacity in the market at the back end of the project may be less prominent. In effect, there is a strong scenario of a boom and bust market within Bridgwater, with rents peaking and then rapidly falling in line with workforce projections.
- 3.4 With this in mind, and in line with the focus of both the Housing Strategy and S106, Sedgemoor has chosen to focus on creating affordable capacity during the period where it is most likely to be at its peak, with a strong prediction that market prices and local capacity will be less of a challenge from 2021-22 onwards if build is carried out as forecast. It is also anticipated that market rents will become increasingly affordable in this post peak period as surplus capacity previously used by the workforce is released. Given this, Sedgemoor considers the 10 year / 20 year affordable / market rent split acceptable, particularly given the market rental levels will be controlled for the latter period.
- 3.3 It should be noted that this current market assessment is based upon case study examples from other major project locations. Rental values within the boroughs immediately surrounding the development of the Olympic Park, for example, saw significant increases during construction and the games, but have very rapidly dropped off. Evidence from the construction of both Sizewell and Heysham suggests similar.



*Report Number:* WSC <sup>33</sup>70/15  
*Presented by:* Councillor T Taylor, Leader of Council  
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*Report to a Meeting of:* Council  
*To be Held on:* 15 April 2015  
*Date Entered on Executive Forward Plan* n/a  
*Or Agreement for Urgency Granted:*

## **REPORT OF THE JOINT INDEPENDENT MEMBERS' REMUNERATION PANEL AND REVIEW OF MEMBERS' ALLOWANCES**

### **1. PURPOSE OF REPORT**

- 1.1 To advise the Council of the report of the Joint Independent Members' Remuneration Panel and to seek endorsement of the recommendations set out therein.

### **2. CONTRIBUTION TO CORPORATE PRIORITIES**

- 2.1 The process of undertaking a corporate and transparent review of the Member Allowance Scheme is an important part of ensuring good governance which underpins the local democracy corporate priority.

### **3. RECOMMENDATIONS**

- 3.1 That the Council endorses the approach being taken by the Panel to undertake a fundamental review of the West Somerset scheme and the plan for ongoing reviews of the scheme – paragraph 3.4.6 of Appendix A refers.
- 3.2 That the Council agrees the principles recommended to underpin the setting of the basic allowance for the new Council – paragraph 3.6.10 of Appendix A refers.
- 3.3 That the Council approves the principles recommended to underpin the payment of Special Responsibility Allowances in the new Council – 3.7.3 of Appendix A refers.
- 3.4 That Council approves the list of approved duties attached as Appendix C to this report to be applied as part of the new Members' Allowance Scheme – paragraph 3.8.2 of Appendix A refers.

#### 4. **RISK ASSESSMENT (IF APPLICABLE)**

##### **Risk Matrix**

<b>Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>
That any proposals that may emerge from the Independent Remuneration Panel may be unaffordable for the Council	Possible 3	Major 4	Medium 12
<i>Council has set the Members' allowance budget for 2015/16 at the same level as was included in the financial year 2014/15</i>	Low 1	Major 4	Low 4

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

#### 5. **BACKGROUND INFORMATION**

- 5.1 Provisions in relation to Members' allowances are set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021) and subsequent amendments to the regulations (SI 2003/1022 and SI 2003/1692). Under the Regulations the Council has to appoint an Independent Panel to make recommendations on its Scheme of Members' Allowances for consideration by the Council. The Council may accept, reject, or amend any of the Independent Panel's recommendations. The regulations provide for a single panel to advise more than one Council.
- 5.2 The Council has joined the Joint Members' Remuneration Panel alongside Somerset County Council, Mendip District Council and Taunton Deane Borough Council.
- 5.3 At the meeting of the Council held on 17 December 2013 the process recommended by the Joint Remuneration Panel for undertaking a formal review of the West Somerset Council Members' Allowance Scheme was approved.
- 5.4 Attached at Appendix A to this report are the conclusions and recommendations from the early stages of the fundamental review of the West Somerset Council's Scheme of Members' Allowances being carried out by the Independent Panel.
- 5.5 The Council is recommended to endorse the approach being taken by the Panel, agree the principles to underpin the setting of the basic allowance and the payment of Special Responsibility Allowances and to approve the list of approved duties as set out in Appendix C to the Panel's report. These recommendations are set out in detail in paragraph 2.1 of the Independent Panel's report.
- 5.6 If these recommendations are approved they will form the basis for a new Members' Allowance Scheme for the Council to be brought forward for consideration later in 2015 following agreement of new democratic arrangements for the Council in May 2015.

#### 6. **FINANCIAL/RESOURCE IMPLICATIONS**

- 6.1 The Council have previously agreed that the Members' allowance budget for 2015/16 be set at a similar level as the budget included for this purpose in the financial year 2014/15. The Members Allowances budget for 2015/16 is £149,664, plus there is a budget of £10,000 related to expenses.

#### 7. **COMMENTS ON BEHALF OF SECTION 151 OFFICER**

- 7.1 On the basis that the new Council agrees to make its final recommendations to stay within the approved Members' allowance budget for 2015/16 then there should be no additional financial implications.



## **8. EQUALITY & DIVERSITY IMPLICATIONS**

8.1 **Members need to demonstrate that 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 are:

- 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

8.2 The provision in the scheme for dependant' carers allowances will assist Members with such responsibilities in carrying out Council duties. A robust allowance scheme can play an important role in attracting people from all sections of the community to stand as Councillor.

## **9. CRIME AND DISORDER IMPLICATIONS**

9.1 None in respect of this report.

## **10. CONSULTATION IMPLICATIONS**

10.1 All Members had the opportunity to complete a questionnaire relating to the Members' Allowance Scheme; an analysis of the responses received is included at Appendix A to the Independent Panel's report.

## **11. ASSET MANAGEMENT IMPLICATIONS**

11.1 None in respect of this report.

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1 None in respect of this report.

## **13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

13.1 None directly in respect of this report.

## **14. LEGAL IMPLICATIONS**

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



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

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

Contact Details: 01823 359047

## **1. Summary**

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

## **2. Recommendations**

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

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

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

## **3. Background**

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

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

Somerset County Council representatives:

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

Mendip District Council representative:

- Graham Russell

Taunton Deane Borough Council representative:

- Keith Bevan (sub Tony Brown)

West Somerset Council:

- Robert Govier.

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

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

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

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

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

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

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

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

The Council has joined the Joint Independent Members' Remuneration Panel alongside Somerset County Council, Taunton Deane Borough Council and Mendip District Council.

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

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

- Learning about the three district council schemes within its remit including the history and culture behind the schemes, where known, and any particular issues which need to be addressed when reviewing each Scheme. The Panel decided from the outset that it would try and establish some general principles where this is appropriate, whilst recognising the need to incorporate practical features relevant to an individual council.
- Agreeing a timetable and process for each review. Essentially, this means that the Panel's earlier considerations focused on establishing general principles to underpin each district's scheme. Comprehensive and detailed recommendations for schemes, including actual amounts of allowances, will follow to the July 2015 Council meeting once the new democratic arrangements are agreed after the district council elections.
- Surveying members of each council for views on the current scheme to inform future Panel considerations. The Panel recognises fully that recommendations must be, *inter alia*, supported by the evidence; based on reasonable assumptions, be relevant to the needs of the Council and its members; and must be flexible enough to cope with future changes.
- Reviewing the principles underpinning the current Basic Allowance and Special Responsibility Allowances for each council.
- Establishing a single list of 'approved duties' for the three councils.

### **3.4 Background to the fundamental review of the West Somerset Scheme**

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

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

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

**3.4.3** The regulations define a number of basic requirements for allowances' schemes alongside which considerable scope is given to a council to adopt local provisions according to their circumstances. The only mandatory element provided for in the Regulations is the payment of a Basic Allowance to all members of a Council. All of the other elements that are currently paid under the scheme, ie, Special Responsibility, Travel, Subsistence and Carers' allowances are discretionary.

**3.4.4** The basic principles on which Remuneration Panels work are not legislative but there are national operational standards. In summary they include:

- The 50% rule (no more than 50% of Members of any individual Council should receive an SRA)
- Any Member should only receive one SRA at any one time.
- Basic Allowance payments should be based on a voluntary time contribution of 30% or 33% to underpin the difference between a salary and an allowance.
- When considering the payment of Special Responsibility Allowances clarity is needed when considering each specific position and whether it qualifies – is it a supporting one, requiring time and effort or is it a leadership role requiring evaluation, judgement and responsibility.

**3.4.5** The Panel is aware that it is not obliged to have regard to the overall budgetary impact of its recommendations when making recommendations to a Council. However, the Panel is aware of the financial restraints facing local authorities currently and into the future and the public perception of elected Members awarding themselves increases in allowances. The Panel will therefore have regard to these issues when bringing forward recommendations for consideration.

**3.4.6** The Council is **invited to endorse** the approach that the Panel intends to take to the reviews of the district councils' schemes. Replicating the approach that the Panel took to the County Council scheme, the Panel will undertake a fundamental review of each scheme in the lead up to the district council elections. Panel recommendations in advance of the elections will focus on principles. Recommendations on the detail of each scheme will then follow after the election once the Panel has assessed any changes to the democratic arrangements of the Council. Any changes agreed by the Council at that stage can then be backdated by the Council to a relevant date. After this the Panel will maintain a light touch review of the schemes on at least an annual basis and will bring a brief report to each Council in the spring of each year with recommendations for changes if considered necessary. This process will continue until the next fundamental review.

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

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

- 3.5.2** The conclusions from the West Somerset responses to the survey recognise the concern over the low level of Basic Allowance but an acceptance that the financial reality facing the Council. The majority of respondents are in favour of retaining the Basic Allowance at its existing level.

A number of Individual comments were received in respect of Special Responsibility Allowances and these will be picked up by the Panel in its considerations at the relevant time.

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

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

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

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

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

- 3.6.5** Traditionally many councils used figures produced by the Local Government Association (LGA) for calculating allowances based on a recommended figure per day, based on a benchmark of a median white-collar wage and adjusted as necessary to meet local circumstances. This figure is no longer published and therefore councils must find a new methodology for the calculation of BA. Such an approach and methodology has much to commend it and although the LGA figure is no longer published it is likely that the Office of National Statistics provides data that may be used in establishing a new basis and principles on which to base BA payments. What is apparent from looking at what other councils are doing including the County Council is that increasingly BA schemes are being linked in various ways to officer pay scales. This has the

advantage of building in an automatic indexing facility by then linking any increases in allowances to increases in officer pay awards. Given the advantages of this approach the Panel will be using this as the recommended basis for a new BA calculation.

- 3.6.6** Adding to paragraph 3.6.5 above and by way of illustration only at this stage Appendix B shows examples of how hours worked could be used as a base for calculating a Basic Allowance. Whatever basis is eventually recommended by the Panel for making this calculation there will then be a need to link this to an appropriate point in the officer pay scale to arrive at a recommended figure for the Basic Allowance and as the basis for future indexation.
- 3.6.7** In terms of setting a level of Basic Allowance for the new Council, the Panel will benchmark against comparable councils as well as having regard to the current level of the BA and the specific circumstances of the Council.
- 3.6.8** The benchmarking data in Appendix B shows that of the three district councils covered by the Panel, the Basic Allowance at West Somerset is out of line with the average and is in fact the lowest of the councils listed.
- 3.6.9** The Panel also noted that levels of Special Responsibility Allowance in the West Somerset Scheme – not detailed as part of this report - are above the average of the councils listed in the table and might be disproportionate to the level of Basic Allowance. The view of the Panel at this stage is that they may look to bring forward recommendations to provide some rebalancing of the Basic and Special Responsibility Allowances whilst recognising the financial restrictions facing the Council.
- 3.6.10** At this stage the Panel is **recommending** the Council to agree the following principles in respect of the Basic Allowance to apply post-election in 2015:
1. That the BA should be based on a calculation using an average number of hours worked by a councillor
  2. That 20 hours per week should be the basis for this calculation and reduced by a third to reflect the voluntary element
  3. That a mechanism is found to base the level of BA on an appropriate spinal point in the officers grading structure
  4. That future changes in the level of BA paid should be indexed to officer pay awards. This arrangement to last for the duration of the quadrennium and reviewed as part of the next fundamental review of the scheme in advance of the 2019 district elections.

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

- 3.7.1** The Panel has started a review of the Special Responsibility Allowance provisions of all three councils.
- 3.7.2** The Panel will pick up and respond to matters of detail raised in the member surveys about SRAs in due course. At this stage the Panel reviewed the basis on which the current SRA schemes were based.
- 3.7.3** The Panel's **recommendations** picking up good practice are:



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

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

- 3.8.1** The list of approved duties is essential to provide clarity to members and officers alike about the council duties undertaken and which can and cannot be claimed for. A clear list is essential in the light of the problem with MPs' expenses and in order to provide an audit trail in the event of challenge.
- 3.8.2** The current approved duties lists of the three councils vary considerably but the West Somerset list covers most eventualities. The Taunton Deane is similar and is the most comprehensive of the three councils. The Panel have decided to use it as the basis (assimilated with the list of approved duties used by the County Council) for a common list of approved duties to be recommended for agreement by the three councils. The proposed list is attached as Appendix C to this report and is **recommended** for approval as part of a new Members' Allowances Scheme for implementation following the district council elections. Mendip District Council has already approved this list of approved duties.



**APPENDIX A****WEST SOMERSET COUNCIL****IMRP SURVEY OF MEMBERS**

Of the 28 Members, 10 completed questionnaires were returned, giving an overall response rate of 36%.

**Basic Allowance**

**Question 1: Should the Basic Allowance be kept at its current level of £2,733 for 2015/16?**

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

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

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

	Number of responses	% of responses	Number of members	% of members
'YES'	8	80.0%	8	28.6%
'NO' – Increase the Basic Allowance	2	20.0%	2	7.1%
'NO' –Reduce the Basic Allowance	-	-	-	-
No answer on returned survey	-	-	-	-
Survey not returned			18	64.3%
	10	100.0%	28	100.0%

Suggested figures for increased Basic Allowance: £2,850 (+4.3%); no figure suggested.

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

**Comments in support of current rate:**

*Reference was made to the need for the allowance to reflect the number of hours committed to the role but also the financial constraints on the Council.*

*Reference was made to the fact that the allowance is the same irrespective of how many meetings are attended by the councillor and some are much busier than others.*

**Comments in support of increased rate:**

*There was some support for an increase given that the allowance had been frozen in recent years, it is already the lowest in the county and there was a need to ensure that it does not slip too far behind inflation.*

*There was also some support for linking any increases to staff pay awards.*

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

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

#### **General Comments**

*The disparity between work-loads of councillors was again mentioned here.*

*It was also suggested that councillors may underestimate the time spent on Council work.*

#### **Comments on Special Responsibility Allowance:**

*A number of detailed comments on specific SRA positions were made and these will be picked up in the Panel's detailed consideration s of the SRA Scheme to be recommended in due course.*

#### **Comments on Travel and Subsistence:**

*A plea was received not to reduce the mileage allowance.*

#### **Comments on other aspects of the Scheme:**

*A comment was made that the carers' allowance was too low given the high actual costs of such care.*

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

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

The hours reported by survey respondents ranged from 12 to 37 hours per week.

The median point (i.e. the mid-point of the data series) from the West Somerset returns is 24 hours per week.

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

Julian Gale

20.03.15

**APPENDIX B**

**WEST SOMERSET COUNCIL**

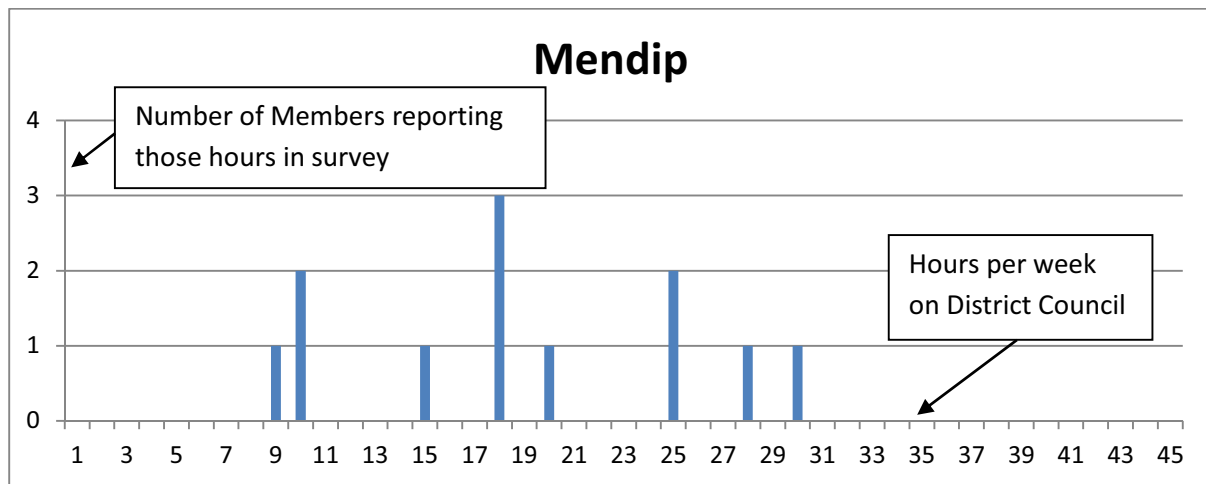
**CALCULATION OF A BASIC ALLOWANCE BASED ON EARNINGS**

**1. INTRODUCTION**

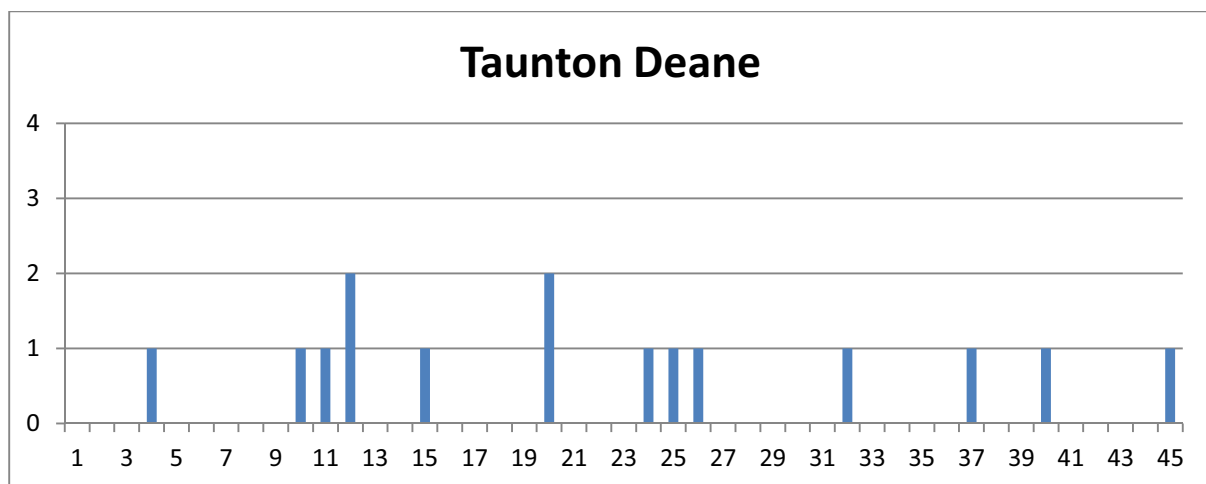
1.1 This paper explains the calculation of an annual Basic Allowance figure on the basis of ‘payment per hour spent on District Council duties’. The broad approach is a standard one used by IMRPs and was the basis upon which Somerset County Council’s Basic allowance was established in its last full review,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

**2. HOURS SPENT ON DISTRICT COUNCIL DUTIES**

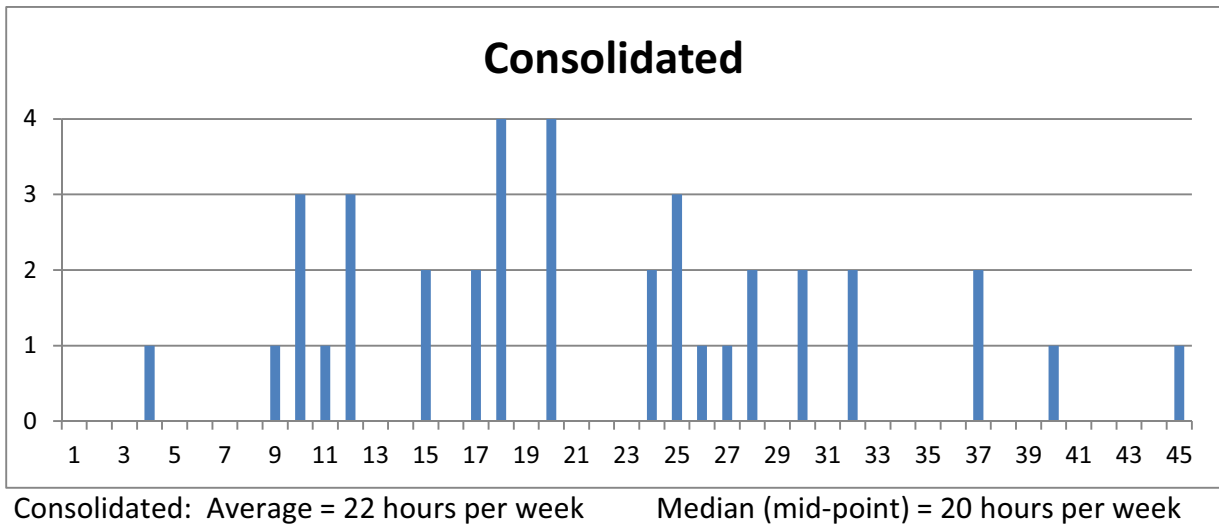
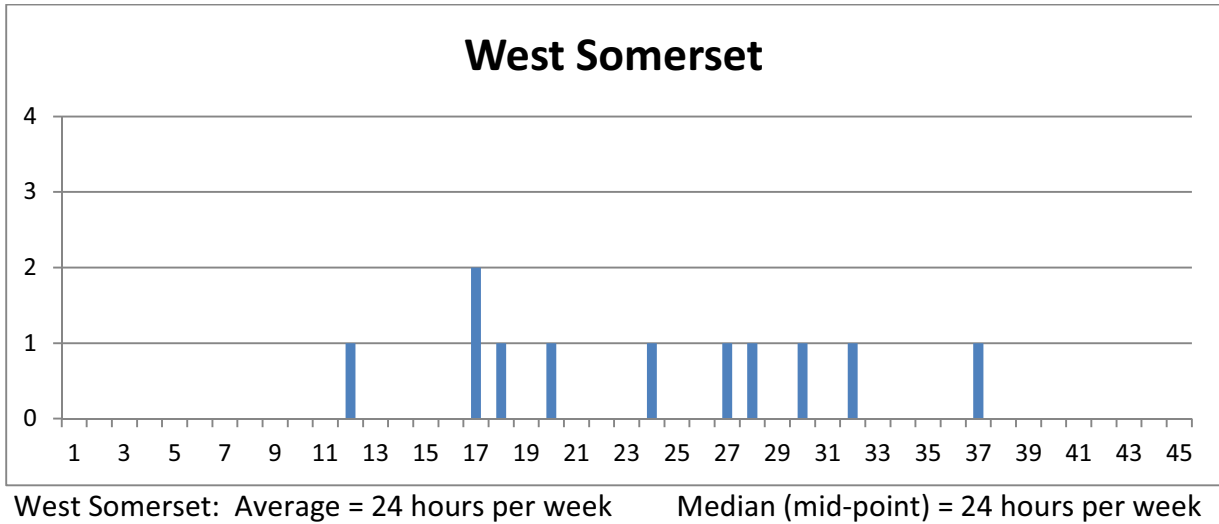
2.1 The recent survey of all Members provides valuable data on the amount of time that Members spend on District Council duties. The following three charts show the results per Council, followed by a final chart that combines the data.



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



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



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

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

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

### 3. CALCULATION OF BASIC ALLOWANCE FIGURES

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

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

#### Minimum wage:

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

#### Average Earnings:

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

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

### 4. CONCLUSIONS

4.1 The current Basic Allowance of £2,733 at West Somerset is out of line with all of the councils listed in paragraph 5.1 below. However the survey of West Somerset councillors indicated a majority of the respondents in favour of retaining the current level of Basic Allowance.

4.2 One area which may offer some scope for change is that of SRAs where the Panel's initial considerations show that SRAs at West Somerset were high relative to the Basic Allowance compared to most other authorities. The Panel may consider bringing forward recommendations for some rebalancing between the Basic Allowance and the SRAs but recognising the financial realities facing the Council.

### 5. BENCHMARKING DATA

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

<b>Authority</b>	<b>Basic Allowance, 2013/14</b>	<b>Population</b>
South Somerset	£6,163	155,000
Gloucester City	£5,250	101,890
Cheltenham	£5,066	111,700
Stroud	£5,000	110,000
Teignbridge	£4,969	126,800
West Dorset	£4,938	92,360
South Hams	£4,836	82,400
North Devon	£4,570	88,000
<b>AVERAGE</b>	<b>£4,534</b>	
Mid Devon	£4,500	76,465
Exeter	£4,430	117,600
North Dorset	£4,374	64,716
East Devon	£4,360	132,300
Taunton Deane	£4,301	107,400
Sedgemoor	£4,260	107,600
Forest of Dean	£4,250	81,342
Cotswold	£4,000	82,708
Mendip	£3,605	109,100
<b>West Somerset</b>	<b>£2,733</b>	<b>32,228</b>

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

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

6.2 In the case of West Somerset, the last major review was conducted in November 2010 when the current Basic Allowance of £2,733 was confirmed and has then been frozen to date.



Indexing Factor	November 2010 Index Figure	Latest Index Figure	% increase	Implied Basic Allowance
Consumer Price Index	115.6	128.2*	+10.9%	<b>£3,031</b>
Average Earnings	£455	£483**	+6.2%	<b>£2,902</b>

(\* November 2014)

(Source: Office of National Statistics)

(\*\*October 2014)

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



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

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

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

*Report Number:* WSC 71/15

*Presented by:* Councillor S J Pugsley, Lead Member for Executive Support and Democracy

*Author of the Report:* Bruce Lang, Assistant Chief Executive

*Contact Details:*

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*Report to a Meeting of:* Council

*To be Held on:* 15 April 2015

*Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:* n/a

## REVIEW OF THE COUNCIL'S CONSTITUTION

### 1. PURPOSE OF REPORT

- 1.1 To consider agreeing making an amendment to the process for the review of the West Somerset Council's Constitution.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 One of the functions of the Monitoring Officer is to maintain an up-to-date version of the Constitution so that it is fit for purpose.

### 3. RECOMMENDATIONS

- 3.1 That the Council approves the proposed changes to how amendments to the Constitution can be approved as set out in section 5.
- 3.2 That the Council notes that a further report on changes to the Constitution will be submitted after the May 2015 elections.

### 4. RISK ASSESSMENT (IF APPLICABLE)

#### Risk Matrix

Description	Likelihood	Impact	Overall
Failure to keep the Council's Constitution up-to-date may render it not fit for purpose and hinder the decision making process	Possible 3	Major 4	Medium 12
<i>That Council agrees to regular updates</i>	Low 1	Major 4	Low 4

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

## **5. BACKGROUND INFORMATION**

- 5.1 The purpose of the Constitution is to set out how the Council operates, how decisions are made and the procedures which are followed to ensure that they are efficient, transparent and accountable to local people. Some of those processes are required by law while others are a matter for the Council to choose.
- 5.2 There is a duty to monitor and review the operation of the Constitution and ensure that the document is kept up-to-date and fit for purpose.
- 5.3 Given that legislation and other events can happen at any time, the Constitution is a “living document” and, therefore, it is likely that updates will be needed to be initiated at least annually.
- 5.4 The purpose for bringing a brief report at this stage is to reflect that following the formation of the new One Team there have been several changes in respect of such detailed matters as officer designations which will need to be reflected in the Constitution.
- 5.5 There have also been recent agreements to adopt new processes such as the Social Media Policy and Recording of Meetings protocol and which will need to be included in the Constitution to bring it up-to-date.
- 5.6 A discussion was held at the meeting of the Corporate Policy Advisory Group held on 25 March 2015 when it was pointed out that as the Constitution is worded at present, technically any changes to the Constitution can only be approved by full Council. In the interests of efficiency and expediency, it is therefore suggested that the following wording be used:
- “15.03 Changes to the Constitution – Significant changes to the Constitution will only be approved by the full Council after consideration of the proposal by the Head of Paid Service, Monitoring Officer or Section 151 Officer. Minor detailed changes of a limited significance (as agreed by the Monitoring Officer with the appropriate Portfolio Holder/Lead Member) may be agreed in consultation with the appropriate Portfolio Holder/Lead Member, with such minor changes being subsequently notified to all Councillors.”
- 5.7 This change will enable the detailed “housekeeping” of keeping the document up-to-date and accurate to be undertaken in consultation with the appropriate Portfolio Holder/Lead Member and removing the necessity of the delay in taking such matters to full Council and unnecessarily extending the length of full Council agendas. Any significant proposed changes will, of course, be still brought to full Council after having previously been discussed with the Corporate Policy Advisory Group.

## **6. FINANCIAL/RESOURCE IMPLICATIONS**

- 6.1 None in respect of this report.

## **7. COMMENTS ON BEHALF OF SECTION 151 OFFICER**

- 7.1 The maintaining of an up-to-date and fit for purpose Constitution is an important part of providing good governance for the Council.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

- 8.1 **Members need to demonstrate that 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 are:

- 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

8.2 None in relation to this report.

## **9. CRIME AND DISORDER IMPLICATIONS**

9.1 None in respect of this report.

## **10. CONSULTATION IMPLICATIONS**

10.1 This issue was discussed at the meeting of the Corporate Policy Advisory Group held on 25 March 2015.

## **11. ASSET MANAGEMENT IMPLICATIONS**

11.1 None in respect of this report.

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1 None in respect of this report.

## **13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

13.1 None directly in respect of this report.

## **14. LEGAL IMPLICATIONS**

14.1 None in respect of this report.





*Report Number:* WSC 73/15  
*Presented by:* Cllr Karen Mills  
*Author of the Report:* Adrian Priest  
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*Report to a Meeting of:* Council  
*To be Held on:* 15<sup>th</sup> April 2015

*Date Entered on Executive Forward Plan  
 Or Agreement for Urgency Granted:*

## WHEDDON CROSS PUBLIC CONVENIENCES PROPOSED TRANSFER

### 1. PURPOSE OF REPORT

- 1.1 To consider leasing the West Somerset District Council owned public conveniences at Wheddon Cross to the Parish Council, along with a capital contribution of up to £12,000

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The leasing of this facility will assist the Council in establishing a resilient operating model that is financially sustainable as its ongoing maintenance liabilities will be reduced.

### 3. RECOMMENDATIONS

- 3.1 That Council approve:
- A lease with a term of up to 99 years of the Wheddon Cross public conveniences to Cutcombe Parish Council at a nominal rent of £25 per annum, exclusive of outgoings.
  - A Supplementary Estimate for the 2015/16 Capital Programme of £12,000, funded by revenue reserves. This is for a capital contribution of up to £12,000 to enable the Parish Council to reconfigure the building to provide workspace and two public conveniences, both of which will be operated and managed by the Parish Council.
  - All other terms and conditions of the lease to be agreed by the Assistant Director for Property and Development in association with the Lead Member.

### 4. RISK ASSESSMENT (IF APPLICABLE)

#### Risk Matrix

Description	Likelihood	Impact	Overall
The Parish Council is no longer able to fund the maintenance and upkeep of the facility which is then returned to WSC	Possible (3)	Moderate (3)	Medium (9)
<i>The Parish Council are to provide a business plan for approval by the Council</i>			
The costs of the reconfiguration works to the building exceed £12,000	Possible (3)	Moderate (3)	Medium (9)
<i>A number of estimates / quotes are being obtained from contractors</i>			

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

## **5. BACKGROUND INFORMATION**

- 5.1 The District Council is the freehold owner of the public conveniences at Wheddon Cross (see attached plan at Appendix A).
- 5.2 An annual service level agreement has been in operation for several years whereby the Parish Council has cleaned these premises on behalf of the District Council.
- 5.3 The Parish Council has approached the District Council with a proposal whereby they would lease the building on a long term lease and refurbish it to create workspace and two public conveniences (see attached plan at Appendix B). It is for this reason that no consideration is being given to a freehold transfer. They would operate the workspace and retain the income from this which would then contribute to the cost of running the public conveniences.
- 5.4 The Parish are looking for the District to fund the refurbishment works by means of a capital contribution of up to £12,000. If the works were delivered for less, then the balance of the grant would be returned.
- 5.5 The refurbishment works would be managed and overseen by the Parish Council and would provide improved public conveniences and affordable workspace for the benefit of the local community and visitors.

## **6. FINANCIAL/RESOURCE IMPLICATIONS**

- 6.1 The cost to the District Council of the operation of the public conveniences for the last two years is as follows:

### **2014/15 Estimated Running Costs (At Feb15)**

Description	Estimated Cost
Business Rates	£1,201.05
Grant – Cutcombe PC	£4,565.25
Water Charges	£952.96
Electricity	£247.32
Maintenance	£200
Sanitation Facilities	£403.70
<b>TOTAL</b>	<b>£7,570.28</b>

### **2013/14 Running Costs**

Description	Cost
Business Rates	£1,178.10
Grant – Cutcombe PC	£4,126.48
Water Charges	£1,159.69
Electricity	£276.36
Maintenance	£752.20
Sanitation Facilities	£384.80
<b>TOTAL</b>	<b>£7,877.63</b>

- 6.2 The Parish anticipate they can reduce the running costs of two pcs to £3,000 - £3,500 per annum. With an anticipated rental income of £1,250 per annum for the workspace (approx. £5 per square foot). The shortfall of between £1,750 - £2,250 for the running of the pcs would be met by the Parish.
- 6.3 It is noted that the current agreement for cleaning the pcs between West Somerset Council and Cutcombe Parish Council would cease.

- 6.4 This lease would transfer the responsibility of maintenance of the public conveniences to Cutcombe Parish Council, limiting the financial risk to West Somerset Council of any planned or unplanned maintenance in future years.
- 6.5 It is also noted that a recent survey of the building has identified £2,500 worth of repairs and redecoration. These works will have to be carried out should the project not proceed.
- 6.6 This proposal is expected to deliver ongoing savings of approximately £7,500 per annum, giving a payback period of less than two years on the on-off capital expenditure of £12,000. There would also be a nominal ongoing income of £25 per annum.
- 6.7 The above proposal was put to the Asset Management Group on 5<sup>th</sup> March 2015 where it was approved.
- 6.8 A report was then presented to Cabinet on the 1<sup>st</sup> April 2015 and was fully supported.

## **7. COMMENTS ON BEHALF OF SECTION 151 OFFICER**

- 7.1 The proposal above is aligned to the current asset strategy which seeks to transfer responsibility for public conveniences to other organisations where there is an appropriate business case. The Council continues to have limited capital (and revenue) resources, and has adopted capital prioritisation criteria as follows:
- 1) Business Continuity (corporate / organisational)
  - 2) Statutory Service Investment (to get to statutory minimum / contractual / continuity)
  - 3) Transformation
  - 4) Invest to Save
  - 5) Other
- 7.2 This proposal is in line with Priority 4 – Invest to Save. The Council's revenue budget already includes an assumed level of savings from the disposal of public conveniences, therefore this proposal will make a significant contribution to achieving these savings and therefore to the ongoing priority of achieving financial sustainability for the Council.
- 7.3 The proposal includes an up-front capital cost of up to £12,000. This will need to be approved as a supplementary estimate by Full Council for the Capital Programme. Council's have a number of choices in terms of capital funding options including:
- Using capital receipts from sale of assets
  - Capital grants from government and other bodies
  - Contributions from third parties e.g. developer contributions such as S106 planning obligations
  - Use of revenue funds such as annual budget contributions or reserves
  - Private sector and partnership funding
  - Borrowing
- 7.4 It will be a matter of prioritisation for Members against the funding available and other potential schemes, however on its own this scheme is affordable and does secure ongoing budget savings that are built into budget. From a financial perspective this investment would fit within acceptable parameters.
- 7.5 When the budget was set in February there were projected surplus capital receipts held of approximately £111,000. Since then, the budget monitoring for the Capital Programme has highlighted the need to potentially use some of this balance to cover costs in the current financial year (see report to Cabinet 4 March 2015 and Full Council 18 March 2015). The

available balance is currently projected to be approximately £15,000 at the start of 2015/16 financial year.

- 7.6 Capital bids that were submitted by services but not included in the approved Capital Programme for 2015/16 are summarised below (refer to Capital Programme 2015/16 report to Full Council 25 February 2015 for further information). This report addresses part of the last item in the table:

#### **Deferred Capital Bids – Not Included in Original Capital Programme 2015/16**

Capital Scheme	Priority	Estimated Costs £	Comments
<b>Disabled Facilities Grants</b> Additional funding to help reduce waiting list for DFGs	2	48,200	The significant increase in grant funding via SCC increases the likelihood that grant costs during the year can be contained within the proposed budget in Table 2.
<b>Barnsclose Industrial Estate, Dulverton</b> Refurbishment of four industrial units	5	11,000	This is contingent on future plans, and it is proposed to bring forward a business case with request for capital funding if required.
<b>IT Hardware Replacement</b> Rolling programme of replacement computers and servers	1	21,000	This could be deferred, but will mean the average age of IT stock will increase.
<b>Open Spaces Machinery</b> Replace existing 13 year old ride-on mower	1	32,000	This proposal is under review to determine optimal solution, and whether life of asset can be extended.
<b>Public Conveniences</b> Improvement Works (invest to save)	4	25,000	This is contingent on future plans, and it is proposed to bring forward a business case with request for capital funding if required.
<b>TOTAL</b>		<b>137,200</b>	

- 7.7 The forecasted position of unallocated capital receipts is not sufficient to fund both this scheme and the Exford public convenience scheme also proposed. Therefore use of revenue reserves is recommended in order to fund this Invest to Save scheme.
- 7.8 The current approved General Reserves balance at the end of the 2014/15 financial year is £783,247. This would reduce to £771,247 if this scheme is approved, or £762,247 if both this and the Exford public convenience schemes are approved. This would be £262,247 over the recommended minimum balance of £500,000.

## **EQUALITY & DIVERSITY IMPLICATIONS**

- 8.1 **Members need to demonstrate that 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 are:

- 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

- 8.2 Under the Building Act 1984 the Parish Council will have to comply with the approved building regulations documentation for Access to and Use of Buildings (Approved Document M) regarding requirements for facilities for disabled people.

## **9. CRIME AND DISORDER IMPLICATIONS**

- 9.1 None for the purpose of this report

## **10. CONSULTATION IMPLICATIONS**

- 10.1 The Parish Council are undertaking consultation with their community on this proposal.

## **11. ASSET MANAGEMENT IMPLICATIONS**

- 11.1 The Council's ongoing property maintenance liabilities will be reduced and there will no longer be the need to undertake the current repair works that have been identified, accepting that a one off payment of up to £12,000 will be made to the Parish Council as a contribution towards the reconfiguration works.

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

- 12.1 None for the purpose of this report

## **13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

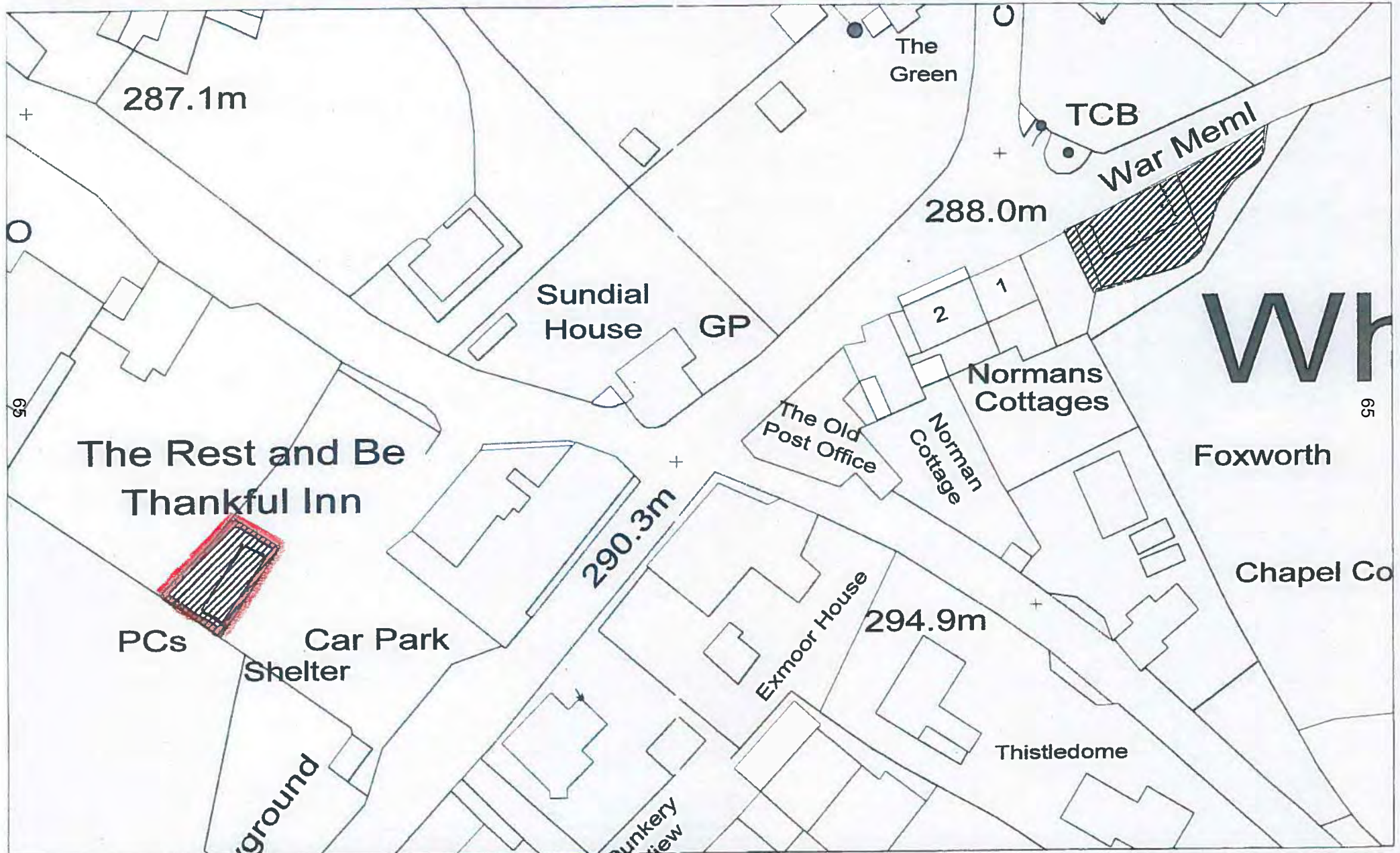
- 13.1 None for the purpose of this report

## **14. LEGAL IMPLICATIONS**

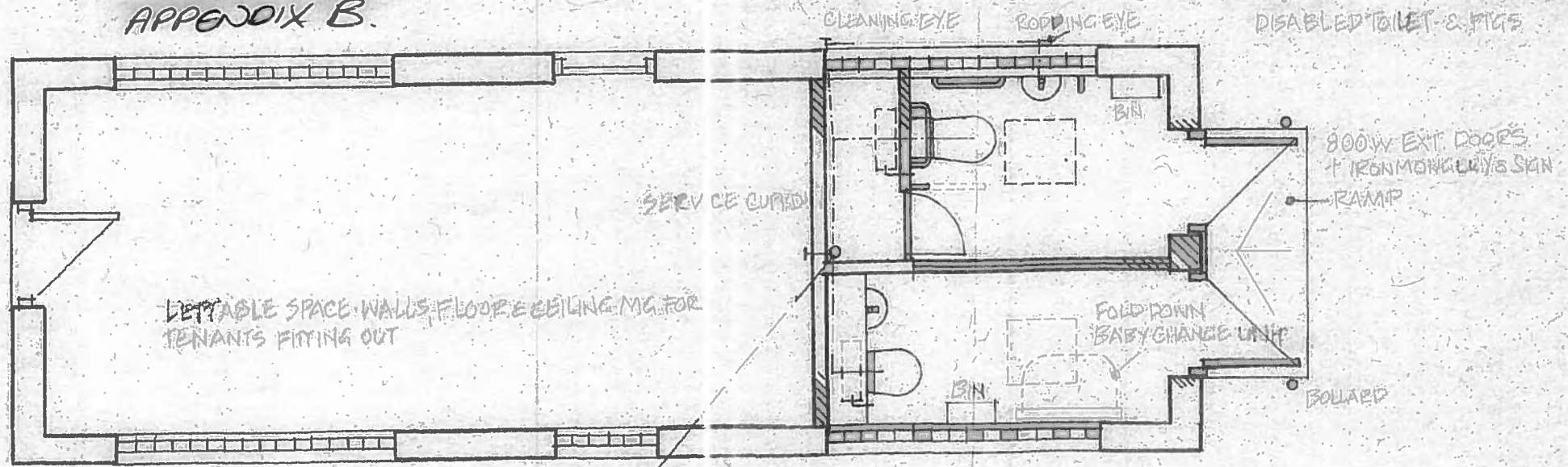
- 14.1 The District and the Parish Council will be responsible for their own legal fees incurred in completing this lease.

- 14.2 The Council has a statutory duty under Section 123 of the Local Government Act 1972 not to dispose of its land other than for the best price reasonably obtainable. The Council is able to sell the land for less than its market value but it must seek statutory consent to do so. Specific consent is not needed where the Council can demonstrate the land sale will help to secure the improvement of the economic, social or environmental wellbeing of the local area and the under value is not in excess of £2,000,000. The under value itself must comply with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer.





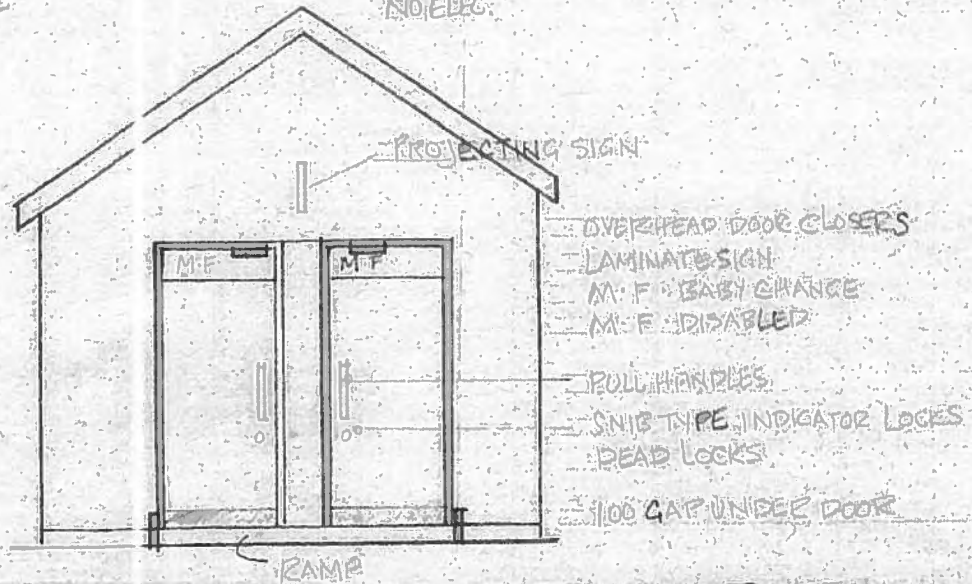
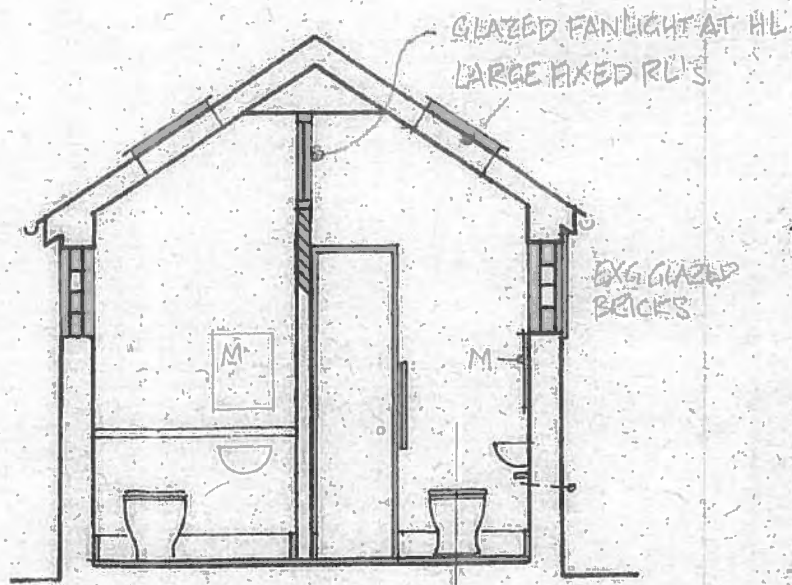
APPENDIX B.



TOILETS - RENDER, PLASTER WALLS PAINTED WITH ANTI-VANDALISM PAINT. FLAT FINISH SCREEDED FLOOR, STD. SMALL W.B. SINGLE TAP (CW ONLY), ON 10 SEC. TIMER. 600MM MIRRORS. BABY CHANGING CONCEALED CISTERN. LAMINATED DUCT WITH REMOVABLE TOP. NO ELEC.

66

69



OUTCOMBE TOILETS 1:50  
ARCHITX 01643 862 764



67

*Report Number:* WSC 74/15

*Presented by:* Cllr Karen Mills, Lead Member for Regeneration and Economic Growth

*Author of the Report:* Adrian Priest, Principal Estates Surveyor

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*Report to a Meeting of:* Council

*To be Held on:* 15<sup>th</sup> April 2015

*Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:*

## **GRANT TO EXFORD PARISH COUNCIL FOR FUTURE PUBLIC CONVENIENCE PROVISION**

### **1. PURPOSE OF REPORT**

- 1.1 To consider formally terminating the Council's lease of the current public conveniences building and giving a grant to Exford Parish Council of up to £9,000 as a contribution to the provision of new public toilet facilities in Exford.

### **2. CONTRIBUTION TO CORPORATE PRIORITIES**

- 2.1 The termination of the lease will assist the Council in establishing a resilient operating model that is financially sustainable as its ongoing maintenance liabilities will be removed.

### **3. RECOMMENDATIONS**

- 3.1 That Council approve:
- A Supplementary Estimate for the 2015/16 Capital Programme of up to £9,000, funded by revenue reserves. This is for a capital contribution to Exford Parish Council to enable the Parish Council to build new facilities in Exford.
  - Terms and conditions to be agreed by the Assistant Director for Property and Development in association with the Lead Member.
  - Terminating the lease on the current public convenience building which is leased by the District Council from the Exmoor National Park Authority.

### **4. RISK ASSESSMENT (IF APPLICABLE)**

#### **Risk Matrix**

Description	Likelihood	Impact	Overall
That the Parish Council are unable to find the additional funds to meet the full project costs	Possible (3)	Major (4)	Medium (12)
<i>Preparation of a proper business plan</i>			
That planning permission may not be obtained for the new site	Possible (3)	Major (4)	Medium (12)
<i>Ensure adequate pre planning consultation is carried out</i>			

The Council is served with a Terminal schedule of Dilapidations for the current premises with there being no budget currently in place to fund the cost of the required works <i>Allow adequate budgetary provision for this</i>	Unlikely (2)	Moderate (3)	Low (6)
---	-----------------	-----------------	------------

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

## 5. **BACKGROUND INFORMATION**

- 5.1 The District Council lease the building that holds the current public conveniences from the Exmoor National Park Authority (marked A on Appendix A). The lease was signed in December 1994 for a term of seven years but has never been surrendered as previously there have been plans to build new public conveniences in Exford. The current rent is £1 per annum.
- 5.2 The existing facilities are not fit for purpose or easily accessible, being sited at the rear of a garage. Refurbishing the current block is not considered to be a financially viable option.
- 5.3 The Parish Council has undertaken a survey of its parishioners which gave support to the proposal of new toilets being built in the village car park (marked B on Appendix A). The proposed site is owned by the Exmoor National Park Authority (ENPA) who also own the site of the existing toilets and are supportive of this proposal.

## 6. **FINANCIAL/RESOURCE IMPLICATIONS**

- 6.1 The Parish Council advised that the estimated cost for this build is £26,000. The proposal is for the ENPA to provide an estimated sum of £14,000 towards the build costs leaving an estimated funding gap of about £12,000.
- 6.2 The Parish have asked whether the District Council would contribute a capital sum of up to £9,000 towards these costs as a grant.
- 6.3 This will leave an additional £3,000 to be obtained from another financing source.
- 6.4 The Parish have confirmed that they would take on the responsibility of these public conveniences and the Council's contribution to the future provision of public conveniences in Exford would then cease.
- 6.5 The cost to the District Council of the operation of the public conveniences for the last two years is as follows:

### **2014/15 Estimated Running Costs (at Feb15)**

Description	Estimated Cost
Business Rates	£730.05
Cleaning – Veolia contract	*£2,373.68
Water Charges	£971.89
Electricity	£108.54
Maintenance	£0.00
Sanitation Facilities	£305.76
<b>TOTAL</b>	<b>£4,489.92</b>

## 2013/14 Running Costs

Description	Cost
Business Rates	£716.10
Cleaning – Veolia contract	£5,220.66
Water Charges	**£596.73
Electricity	£101.88
Maintenance	£0.00
Sanitation Facilities	£291.44
<b>TOTAL</b>	<b>£6,926.81</b>

*\*NB The difference in the cost of the Veolia contract between the two years is because from 2014/15 the cost of the pc cleaning contract was divisible by the size of the public conveniences rather than being split equally between each site as in previous years.*

*\*\* The smaller water charges in 2013/14 were due to the premises being closed between July 13 and March 14.*

- 6.6 It is noted that negotiation would have to take place with Veolia Environmental Services to withdraw this site from the cleaning contract and to secure a reduction in the contract price. These discussions have not yet taken place. However the current Veolia contract terminates 30<sup>th</sup> September 2015 and the potential closure of this site will be taken into account.
- 6.7 It is also noted that a recent survey of the building has identified £3,250 worth of redecoration and repairs. The lease requires the tenant (WSC) to keep the demised premises both internally and externally in good and tenantable repair, decoration and condition and, therefore, there is potential for the cost in carrying out these works, if required by the Landlord upon termination of the lease to be incurred.
- 6.8 This proposal is expected to deliver savings of £4,500 per annum, giving a payback period of approximately two years on the one-off capital expenditure of £9,000.
- 6.9 The above proposal was put to the Asset Management Group on 5<sup>th</sup> March 2015 where it was recommended for approval to Cabinet.
- 6.10 A report was then presented to Cabinet on the 1<sup>st</sup> April 2015 and was fully supported.

## **7. COMMENTS ON BEHALF OF SECTION 151 OFFICER**

- 7.1 The proposal above is aligned to the current asset strategy which seeks to transfer responsibility for public conveniences to other organisations where there is an appropriate business case. The Council continues to have limited capital (and revenue) resources, and has adopted capital prioritisation criteria as follows:
- 1) Business Continuity (corporate / organisational)
  - 2) Statutory Service Investment (to get to statutory minimum / contractual / continuity)
  - 3) Transformation
  - 4) Invest to Save
  - 5) Other
- 7.2 This proposal is in line with Priority 4 – Invest to Save. The Council's revenue budget already includes an assumed level of savings from the disposal of public conveniences, therefore this proposal will make a significant contribution to achieving these savings and therefore to the ongoing priority of achieving financial sustainability for the Council.

- 7.3 The proposal includes an up-front capital cost of up to £9,000. This will need to be approved as a supplementary estimate by Full Council for the Capital Programme. Council's have a number of choices in terms of capital funding options including:
- Using capital receipts from sale of assets
  - Capital grants from government and other bodies
  - Contributions from third parties e.g. developer contributions such as S106 planning obligations
  - Use of revenue funds such as annual budget contributions or reserves
  - Private sector and partnership funding
  - Borrowing
- 7.4 It will be a matter of prioritisation for Members against the funding available and other potential schemes, however on its own this scheme is affordable and does secure ongoing budget savings that are built into budget. From a financial perspective this investment would fit within acceptable parameters.
- 7.5 When the budget was set in February there were projected surplus capital receipts held of approximately £111,000. Since then, the budget monitoring for the Capital Programme has highlighted the need to potentially use some of this balance to cover costs in the current financial year (see report to Cabinet 4 March 2015 and Full Council 18 March 2015). The available balance is currently projected to be approximately £15,000 at the start of 2015/16 financial year.
- 7.6 Capital bids that were submitted by services but not included in the approved Capital Programme for 2015/16 are summarised below (refer to Capital Programme 2015/16 report to Full Council 25 February 2015 for further information). This report addresses part of the last item in the table:

#### Deferred Capital Bids – Not Included in Original Capital Programme 2015/16

Capital Scheme	Priority	Estimated Costs £	Comments
<b>Disabled Facilities Grants</b> Additional funding to help reduce waiting list for DFGs	2	48,200	The significant increase in grant funding via SCC increases the likelihood that grant costs during the year can be contained within the proposed budget in Table 2.
<b>Barnsclose Industrial Estate, Dulverton</b> Refurbishment of four industrial units	5	11,000	This is contingent on future plans, and it is proposed to bring forward a business case with request for capital funding if required.
<b>IT Hardware Replacement</b> Rolling programme of replacement computers and servers	1	21,000	This could be deferred, but will mean the average age of IT stock will increase.
<b>Open Spaces Machinery</b> Replace existing 13 year old ride-on mower	1	32,000	This proposal is under review to determine optimal solution, and whether life of asset can be extended.
<b>Public Conveniences</b> Improvement Works (invest to save)	4	25,000	This is contingent on future plans, and it is proposed to bring forward a business case with request for capital funding if required.
<b>TOTAL</b>		<b>137,200</b>	

7.7 The forecasted position of unallocated capital receipts is not sufficient to fund both this scheme and the Wheddon Cross public convenience scheme also proposed. Therefore use of revenue reserves is recommended in order to fund this Invest to Save scheme.

7.8 The current approved General Reserves balance at the end of the 2014/15 financial year is £783,247. This would reduce to £774,247 if this scheme is approved, or £762,247 if both this and the Wheddon Cross public convenience schemes are approved. This would be £262,247 over the recommended minimum balance of £500,000.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

8.1 **Members need to demonstrate that 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 are:

- 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

8.2 As a condition of WSC providing funding for the new facility the Parish Council will have to comply with the approved building regulations documentation for Access to and Use of Buildings (Approved Document M) regarding requirements for facilities for disabled people.

## **9. CRIME AND DISORDER IMPLICATIONS**

9.1 None in respect of this report

## **10. CONSULTATION IMPLICATIONS**

10.1 The Parish Council has undertaken consultation with the community (see Para 5).

## **11. ASSET MANAGEMENT IMPLICATIONS**

11.1 The Council's ongoing property maintenance liabilities will be reduced and there may no longer be the need to undertake the current repair works that have been identified, accepting that a one off payment of up to £9,000 will be made to the Parish Council as a contribution towards the costs of constructing a new facility.

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1 None in respect of this report

## **13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

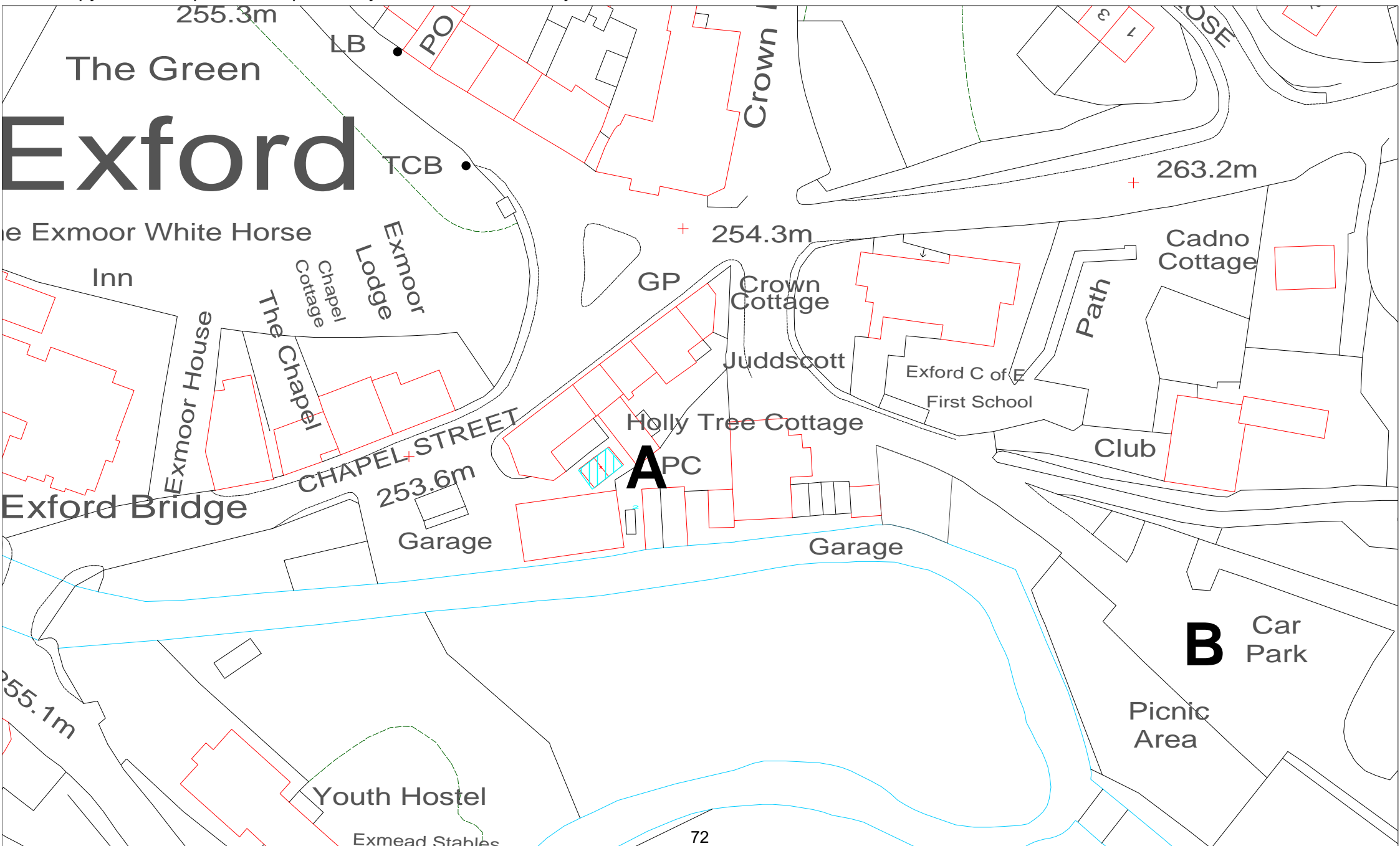
13.1 None in respect of this

## **14. LEGAL IMPLICATIONS**

None in respect of this report.



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*Report Number:* WSC 75/15  
*Presented by:* Cllr Kate Kravis  
*Author of the Report:* Tim Child, Asset Manager  
*Contact Details:*  
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*Report to a Meeting of:* Council  
*To be Held on:* 15<sup>th</sup> April 2015  
  
*Date Entered on Executive Forward Plan*  
*Or Agreement for Urgency Granted:*

## PROPOSED ASSET TRANSFER - FLATNER BOAT MUSEUM, WATCHET

### 1. PURPOSE OF REPORT

- 1.1 To consider the freehold transfer of the Watchet Flatner Boat Museum building and surrounding land to the Onion Collective (OC) Community Interest Company in exchange for a peppercorn i.e. £1 consideration. Any transfer would be within the basis of a Community Asset Transfer. The transfer would enable significant investment through OC enabling the Museum to continue operating from the building, albeit with improved facilities, complemented by a new build Visitor Centre housing a revitalised visitor information service, the existing taxi occupier as well as co-location of the Town Council offices and shared use of public space for Town Council meetings.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The transfer of this facility will assist the Council in:
- A) Establishing a resilient operating model that is financially sustainable as its ongoing maintenance liabilities will be reduced.
  - B) Enables the building and its prominent location to be utilised to better benefit Watchet. This supports the community, creates a better environment and facilitates regeneration and economic growth.

### 3. RECOMMENDATIONS

- 3.1 That Council approve:
- The freehold transfer for a peppercorn of the building and surrounding land edged red on attached plan to OC. This plan is indicative only.
  - The granting of additional rights necessary over adjacent land and as detailed later in report.
  - Detailed terms and conditions to be approved by Assistant Director, Property & Development in association with Lead Member. These terms to be consistent with a Community Asset Transfer.

#### 4. **RISK ASSESSMENT (IF APPLICABLE)**

##### Risk Matrix

Description	Likelihood	Impact	Overall
The intended operation of the building fails and the Onion Collective sell on or lease out the building or parts thereof for commercial development.	Possible (3)	Moderate (3)	Medium (9)
<i>It has been agreed that the transfer will incorporate overage provisions meaning that the Council share in any uplift in value.</i>	Possible (3)	Minor (2)	Low (6)
The uses either at day one or longer term are not consistent with those underlying this decision making to transfer for a peppercorn.	Possible (3)	Moderate (3)	Medium (9)
<i>It has been agreed that there will be strict user provisions and that the Council will also benefit from a Community Asset Transfer type joint partnership working agreement giving some limited control in its future operation.</i>	Unlikely (2)	Minor (2)	Low (4)

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

#### 5. **BACKGROUND INFORMATION**

- 5.1 The Council is the freehold owner of the Flatner Boat Museum and surrounding land. Some of this land is currently adopted highway.
- 5.2 The Council currently lets the property to two separate tenants.

The first lease is to The Friends of the Flatner Museum. The lease is court excluded and runs from 2002-2004 and is currently held-over. The rental is £50 per annum with no provision for a rent review and the tenant is responsible for full repairing and insuring. The Friends of the Flatner Museum have a gross annual income from donations and sales of approximately £2000 (2012). They could not achieve charitable status or that of a Community Interest Company as their income is insufficient. In reality they would therefore unlikely ever be able to comply with the terms of their lease in respect of repairing obligations.

The second lease is to Cliffs Cabs. This lease has not been formalised and there is a long history of negotiations. The tenant requested a lease term of 15 years to make substantial improvements to the building. He is not happy that a new lease would be excluded and wants a protected lease. He also wanted assurance that the Council would not re-develop which we could not give. The rental is £450 per annum.

Total income therefore £500 per annum.

- 5.3 The Council have been approached by OC to acquire the building and surrounding site edged red on the attached plan. OC are a community-led and social enterprise regeneration company seeking to build a 'stronger future for Watchet'. In 2014 OC ran extensive community consultation to determine what people would like in terms of improvements to Watchet. A Visitor Centre and Boat Museum scheme responds well to outcomes identified through the consultation in respect of reflecting delivery of the



outcomes principally around tourism and brand. Discussions have been ongoing between the Council and OC in respect of theirs and the community's wider aspirations for Watchet.

- 5.4 OC proposes a scheme incorporating the Boat Museum building itself as well as land to either side of the building – at the road junction where passengers land from the Railway Bridge, and on the grassed area on the car park side. The project will also link the two sides with the introduction of a safe pathway around the museum. The focus of the project is on tourism at many different levels, both in supporting and improving an existing visitor attraction, as well as creating a new Visitor Centre space.

Boat Museum Building – The project will look to modernise the building, bringing light and life into the museum as visitors arrive into the town. The lean-to taxi office will be demolished with alternative accommodation offered within the new Visitor Centre extension.

New Visitor Centre Extension – This will be attached to the north eastern elevation (seaward facing) and include an open space as a visitor centre and also by the Town Council for meetings, as well as by other tenants and community groups for events and activities when not in use as a visitor centre. The extension will also house the new Town Council office, offering approximately double the size of space that they currently occupy. There will also be a toilet, kitchen and store room to service the Boat Museum and Visitor Centre as well as an office as replacement for Cliffs Cabs. OC will coordinate the delivery of professional tourism services working in partnership with the Town Council and the newly formed Tourism Working Group. A disabled WC and baby changing facility would be available for public use whilst the property is open. Opening hours are still to be finalised but currently assuming 10am – 4/5pm in main season, possibly slightly shorter out of season but still open.

Public Realm and Paths – At the existing junction with Harbour Road, OC will be pursuing a 'stopping up' of an area of highway to create a safe landing area where people using the railway bridge can safely pause and cross the road, or turn and use the new pathway which would go around the building itself to the Visitor Centre entrance. Phase 2 of the project, which will come online as more funding is secured, particularly focuses around additional public realm with a raised pathway along the edge of the car park beside the railway line, taking visitors from Goviers Lane railway crossing directly to the Visitor Centre. OC also intend to work with the Town Council and Conservation Society to include additional elements at the base of the railway bridge steps, including removal of the old bus shelter, some new paving and perhaps other public realm.

- 5.5 A planning application is expected to be submitted shortly. Capital costs for the above mentioned works are currently estimated by OC at £365,600, with approximately £216,000 relating to the new extension and £65,000 for the repairs and improvements to the Boat Museum building, the remaining costs are for professional fees, preliminaries and contingency. Whilst the Council have identified significant maintenance works being needed to the Boat Museum should the existing transfer not proceed, these estimated costs are much lower than the £65,000 put forward by OC.
- 5.6 OC have put together a capital funding package which they believe is achievable. This is identified as follows, although some significant funding still to be applied for and with no certainty of receiving:
- Watchet Town Council £52,500 – Confirmed
  - EDF Community Impact Mitigation fund £243,119 – Applied for
  - LEADER, Power to Change, or other funding £70,000 – To apply for

- 5.7 A Special Purpose Vehicle (SPV) will be created to run the building sharing responsibility, risk and costs. Key tenants will be represented on the SPV and SPV taking ownership of the building and issuing leases to other parties. It is not the intension that either the museum or taxi business will pay anything more than a nominal rent.
- 5.8 With planning to be submitted shortly and assuming funding is approved, building works are due to commence in September and to be completed in January 2016 to enable opening of the new facility before Easter.
- 5.9 A letter has been received from Watchet Town Council confirming that they themselves have passed a recommendation on 9<sup>th</sup> February 2015 to support a move to these premises and furthermore requesting West Somerset Council's cooperation.
- 5.10 To enable this development to proceed, OC require a Community Asset Transfer.
- 5.11 A community asset transfer is about giving local people and community groups control in the future of their area, their community and is in line with national and international agenda. In England, the idea was introduced through the Quirk Review (DCLG 2007) and now aligns neatly with the coalition government's Big Society agenda and provisions of the 2011 Localism Act. 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. Work is progressing well with creating a Community Asset Transfer policy to inform the Council in future decision making in respect of such transfers. The absence of such a Council wide policy should not impact on decision making in respect of this one-off transfer. For all of the reasons mentioned in this paragraph, a Community Asset Transfer is often undertaken at nil consideration (dependant on terms of transfer and other circumstances) and in some instances accompanied by some form of financial support towards the use of the asset. Notwithstanding a formal Community Asset Transfer, Local Authorities are permitted to dispose of assets at less than best consideration if certain conditions can be met, principally relating to the quantum of the under payment, together with the social, economic and environmental benefits of such a transfer.
- 5.12 The following terms and conditions are proposed and have been provisionally agreed with OC:
- The freehold transfer for a peppercorn of that land shown edged red on attached plan. This transfer would be subject to existing tenancies, occupancies, 3<sup>rd</sup> party rights and any other existing encumbrances. Access will be needed by OC to the area edged green to install necessary services. The area edged blue (mostly in SCC / Railway ownership) is needed to form the raised pathway. OC are undertaking further survey work and will confirm the Council land required in due course for this pathway but is expected to be minimal. OC are likely only to require rights over this land to maintain flowerbed and erect new fence.
  - User Clause: To be used for the benefit of Watchet. Anticipated tourism, community, heritage, culture, enterprise and civic and supporting or ancillary uses.
  - Overage – There to be an ongoing overage provision ensuring that the Council benefit if OC sells on / leases out the building or parts thereof for commercial development or use. Likewise this would apply if the community uses did not succeed and the Council in this instances would receive a share of the uplift in value, rather than a transfer of the site back to the Council.

- Any 'Stopping Up' of highway to be agreed by Council to ensure that this does not adversely impact on junction capacity if uses of the East Quay were to be intensified. This process involves Somerset County Council as highway authority but transfer will include provision enabling this only to proceed with West Somerset Council's agreement.
- Each party to be responsible for own costs in progressing transfer.
- A Community Asset Transfer type of Joint Working Agreement to be appended to the transfer – this will assist in protecting the Councils long term interest but will not enable the Council to exert significant control over the future operation of the building or the services within, save of course for the user clause and overage provision.
- An option type agreement to be put in place first, with the transfer not taking effect until the funding and planning are resolved. If this is not satisfied by OC then the transfer does not proceed. The granting of this option and indeed the Council decision to proceed with the transfer gives certainty to OC enabling this project to be progressed.

5.13 Current Value Of Property - The planning policy team advise that there would be the following issues in respect of conversion to residential:

- Environmental: i.e. the proximity of the railway and bus stop and the road.
- Provision of amenity space: the space is small and is directly on the road and they would have difficulties in providing this.
- Whilst the building isn't on the statutory list of buildings of special architectural or historic interest it is an important local heritage asset being the original Watchet station goods shed, one of the original 1862 buildings of the Brunel designed broad gauge West Somerset railway.
- The building also forms part of the historic Watchet station group which lies within the Watchet Conservation area.

Potential for conversion to residential is therefore very low. Rental and capital values for commercial uses would be low due to the condition of the property and the building itself. If true commercial tenants could be secured then the capital value might be circa £60,000 but significant works would be needed first.

5.14 The transfer of the asset for a peppercorn rather than the full market value is supported and justified through the social, economic and environmental benefits of the scheme to be undertaken by OC.

5.15 A report was presented to Cabinet on the 1<sup>st</sup> April 2015 and was fully supported.

## **6. FINANCIAL/RESOURCE IMPLICATIONS**

6.1 The transfer of Watchet Flatner Boat Museum building would result in a reduction in income of £500 per annum. This would, however, eliminate the risk of future expenditure for repairs and maintenance on the building, whilst retaining the building for community use. The reduction of income would be managed within existing budgets in 2015/16 but would need to be addressed within the MTFP if this is not sustainable ongoing. Any council costs in respect of maintaining the property would fall on the general asset maintenance budget.

6.2 The overage provision gives assurances that the Council will benefit financially if there is a benefit to OC from a change in use from community to commercial.

6.3 The building would need to be removed from the Council's asset register, reducing the value of WSC's assets by the current book value of £20,000. This value will be written off

as a cost of disposal but mitigated through capital accounting adjustments and so will not have an impact on the Revenue Budget.

## **7. COMMENTS ON BEHALF OF SECTION 151 OFFICER**

- 7.1 The driver for this proposal is not financial. The community benefits should be measured against the financial impact of the reduction in income and the loss of the asset.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

- 8.1 **Members need to demonstrate that 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 are:

- 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

## **9. CRIME AND DISORDER IMPLICATIONS**

- 9.1 None for the purpose of this report.

## **10. CONSULTATION IMPLICATIONS**

- 10.1 None for the purpose of this report. It should be noted that extensive consultation has already been undertaken by OC and as referenced in 5.3 of this report.

## **11. ASSET MANAGEMENT IMPLICATIONS**

- 11.1 This is an Asset Management Led Report. The Council should be mindful that the OC proposals may result in the TIC vacating the existing facility on The Esplanade and which they currently lease from the Council. This building does require significant ongoing maintenance works to be undertaken by the Council so would enable the future of this building to be properly reviewed.

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

- 12.1 None for the purpose of this report.

## **13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

- 13.1 This proposal by OC has a significant and very positive impact on the health and wellbeing of those living and visiting Watchet together with for the place itself. In particular this will create a visitor destination in its own right and therefore bringing more visitors and spend to the locality, support entrepreneurship and respond to the community's expressed objectives developed through the consultation. The scheme also has the significant potential of creating employment opportunities within the building itself.

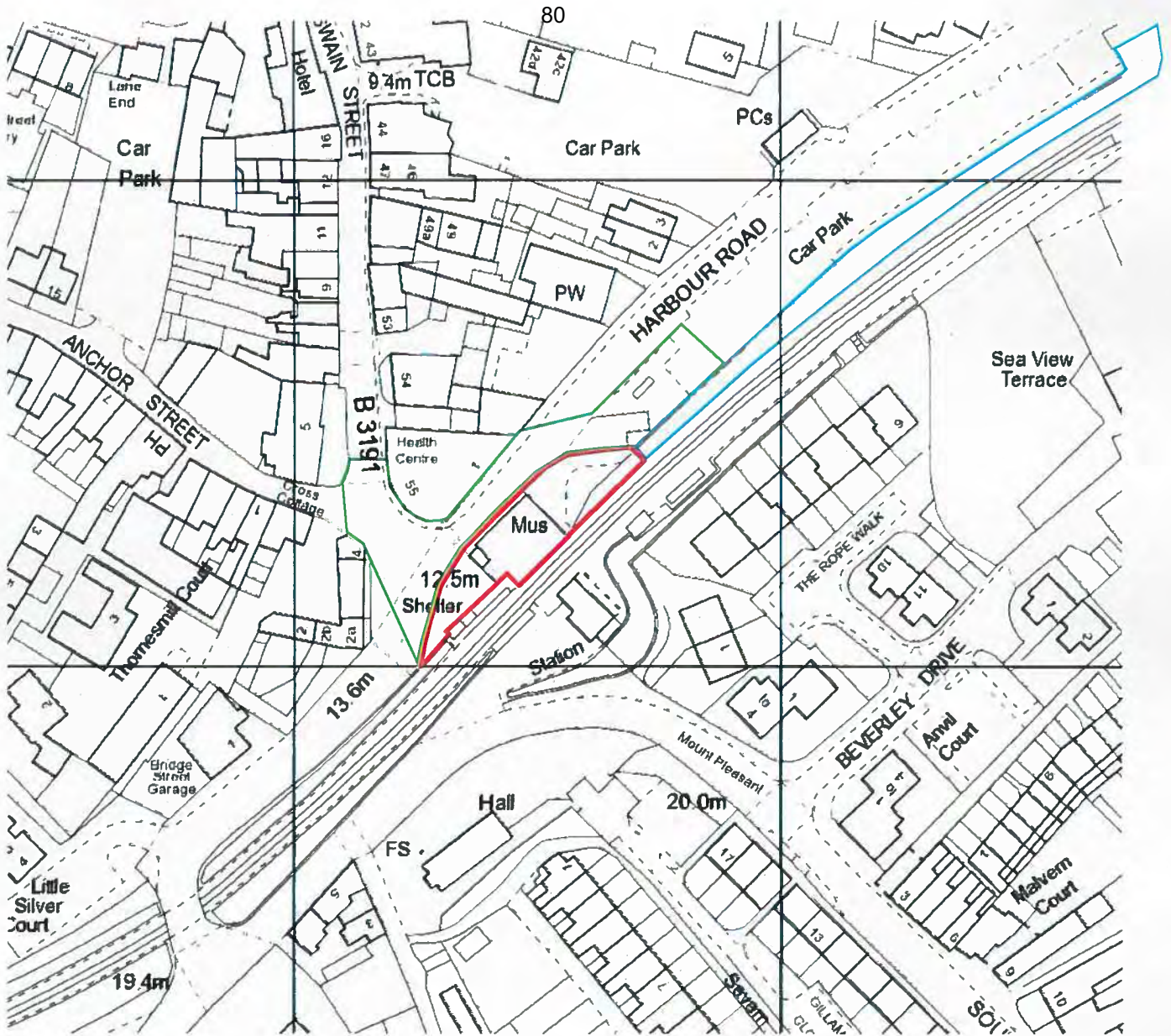
14. **LEGAL IMPLICATIONS**

- 14.1 The Council has a statutory duty under Section 123 of the Local Government Act 1972 not to dispose of its land other than for the best price reasonably obtainable.

The Council is able to sell the land for less than its market value, but it must seek statutory consent to do so.

Specific consent is not needed where the Council can demonstrate the land sale will help to secure the improvement of the economic, social or environmental wellbeing of the local area and the undervalue is only up to £2 million less than market value.

The undervalue itself must comply with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer.



Metres 1:1250 @ A4



REVISIONS

TITLE 1814 Boat Museum, Watchet  
 DRAWING **Site Location Plan**  
 NUMBER & REVISION **1814/100**  
 DATE February 2011  
 SCALE 1:1250 @ A4  
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*To be Held on:* 15 April 2015  
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 Or Agreement for Urgency Granted:*

## CREATION OF THE SOMERSET BUILDING CONTROL PARTNERSHIP

### 1. PURPOSE OF THE REPORT

- 1.1 To seek approval to create a Somerset Building Control Partnership as outlined in the appended Business Case, comprising Mendip and Sedgemoor District Councils, Taunton Deane Borough Council and West Somerset Council.
- 1.2 To seek approval to transfer employees to Sedgemoor District Council under TUPE - Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The formation of partnerships to deliver shared services and create efficiencies is in compliance with national priorities.
- 2.2 A resilient, cost-effective and local building control service is essential to support the local economy, developers and the building trade and helps to secure safe and high quality developments. The emergency call-out rota for dangerous structures is an important part of the Council's 'out of hours' service provision.

### 3. RECOMMENDATIONS

Members are recommended to:

1. Approve the creation of a Somerset Building Control Partnership as outlined in the appended Business Case, and subject to the approval of the other proposed partner Councils.
2. To approve the creation of a 'Joint Committee' to oversee the strategic direction, performance and budget of the partnership.
3. To nominate the Portfolio Holder and Assistant Director (Operational Delivery) to represent the Council on the Joint Committee.
4. To delegate responsibility to the Section 151 Officer, the Monitoring Officer, Portfolio Holder, Chairman of Scrutiny Committee, and the Assistant Director (Operational Delivery) to finalise legal agreements, partnership budgets and cost/income sharing arrangements, shared redundancy payments and detailed governance arrangements.

#### **4. RISK ASSESSMENT**

- 4.2 The partnership has been designed to deliver statutory and fee earning services on behalf all partners, the level of income from these services fluctuates but there is a history in West Somerset of failing to meet with the income expectations and therefore operating at a greater cost to the Council.
- 4.3 If West Somerset Council do not introduce a big change to the way they deliver the building control function there is a risk that further employee reductions will be needed and that the service will be placed in a position of unsustainability and unable to deliver its statutory responsibilities.
- 4.4 When building control employees have been reduced in West Somerset there is a history of them setting up as Approved Inspectors and competing for the same work as the Council's building control service, adding to this Council's income challenges.
- 4.5 A comprehensive risk log is included within part 7 of the appended Business Case, pages 28-30.
- 4.6 The prime area of risk for this Council would be if the fee income reduced dramatically. However, the inter-authority agreement and joint committee will mitigate this risk, because partner Council's would retain shared responsibilities for the financial viability and future success of the partnership. The management team would be tasked with reducing costs to match any reduced income position, together with marketing the service to gain new business. Support service costs/recharges for setting up the partnership and providing additional support to develop it, will ensure the new business unit pays for enhanced investment of officer time in the first 2- 3 years

#### **5. BACKGROUND**

- 5.1 Analysis and research, including advice from Finance Officers, HR managers, Legal Teams and IT managers has now been completed, and a comprehensive business case/plan has been agreed by senior management in each of the four partner Councils:
- Mendip District Council
  - Sedgemoor District Council
  - Taunton Deane Borough Council and
  - West Somerset Council
- 5.2 North Dorset District Council withdrew from the project in 2014, and South Somerset District Council withdrew earlier in the process.
- 5.3 Authority will be sought from each of the four Council Executives/Cabinets during the February/March to form the Partnership. The Partnership will be the largest Building Control Partnership in the South of England. There would also be scope to increase membership in the future.
- 5.4 The Key business reasons for forming the partnership are:
- To secure a sustainable building control Service for the future.
  - To reduce costs to each partner Council.
  - To improve competitiveness with the private (and public) sector providers of building control services – to win more business and maximise income.
  - To increase resilience and customer service levels – a bigger core service team rather than 4 small teams.
  - To improve professional development opportunities, to make it easier to attract and retain good quality staff.



- 5.5 The building control service provided by districts councils is one of the council functions that is in direct competition with the private sector (Approved Inspectors).
- 5.6 In recent years services have found it more and more difficult to compete with the private sector providers of building control for the 'fee income' from Building Regulations applications. Local authorities also have to carry out other statutory building control responsibilities that the private sector is exempt from, and these do not bring in income to support them.
- 5.6 The reduction in income to building control services is leaving most individual local authority building control services with a choice between having a very small team with little resilience, or operating the service at a financial loss which must then be subsidised by the General Fund of the authority. This picture is seen across the country and the Government has confirmed that its view is that the most effective way forward to alleviate this is for single local authority building control teams to form partnerships.
- 5.7 With this in mind four local authorities in Somerset have been working collaboratively with a view to forming a single building control partnership that tackles the issues facing the service, improves delivery for customers and reduces the financial burden on the individual authorities.
- 5.8 In Devon a successful building control partnership has been running since 2005. Consisting initially of two local authorities (Teignbridge and West Devon), it was then joined by South Hams in 2006 and is currently in discussions with other Devon authorities. This partnership has managed to weather the financial pressures facing building control, kept its service highly effective and resilient, and maintained good market share. This model, along with a similar one in Norfolk where five local authorities operate under the banner of CNC Building Control Partnership, has shown that building control partnerships have long term benefits for councils and the customers they provide services too.

## **6. THE PROPOSED PARTNERSHIP**

- 6.1 A comprehensive business case has been developed by the 4 partner organisations having considered:
- The prevailing economic and competition challenges facing building control.
  - The requirement to maintain a resilient and competent service.
  - The increasing move to form partnerships to deliver successful building control services.
  - Options for governance of a partnership.
  - Comparisons of workloads, application numbers, staffing numbers and income/budgets between the 4 partners.
  - The ability to generate significant savings from forming a single business unit, by reducing management posts and staff numbers, and reducing office overheads and other support service charges.
  - Creation of a new partnership staffing structure, based on workloads and introducing new and more efficient ways of working.
- 6.2 The Key business reasons for forming the partnership are:
- a) To secure a sustainable building control service.

- b) To reduce costs to each partner Council.
- c) To improve competitiveness with the private (and public) sector providers of building control services – to win more business and maximise income.
- d) To increase resilience and customer service levels – a bigger core service team rather than 4 small teams.
- e) To improve professional development opportunities, to make it easier to attract and retain good quality staff.

6.3 The appended business cases projects a salary saving of £238K between the 4 partners in the first full year of the partnership, but redundancy costs will be incurred as part of the set-up. This scale of saving presents a sound financial business reason for pursuing the project, but significant further savings can be expected from:

- Creation of a single IT system, rather than 4 separate systems.
- Rationalising support service charges from 4 organisations into 1.
- Reducing the need for office space across 4 organisations.
- The reduced head count creates additional savings in terms of computer licences, equipment, travel and other overheads etc.
- Improved systems.
- Improved efficiency and deployment of staff from managing building control as a single team across 4 Districts.
- Expansion of the partnership to include other Councils and other ancillary services in the future to increase income.

6.4 West Somerset Council are in the process of joining together the building control service with Taunton Deane Borough Council as part of the JMASS project, this has the potential to deliver some saving early (1<sup>st</sup> April '15) but should be seen as removing the equivalent saving potential from this business plan, the same saving cannot be made twice.

6.5 The proposed governance is through a 'joint committee' model as used for the Somerset Waste Partnership and the South West Audit Partnership. This involves pooling budgets and resources into a single service managed by a joint management team with a joint steering committee established under Section 101 of the Local Government Act 1972. The joint committee will oversee the performance, budgetary control and strategic direction of the partnership with a portfolio holder and senior manager from each partner organisation forming the committee. A detailed inter authority agreement will be agreed between the Councils.

6.6 Sedgemoor District Council are proposed to act as the host/administering authority for the Partnership. This means that the staff from the other Councils will transfer to Sedgemoor District Council who will be employing the staff, and progressively, will provide the majority of the support services such as HR, payroll, office space, IT, financial management as part of the SDC accounts, audit, and potentially legal and democratic services.

6.7 The total building control fee income across the 4 Councils was £850K in 2013/14, with approximately £200K in charges for statutory work.

6.8 There will be an agreed brand for the new partnership, with details to be finalised after consultation with staff.

6.9 The proposed launch date for the partnership is 1 July 2015.

## **7. HR IMPLICATIONS**

7.1 The HR Implications are set out in more detail in Appendix I of the Business Case, page 54-59.

- 7.2 The report seeks approval for Sedgemoor District Council to act as the host/administering authority for the Building Control Partnership, should approval be given for the Partnership to proceed. The Transfer of Undertakings (Protection of Employment) Regulations 2006 and amendments via the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 will apply to the transfer of staff from their existing authority to the host authority. TUPE Regulations protect the contractual terms and conditions of transferring employees. Each authority has their own Job Evaluation scheme and pay scales, albeit those scales are based on the National Joint Council pay structures. The host authority will inherit staff from across the partners on varying terms and conditions and it is not possible to change employees' terms and conditions as a result of the transfer itself. It is possible to offer transferring employees the option of taking up a Sedgemoor contract of employment and this will be offered to all transferring staff.
- 7.3 The report identifies that at some point in the future, and unrelated to the transfer itself, the host authority (SDC) would seek to harmonise terms and conditions. There is no plan to do this in the near future and indeed it is not permitted to do so within one year of the transfer under the Collective Redundancies and TUPE (Amendment) 2014 Amendment Regulations.
- 7.4 The proposed structure of the Partnership is based on an establishment of 16 full-time equivalent staff, which will lead to potential redundancies as the new structure is populated. The aggressive market conditions and declining market share support the argument that there are economic, technical and organisational (ETO) grounds for a reduced establishment. Under the TUPE Regulations 2006 the only grounds for making posts redundant as opposed to transferring under TUPE are those where an ETO reason can be justified. The partners have made temporary arrangements for some time now to cover vacancies as they arise so as to mitigate the extent to which redundancies are necessary.

## 8. **FINANCE COMMENTS**

- 8.1 The Building Control Partnership business plan is presented in this report and details the draft financial implications of forming the partnership. At this stage the detailed figures and methodology for allocating the costs has not been finalised, however with the annual salary saving of approximately £240k and the longer term reductions in support services the partnership should provide ongoing savings for all partners. The savings already proposed for both WSC and TDBC as part of the JMASS project will deliver some of these savings earlier for both WSC and TDBC and cannot be accounted for twice. Initially there will be redundancy costs and IT investment which will need to be funded, although these are one off costs so will not impact on the financial viability of the partnership in the future. The representative of the Section 151 Officer will continue to liaise with the financial work stream lead on the detailed finance work and the cost sharing model.

## 9. **EQUALITY & DIVERSITY IMPLICATIONS**

**Members need to demonstrate that 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

- 9.1 These implications have been considered as part of the wider business case and HR have been engaged to ensure that equality of opportunity has been provided for our employees.

## **10. CRIME AND DISORDER IMPLICATIONS**

- 10.1 There are no implications as a result of this report.

## **11. CONSULTATION IMPLICATIONS**

- 11.1 The TUPE Regulations (see 5.1. below) require proper and ongoing information sharing and consultation with unions and staff from the point there are proposals on which to consult through to the TUPE transfer to the host authority. Both incoming and outgoing employers are obliged to consult with affected employees about the transfer and any measures that they intend taking, in accordance with the Regulations and to seek agreement on those measures. UNISON is being consulted formally on the proposals and a first meeting has already been held with UNISON Branch and Regional Representatives. A successful consultation meeting with all affected employees in the 4 authorities was held on 20<sup>th</sup> January 2015 to present the draft business case and proposals to transfer employees to a host authority under TUPE.

## **12. ASSET MANAGEMENT IMPLICATIONS**

- 12.1 There are no current asset management implications for decision, there is an expectation that the new partnership will work more remotely from each individual Council office freeing up of accommodation can be expected as a result of this partnership.

## **13. ENVIRONMENTAL IMPACT IMPLICATIONS**

- 13.1 There are no adverse community safety or environmental implications arising from the proposals.

## **14. LEGAL IMPLICATIONS**

- 14.1 The attached business case sets out the various legal options for the setting up of a shared building control service. The preferred option is to set up a Joint Committee pursuant to Section 102 of the Local Government Act 1972. The legal section are in the process of drafting the legal agreement with the various Councils. This agreement will include provisions to ensure that this Council's legal interests are adequately protected and that risks are shared amongst the partners.

## **15. Scrutiny Comments**

- 15.1 Scrutiny committee was held on 12<sup>th</sup> Feb and supported the recommendations. There were some concerns raised that exact figures as to the savings that WSC would achieve were not presented, and it was explained that the cost sharing mechanism was one of the matters to be resolved through the delegation in recommendation 4. Further information was provided on who the partnership would look and feel as well as answers to a number of more specific questions around how the partnership would work in practice.

## **16. Cabinet Comments**

- 16.1 Cabinet considered the proposals on 4<sup>th</sup> March and were supportive of the recommendations including the additions put forward by Scrutiny to include the Portfolio holder and the Chairman of Scrutiny Committee in the delegated responsibility. The need for clarity on the one off costs and cost sharing mechanism was discussed and understood by officers to be an urgent action to resolve.



**BUSINESS CASE FOR THE PROVISION OF A JOINT BUILDING CONTROL SERVICE BETWEEN MENDIP DISTRICT COUNCIL, SEDGEMOOR DISTRICT COUNCIL, TAUNTON DEANE BOROUGH COUNCIL & WEST SOMERSET DISTRICT COUNCIL  
STAFF CONSULTATION**



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## Somerset + Partnership Executive Summary

In June 2013 a project board was set up to explore the possibility of joint working across Building Control teams within Somerset and North Dorset. However, South Somerset District withdrew at an early stage as they could not gain the necessary corporate backing. A strategic business case was developed and accepted by the remaining authorities involved in early 2014. Following on from this a Project Team, formed from the existing service managers, was appointed in June 2014 to develop a detailed business case, which is the basis of this document. On the 10<sup>th</sup> November 2014 the board was informed that North Dorset District Council would no longer be involved in the project as a corporate decision had been made to pursue whole Council partnership working within Dorset.

Whilst the original brief was to develop a sustainable Building Control Service across the districts served by the partner councils, it soon became obvious that this was a ***'one off opportunity to radically rethink how the Building Control service could be delivered in the future.'***

This document identifies a business which is 'customer focussed' and 'management light', placing the day to day business in the hands of staff allowing them greater responsibility and ownership within the business. In return the new business entity will put staff at the forefront for the future by adopting succession planning and individual development plans which will concentrate on a 'grow your own' culture by investing in Trainees and Modern Apprentices (a practice that has yielded excellent results at MDC)

The recommendations set out in this document can be summarised as follows:

- Develop a joint inter authority unit hosted by one authority to deliver Building Control and related services within the Districts of Mendip, Taunton Deane, Sedgemoor and West Somerset as from 1<sup>st</sup> July 2015
- Provide the current services and standards of Building Control service from day 1 (i.e. same scope and quality), as a minimum; for detail of the services, see Appendix E.
- Move to a networked (mobile & flexible) structure in pursuance of the above;
- Locate core management and technical support at an agreed location;
- Deploy ICT to a greater extent to facilitate this.
- Develop a strong commercial entity through marketing and branding.

The core reasons for the recommendations are to:

- minimise risk of service failure by establishing a more sustainable and resilient unit with the capability to adapt to service and commercial demands;
- realise future savings, through realignment of back office systems, utilisation of technology and procurement of support services

- continue to improve and develop excellent and effective customer service;
- retain, recruit and develop key frontline service professionals;
- compete better with the private sector, by developing strategies which will maximise future revenues by targeting specific market sectors whilst maintain and increasing market share;

For governance & performance purposes (see also Section 4.1) the report recommends that:

- the partners establish a Joint Committee under s101 of the Local Government Act 1972;
- the Committee comprises representatives from the four partner councils in equal numbers (one elected member and one officer);
- the Committee sets and monitors the financial and service performance of the joint unit and sets targets and priorities for its future development;
- The Committee determines the extent to which any financial surpluses are distributed to the partner authorities.

Because Joint Committees cannot employ staff directly, it is recommended that one of the partner authorities be nominated as the “host” for the joint unit. At this stage only Sedgemoor District Council has expressed an interest in hosting the new business unit.

Prior to commencement of the new entity the new Management Team will be appointed to the host authority. It is also recommended that all staff are offered the option of either transferring under TUPE to the host authority, on existing terms and conditions, on the formation of the new entity or taking the remuneration package on offer by the host authority. Over time the host authority will look to realign job descriptions and terms and conditions, as long as the reason for this is not in any way related to the TUPE transfer.

Retaining the loyalty & commitment of Building Control staff will be an essential element in making the joint unit a success. It is for these reasons that once the new business is financially stable we would recommend that staff remuneration in the new unit is reviewed to ensure that;

- Remuneration competes sufficiently with the market to recruit and retain staff
- Through consultation and negotiation with staff the aim of achieving harmonisation in staff terms and conditions is addressed at some point

*However, for the purposes of this report we have taken the current generic job roles and applied ‘top of scale’ of the current highest paying authority to give a conservative estimate of achievable savings for the project.*

The host authority, in addition to employing staff, will initially act as, the contracting and accountable body for the joint unit, and will provide a number of support services (HR, finance,



legal, IT), for which the unit would make payment.

## **1. Introduction: Joint Building Control Service Project**

- 1.1 This report sets out the case for the amalgamation of the four Somerset Building Control units into one service.
- 1.2 It is a 'gateway report' for approval and recommendation to proceed by the proposed partnership authorities
- 1.3 The Building Control service is subject to increasing pressures from both internal and external drivers of change within the building control sector, and wider local government environments. This has created a challenge to the viability of the current strategies used, and systems adopted.
- 1.4 The Project Team hold the collective view that the pressure for change and its impact on key service resources and capabilities is overwhelming. We consider that if strategic actions are not taken in the short to medium term, the authorities may find themselves in a position of service failure, additional expenditure, and further reduced revenues.
- 1.5 This report outlines a proactive response to these drivers, setting out why a new structural form is required, and how this will safeguard strategic capability whilst allowing the development of service which is resilient to future strategic challenges.
- 1.6 The Project Team has made extensive use of good practice developed by other building control partnerships (actual and potential). Appendix D
- 1.7 It is considered that the analysis and design undertaken by the Joint Building Control Service project and the financial figures presented in this document are of good quality.
- 1.8 The report is split into the following key sections, namely;
  - Section 2 – Drivers of change
  - Section 3 – Stakeholder analysis and expectations
  - Section 4 – Service Governance and Organisation Structure
  - Section 5 – Financial Appraisal
  - Section 6 – Implementation plan
  - Section 7 – Risk register

## **2 Drivers of change: the Building Control environment(s)**

- 2.1 Extensive work has looked at the nature and effect of the key internal and external drivers for change and their relevance to the key service resources and capabilities.
- 2.2 The list of these drivers, their scope and impact is shown in the table below.

Context	Name	Effect
<b>Internal</b>	General efficiencies	Sharper focus required from all services in the delivery of cost efficiencies, whilst maintaining service needs and standards required by customers. The increased need to move resources away from management and support into front line service delivery.
	Changing role of Local Government	Moving from service provision to one of service facilitation and monitoring. Becoming more of a broker for community governance, and the provision of purely 'core' services. Building control provide a quasi-public service which is already open to free market competition.
	Transformational & E Gov agenda(s)	Requiring services to reappraise the electronic systems and resources used in service delivery and how these can be further leveraged for customer and cost advantage. The 'more for less' scenario, using ICT as the integrating capability. Allowing greater flexibility in work life issues, home working etc.
	Workforce demographics	The profession is an ageing one with few Councils employing trainees, assistants etc. Units are increasingly drawing on retired personnel to assist at times of shortage. The increasing pressure on the 'middle ground' professional is being witnessed by higher staff turnover rates, leading to competition between authorities and with the private sector.
<b>External</b>	Approved Inspectors	Pressure increasingly being felt from Approved Inspectors (private service providers) across all markets and for all key resources. Additionally, as privateers they can choose the market sectors to service, or not. This has the effect of making council provision 'the provision of last resort' as we cannot chose what customers to service. Again, surveyors have cited 'lack of variety' as a reason for moving
	Labour market dynamics	As noted, there is an increasing supply shortage of good quality staff. The lack of funding for trainees etc. is further exacerbating this. Many AIs are actively targeting the 'middle order' staff, as they are not as financially tied to Local Government via pensions etc. Many council's are now finding themselves in competition with each other for staff, with a knock on effect in the remuneration packages offered.
	Economic activity	Due to the length of the recession and downturn in the construction industry, income from fees has fallen, and increased the strength of competition from AIs. This in turn has driven down the prices AI's charge, undercutting local authority fees. This has an impact on the current and future viability of the service insofar as merging into one would give a 'critical mass' better equipped to deal with variances in workload and resources required.

### 3. Stakeholder analysis and service expectations

- 3.1 Work was also undertaken on establishing the identity and basis of each stakeholder interest in the service and what (if any) effect there would be by moving to a unified structure.
- 3.2 The project board saw the needs analysis as the starting point for defining the criteria against which judgements about success could be made. In that context 'success' itself begged a definition and again the collective view was that the services ***'ability to provide a sustainable and competitive Building Control Service, which enables all sectors of the community access to highly skilled professional staff'*** was the overarching reason for strategic change.
- 3.3 Appendix A – "Stakeholder needs analysis for unified service" table shows this in more detail.

### 4. Service Governance and Organisation Structure

- 4.1 Service governance and delivery options

Joint Delivery Operating Model	Evaluation Conclusion
<p><b>Do Nothing</b></p> <p>Continue with current as-is organisation structures with informal collaboration and information sharing where appropriate.</p>	<p>Some authorities have already adopted this model, with the management working closely together to share knowledge, and assist each other where / when possible.</p> <p>Does not provide mandate to share resource and work across district boundaries. Does not address capacity and resilience issues.</p>
<p><b>Provision of Minimum Statutory Service</b></p> <p>Continue with current as-is organisation structures.</p>	<p>The continued downturn in the economy has led to a reduction in applications to the majority of authorities leading to lower fee income.</p> <p>Private providers are increasingly targeting low value projects, which have traditionally been the mainstay of LA work.</p> <p>The inability to offer market rate salaries has meant that staff are moving to the private sector.</p> <p>These factors amongst others will mean that Building Control will become unsustainable.</p>

	<p>All costs associated with this service will need to be met by the authorities as no contribution from a fee earning account.</p>
<p><b>Lead Authority</b></p> <p>One authority manages delivery on behalf of the other local authority. The relationship and service levels are set out in a legal contract with Service Level Agreements (SLA's).</p> <p>Staff TUPE into the lead authority (although could be seconded).</p> <p>Standard processes and systems, consistency in service and customer experience, and builds capacity.</p>	<p>It brings together the service into a single management entity under a unified management team.</p> <p>It avoids building alternative support services arrangements (e.g. for ICT, Finance and HR)</p> <p>However:</p> <ul style="list-style-type: none"> <li>• No one authority is currently performing at a higher level than the others.</li> <li>• May engender ill feeling or loss of control by the delegating authority (viewed as a takeover rather than a merger).</li> <li>• Tends to work best where there is a failing authority /service that require an immediate turn around, which is not the case with the partners involved</li> <li>• Perceived loss of focus and accountability of a local service by customers as it is now being delivered by another Council</li> </ul>

<p><b>Joint Committee</b></p> <p>This involves pooling budgets and resources into a single service under one management team with a joint steering committee established under Section 101 of the Local Government Act 1972.</p> <p>The Joint Committee comprises representatives from the partner councils in equal numbers.</p> <p>The Committee performance manage the joint unit (in terms of both finance and quality), sets targets and reviews for its future development, and also determines the extent to which any financial surpluses are distributed to the partner authorities or retained for reinvestment</p> <p>Standard processes, systems and consistency in service / customer experience.</p>	<p>Retains public sector ethos and public accountability. Authorities are equally represented and retain control through Joint Committee.</p> <p>Brings the service into a unified management structure.</p> <p>All staff employed via an agreed host.</p> <p>Ability to share and reduce support costs.</p> <p>Eliminates artificial geographical boundaries improving work management, building capacity and resilience.</p> <p>Platform for standardising / improving processes, common systems and practices.</p> <p>Enables consistency for customer experience.</p> <p>Cannot employ in its own right and may limit ability to trade in new services.</p>
<p><b>External service provider</b></p> <p>Service delivery is provided through establishing and /or contracting to a private sector service provider. Typically a long term relationship where many of the existing employees (through TUPE) and assets transfer to the service provider.</p>	<p>Some of the Statutory Functions cannot be delegated to the private sector. So expertise/staff need to be retained to cover these.</p> <p>Whilst there are examples of providers such as Capita or taking on the role, this has generally been as part of a package with the Planning function.</p> <p>It should be noted that prior to becoming a Unitary Authority, one of the Cornwall councils contracted BC to an external provider which resulted in such a dramatic reduction in service delivery and customer satisfaction that the contract was terminated after a 6 month period.</p>

In developing this proposal, we have considered various options, in detail, for the way in which Building Control services could be provided in future. A summary of which is shown below.

## Governance

The Partnership Board has considered all the possible governance options and accepted that the Joint Committee structure represented the best option at this time because:

- (a) it offered benefits of scale that could not be achieved individually; and
- (b) it provided all authorities with a greater assurance that they would retain control over the service than would be likely under a Lead Authority.

## Delivery structure under a Joint Committee

This then leaves the different delivery options. Each has potential advantages and disadvantages:

	Advantages	Disadvantages
In house provision	Continued flexibility Staff most comfortable with this option Surpluses are retained by the authorities Maximises democratic accountability	May be perceived as less commercial
Local Authority Company	Looks novel/exciting Would enable the provision of a wider range of services (but none are currently intended)	Major potential procurement issue (it is likely that authorities could not award LA Co with contracts for the provision of services without following the EU Procurement process which would be time consuming and expensive)  Some additional costs (eg Finance function)  Much more complex to establish (legal and regulatory issues)  Potential conflict for Board Members (who are required to act in the best interests of LA Co, not their authorities)  Would be perceived by staff as less acceptable  Would be more difficult to “unwind” than in-house provision  Would require more rigid “contracts” with each of the authorities (rather than SLAs)

Externalised provision	Would transfer more risk	<p>Would need to generate a profit for its owners</p> <p>Private sector providers are not likely to be interested in the bottom end of the market (eg small works at residential properties) or some of the statutory functions</p> <p>Would be difficult to “unwind” if it failed Some of the Statutory Functions cannot be delegated to the private sector. So expertise/staff need to be retained by each authority to cover these.</p> <p>Whilst there are examples of providers such as Capita taking on the role, this has generally been as part of a package with the Planning function.</p> <p>It should be noted that prior to becoming a Unitary Authority, one of the Cornwall councils contracted BC to an external provider which resulted in such a dramatic reduction in service delivery and customer satisfaction that the contract was terminated after a 6 month period.</p>
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Having considered the above, we have concluded that externalising the service is definitely not desirable (even if feasible); and establishing a Local Authority Company is also not desirable (but is an option for the future) - as there are ***no significant advantages, at this time***. If, however, the benefits were to increase (eg there was a pressing demand for Building Control to provide other services) then the LA Co would have more merit.

It is recommended that a joint in-house service managed by a Joint Committee is the best current solution, with each Partner being represented by a Senior Officer and an Elected Member. It is a well used and understood model, not only with regard to other Building Control Partnerships across the country but was also utilised for the South West Audit Partnership, and allows for democratic Member involvement which is important to help develop and champion the business going forward.

*Full details of how the model will operate will be laid out in a separate governance agreement*

#### **4.2 Organisation Structure and Establishment**

The proposed structure is derived from the key aims of the unit and the strategic drivers; in particular, the structure must provide:

- Effective business development.
- Business support which is streamlined, focused, and able to implement change well
- Streamlined management structure which allows highly qualified surveying staff more

responsibility and ownership of the service.

- Career development/specialisation opportunities and a sense of 'home' and identity for the professionals (hence team structure and specialisms).

### **In support of these proposals the following data was used Process & Systems**

The policy and processes supporting the services set out in Section 4.1 - Scope of Activities, will need to be aligned and standardised. For example, the process for registering a building control application and the subsequent checking and approval will need to be aligned. This could be undertaken by having a designated centralised plan vetting team. Future state processes will need to be documented; this provides the opportunity to improve or re-engineer the process, especially if the supporting Building Control application is to be re-implemented.

The management processes associated with work allocation and work scheduling will need complete redesign if work is to be more co-ordinated across district boundaries. Indeed, overall management of the service needs to be consolidated / co-located in one location along with those processes / activities which do not need to be replicated in district offices.

All authorities have developed different ways of working with regards the planning, allocation and management of their respective workloads. Some have team members working in a central office with individuals covering designated areas of their District. In others a Senior BC surveyor actively plans the optimal allocation of work each day to maximise the resources available and develop staff whilst ensuring a continuity of service for customers.

The following is an analysis of the volumetric data for each Council in 2013/14



<b>Volumetric Data by Authority</b>	<b>Mendip</b>	<b>Sedgemoor</b>	<b>Taunton Deane</b>	<b>West Somerset</b>	<b>Total</b>
Establishment (not incl. vacant post)	7.3 FTE	5.08 FTE	5.35 FTE	3.8 FTE	
Administrative	-1.8 FTE	-1.28FTE	-1.75 FTE	-0.8 FTE	
Vacancy	-2.0 FTE	0 FTE	0 FTE	-1.0 FTE	
Professional/Technical	<b>3.5 FTE</b>	<b>3.8 FTE</b>	<b>3.6 FTE</b>	<b>2.0 FTE</b>	<b>12.9 FTE</b>
Workload					
Full Plans	295	317	358	128	
Building Notices	262	220	234	149	
Regularisations	56	28	39	13	
Total	<b>613</b>	<b>565</b>	<b>631</b>	<b>290</b>	<b>2099</b>
Population	105,000	116,524	111,000	34,675	
Area hectares	73,814	60,587	46,326	72,535	
Number of offices	1	1	1	1	
Miles/FTE (excl admin)	40	21			
Miles/application (excl AIs)	44	41	N/A	N/A	
(Assumed 220 working days/FTE)					
Application/FTE (excl admin function)	<b>175</b>	<b>149</b>	<b>175</b>	<b>145</b>	
Application/FTE( incl admin function)	<b>116</b>	<b>111</b>	<b>117</b>	<b>104</b>	
Percentage of work undertaken admin support	34%	25%	33%	28%	

Example of calculation of admin input on workload. Total number applications/FTE incl admin function as a percentage of Total number applications/FTE excl admin function i.e 111 is 75% of 149 which equates to 25% being admin function.

### Table 1 – Volumetric Data

There are some key indicators of the impacts of the different ways of working in each Council:

1. All teams have a dedicated administrative support, which carry out a number of functions including the registering of applications and maintenance of notices on the system. It can be estimated that on average 30% (Admin FTE/Total FTE) of the work of the BC function is being performed by administrative staff in all authorities. It is considered that this should therefore be the initial benchmark moving forward
2. Currently the miles per application, in relation to district areas, is considered reasonable. Taking into account the number of urbanised areas. It is difficult to confirm exact numbers of inspections per day as all Councils record the number of sites visits differently on their systems (Some tend to record each inspection as a site visit whilst others record each visit as a single visit regardless of the number of inspections carried out).
3. Performance varies across the range from 175 applications per FTE in two authorities, with the remaining averaging between 145 per FTE and 147 per FTE. Whilst further review of the data will need to be carried out, it is feasible that there could be a move to increasing applications per FTE without affecting service delivery or customer satisfaction. Currently one authority with the joint highest number of applications holds Customer Service Excellence accreditation with customer satisfaction levels of 98% of customers considering the service to be at least 'positive' and 58% of respondents considering the service to be 'very positive'.

A review of other partnerships show that the CNC BC Partnership in Norfolk, Devon Partnership and South Gloucestershire have all moved to a more centralised team structure in order to maximise the efficiency of their BC functions, which has shown success.

All authorities have the capability of remote working to a greater or lesser degree. Mendip District Council has been operating a remote working regime since 2012 utilising Citrix systems which means that anyone across the partnership would be able to access data files remotely from day one of the partnership. Currently 3 Councils use the Idox software, either Uniform or Accolaid applications for their BC functions. West Somerset currently operates Northgate M3. The Building Control Manager at West Somerset has confirmed that a move to Accolaid could be quickly accommodated meaning that all councils will be using IDOX software. Work is continuing to identifying versions and compatibility, but indications are that all systems could be aligned over the medium term. This will entail addressing some logistical issues such as migration of data, WAN access and transfer of licences as well as scanning facilities and local image servers for the ERDMS. In addition there will be a need to reach agreement on standardisation of processes in capturing and recording data on the system e.g. site visits / inspections. In the short term however the partnership can run using the systems it has in place, with the identified work stream developing the next steps.

Redesigned/engineered processes supported by standard business applications could deliver efficiencies in the future service. For example remote access with hand held devices utilising the 3G network and accessing back office systems via a 'cloudbase' type server will enable

instant recording of site visits and access to applications similar to that currently used by North Somerset Council. These potential efficiencies have not been quantified or assumed in the business case but will be a future route for the new partnership as it begins to build further efficiencies into its processes .

The degree to which further efficiency opportunities exist will be substantiated during the first year and reported to the Joint Partnership Committee.

### Organisational & People

The main impact on the organisation of the service will affect the management roles and balance between administrative and professional staff. At present there are duplicated management structures, creating opportunities to streamline the service if a unified management entity / structure is created. Consolidating the overall management of the service and other activities which do not need to be delivered on a distributed basis into one location could potentially remove two senior management posts and some professional (including a Principal and an Area Manager post) and administrative roles. **Working on the best performing figures of 175 applications per FTE then 2099/175 = 12 Technical Staff, resulting in a structure which consists of**

- Partnership Manager
- Operational Manager
- 8 x Surveyors (1 x Senior)
- 2 x Assistant/trainee
  
- There are currently 3 vacant posts across the partnership. In addition the following reductions in current establishment will achieve the proposed staffing
  - 2 management posts
  - 3 vacant posts
  - 1 FTE surveyor post.

**Also, working on the assumption that 30% of the Building Control function is undertaken by support staff, this would reduce numbers to 4 FTE staff, which could include 1 FTE modern Apprentice (see Appendix G for further clarification)**

Post Level	Existing Establishment	Proposed Establishment	Resource Saving
A. Building Control Managers	4	2	2
B. Principal	1	0	1
C. Building Control Surveyors(incl 1 x Senior Role)	11	8	3
D1. Assistant / Trainee Building Control Surveyors	2	2	0
D2. Admin Manager/Systems Administrator	7	4	3

Total	25	16	9
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### Comparison of current and proposed establishments

Any efficiency in future processes or ways of working are not anticipated to reduce headcount in professional roles. The restructuring and unified management of the service is expected to create increased capacity and resilience within the service which is currently an on-going operational issue in two districts. In addition given the age profile of the team such reductions could be achieved in the longer run through natural wastage of Technical/Professional staff after the new structures and processes have been given ample time to bed-in and to start to generate productivity savings without the need to incur any redundancies.

Through re-alignment and harmonisation it is envisaged that the service provided to customers can be improved by staff having greater support and the ability to be more flexible along with the ability to offer a wider range of services

An illustration of the high level future organisation structure is set out in the diagram below:



The structure above assumes that most staff located within existing local authority offices in the short to medium term, of the combined areas, with mobile working taking place. One of the advantages of a single management team co-ordinating the service is that strategic decisions regarding the optimal 'touch-down' location (for both officers and work) may be determined, providing appropriate local access (for customers) to building control officers, minimising travel to work time for officers and optimising the geographic area serviced by each officer and without regard to arbitrary district boundaries while still achieving financial efficiencies.

The biggest impact on the staff will be a re-alignment of staff to their closest 'work' location and customers enabling more efficient and effective utilisation of staff for site visits and local coverage to give customers a strong and responsive service.

#### 4.2.1 Roles

##### **Partnership Manager**

Reporting to the joint board the post holder delivers the strategic direction, performance and resource management of the new partnership entity in accordance with the agreed business

plan. Holding responsibility for systems delivery, efficiency savings, strategic marketing (particularly cultivating new and existing major customers and developments and identifying additional income streams), and business management to ensure the delivery of an effectively managed building control service. This role would have special responsibility ensuring effective communication on strategic matters with councillors, key stakeholders (internal and external) and post holders of the partner councils. The ability to manage multidisciplinary teams will also be a requirement of the post holder, as other services closely aligned to with the Building Control functions, either technically or financially, may subsequently come under their control. These will include, initially, the delivery of Land Charges & Searches for TDBC & WSDC and may, in the future, cover Private Sector Housing (disabled facilities grants) or Empty Homes. The associated costs of which will be recharged to the relevant authorities. On occasion it may be necessary to undertake operational roles and responsibilities as required.

### **Operational Manager**

Reporting to the Partnership Manager, the post holder will be responsible the line management and direction of all activities of building control professional staff. This will include responsibility for monitoring business needs and deploying resources to meet these demands. The scope of the service will initially be the provision of the current building control business (including building regulation checking/enforcement services and provision of public safety/specialist services), but could in the future cover other services such as fire risk assessments and sound testing. The post holder will also be responsible for the development, appraisal and training of all professional staff with regard to all technical, legislative and health & safety matters; ensuring that the service is technically 'fit for purpose'. It is proposed that the post holder under the guidance of the Partnership Manager will deliver a robust marketing strategy, focusing on promotion, business relationships, sales and account management. The post holder will liaise with the Senior Building Control Surveyor and staff, on a day to day basis, to ensure good account management of key clients and compliance with Key Performance Indicators. The post holder will also deputise for the partnership manager when required.

### **Administration/Business Support Manager**

Under the direction of the Partnership Manager ensure that new systems (such as new computer management suite, EDRMS, and remote working) are introduced on program expeditiously. To ensure the management of budget, preparation of performance statistics, supervision of the Technical Support Team, and to ensure the surveying team is supported adequately. The post holder will also be responsible for the introduction of quality control, unification of procedures, and implementation of systems to aid remote and mobile working.

### **Senior Building Control Surveyor**

**(The future need for this position will be reviewed by the new Management Team after instigation of the Partnership)**

To carry out the role of a Building Control Surveyor with the additional responsibility of supporting the Operational Manager by providing professional and technical expertise to the team and be responsible for helping to co-ordinate the review, development, maintenance and delivery of building control policies. To support the Operational Manager in leading and motivating professional staff to achieve an efficient and effective, high-performance service in a competitive marketplace. Contribute to the general development and review of the building control team both in terms of services provided and staff performance, and in doing so ensure the effective operation of the function. The post holder

will also deputise for the Operational Manager when required.

### **Building Control Surveyor**

Under the direction of the Operational Manager the post holders will be responsible for ensuring the provision of a professional building control surveying service. They will be undertaking appraisals of plans and buildings, to ensure compliance with regulations and statutory obligations, and ensuring the health, safety and wellbeing of people in and around buildings. Post holders will provide advice to customers and members of the public on regulatory requirements and general procedural and construction advice. The post holders will have an important role with regard to marketing and business development through all forms of contact, and being key account holders with registered partners.

### **Assistant/Trainee Building Surveyor**

Under the direction of the Operational Manager, post holders will undertake general building control duties in line with a career development plan. The new organisation will be attempting to build resilience by ensuring that trainee surveyors are sponsored through to fully qualified surveyors in order to ensure a 'grow your own culture'. The role of training will become pivotal to each and every surveyors position to ensure that the ethos of learning the new organisation is of paramount importance.

### **Technical Support Officer**

Reporting to the Admin/business support manager, the post holder will assist in the project management of systems development within the new unit and assist with daily work allocation and prioritisation. Responsible for providing administrative/technical support ,to the Building Control team, on a daily basis.

## **4.2.2 Summary of key structural changes**

The main points of note on the new structural form are its reflection of the key findings of the Gershon review, in that there is a renewed emphasis on directing resources to the front line. There are fewer layers of management and a greater emphasis on giving surveyors the requisite autonomy and tools to do the job. In summary, the new structure

- matches the challenges of the key internal and external drivers for change,
- aligns more closely with the needs and expectations of our customers
- will allow the organic development of the service and staff with the emphasis on retention
- gives surveyors more autonomy whilst ensuring systems of cohesion and co-ordination are still in place
- provides a more effective & efficient service
- will deploy more effectively ICT capabilities to develop mobile and flexible working.

## **4.3 Human Resources**

A full report on the HR implications is attached in Appendix I

### **4.3.1 Recruitment of Partnership Manager and Operational Manager**

Consider the existing building control managers first then, if no appointment made, advertise internally and externally.

The advantages of this option are:

- successful appointees are already stakeholders in the business.
- there are no significant advertising costs if one of the existing building control managers

is appointed.

- issues concerning existing building control manager applicants are cleared up early in the process.
- reassures existing staff facing a similar situation that, where appropriate, they will be given the first opportunity to apply for posts before they are advertised more widely.

The disadvantages are:

- if recruitment unsuccessful at the first stage the recruitment process is longer.
- there is no comparison of internal applicants against external applicants leading to a risk of not appointing the very best candidate to the role, which may compromise or inhibit innovation.

**4.3.2 Staff transfers.** As part of our investigations we have considered the alternatives of staff transfer or secondment to the new unit. Having taken advice from our HR colleagues we are advised that the only feasible option is to TUPE staff at the time of establishment of the joint unit.

The option of secondment would disadvantage staff and would prove complex to manage for the partner authorities. We would further suggest that the foundation agreement include provision that should the joint unit be dissolved for any reason, then staff would TUPE back to the partner authorities.

**4.3.3 Staff remuneration/benefits.** To be successful the unit must ensure that the salary and benefits package for building control staff does not disadvantage individuals. All staff will transfer on their current terms, followed by an agreed period of consultation on future proposals. It should be noted that in the financial case, all staff costs are assumed to be at the top of the grade, so a pessimistic picture has been painted, which in reality will not be the case.

Benefits packages are likely to include alternative cash allowances i.e standby and car allowances.

**4.3.4 Workforce development and profile.** There are extreme problems across the districts with retention and recruitment and the general demographical issues illustrated previously. It is essential that the new organisation has sound structured training programs to ensure that it can develop a supply of qualified surveying staff in the future. The new partnership will allow councils to adopt a 'grow your own' culture providing development opportunities for residents. Therefore it is planned to have trainee/assistant surveyor posts which will not only ensure that the unit can cope with turnover amongst surveyors, but by recruiting less skilled people and training them, staff will provide an opportunity to develop a more diverse workforce and offer opportunities to our residents. This ethos on development will also apply to the Administration/Technical Support staff by utilising the Modern Apprentice Scheme.

## 5 Financial Case – Summary

**5.1** We have appointed Janet Pascoe from Sedgemoor District Council to develop a comprehensive overarching financial statement. The proposed budgets for all authorities in 2015/2016 will remain as forecasted in year 1. This statement and assessment of future savings will cover those already identified and expressed in this document as well as savings on support costs, duplication of processes, reduction in license costs etc. It should be noted that there will be savings through efficiencies, but



these cannot be determined at this stage.

### **Building Regulation Fee Earning Service (Non statutory)**

This service is concerned with determining compliance with Building Regulations by assessing plans and carrying out site inspections at different stages of the building process. Customers are advised of contraventions of the building regulations and how they may be overcome.

Legislation allows prosecution in the magistrates' court for contraventions of the Building Regulations but is only used as a last resort.

This element of the service's work is subject to competition by the private sector

### **Non Fee Earning Work (Statutory)**

Building Control provides a number of services which are necessary as part of a local authority service. These include:-

- Dangerous Structures.
- Enforcement of Building Regulations
- Demolitions.
- Registering All Initial Notices and Competent Person Scheme works.
- Process disabled person's applications.
- Provide advice to other council services.
- Safety advisory group / safety at sports grounds/outside events.
- General pre-application and building regulations advice.

These elements of building control work do not require payment of a building regulation charge and are not required to be self-financing.

When reviewing the percentage split between the accounts across all authorities, there are a number of variations. It is proposed that existing splits are applied during year 1 with the intention that the proposed efficiencies in working and a proper review of actual non fee earning services will lead to an accurate non fee earning charge to each partner from year 2.

With the efficiencies expected it is anticipated that this charge will be a reduction on current levels leading to further savings for the partnership.

**5.2 Financial Arrangements** – It is recommended that Host Council will manage the budgets of the Partner Councils relating to the Partnership on behalf of the Partner Councils (hereinafter referred to as “the Pooled Budget”). The Pooled Budget and the Trading Account will be ring fenced for the provision of the Partnership, in accordance with guidance from CIPFA Code of Practice on Local Authority Accounting, Local Authority Building Control Accounting (Revised Second Edition 2010) and The Building (Local Authority Charges) Regulations 2010. To isolate various income and expenditures, the Host Council will separate the Pooled Budget into 4 separate accounts (hereinafter referred to as “the Pooled Accounts”) the first three relating to the activities set out in Schedule 5

- *'Building Regulations Chargeable functions or advice* account, in accordance with The Building (Local Authority Charges) Regulations 2010 (hereinafter referred to as “the Chargeable Functions”).

- ‘*Non-chargeable Activities*’ account which include all the direct costs and indirect costs which provide a statutory building regulation service for the Partner Councils (hereinafter referred to as “the Non-Chargeable Functions”).
- ‘*All Other Building Control Services*’ include all the direct costs and indirect costs which provide other regulative services for the Partner Councils or for professional building control services which are outside of the administrative area of the Partner Councils or provide additional services (hereinafter referred to as “Other Building Control Services”).
- ‘*Trading Account*’, a 3 year earmarked reserve, where surpluses or deficits occur, to demonstrate a breakeven position ‘taking one financial year with another’ (hereinafter referred to as “the Trading Account”).

For the administration of this account reference will be made to *CIPFA’s Local authority building control accounting - fully revised second edition 2010 and Schedule 5*.

### 5.3 Surpluses, deficits and Capital Investment

After extensive research and discussions two options were identified to deal with surpluses and deficits (see Appendix F) the project Team proposes that any deficits or distributed surpluses be shared amongst the partner authorities’ pro-rata to services delivered within the geographic area of each partner. The Project Team feel that an equal split on all costs will enhance the prospects of a successful partnership. This model has been adopted by other Local Authorities entering Building Control partnerships. This view has been taken on the basis that to service each application uses resources which dictates a ‘cost neutral outcome’ reflecting that each application in effect pays for itself. This determines that no council function subsidises another and that surpluses and deficits are a true reflection of an equal split. Surpluses and deficits will be treated as per CIPFA guidance, and in principle sit within the partnership.

Capital expenditure and ‘one off’ costs should be serviced through surpluses and savings; where surpluses are not available or savings realised, these costs will be borne in the first instance by The Partner Councils and reimbursed by the Building Control partnership over the three year accounting cycle. It is paramount that in order for the partnership to succeed all surpluses are ‘ring fenced’

### 5.4 Savings and Costs

#### Initial savings year 1

#### Structural Savings

For the purposes of this report the initial savings identified are through high level structural changes made in the proposed staffing levels identified in 4.2.

These workings have identified all posts currently forming part of each council’s establishment and assumed no vacancies, as salary costs for each are identified within each council’s budget.

The current establishments, assuming all posts are filled gives a total cost of £828,702  
Ex 1.

Assuming reduction in posts as page 14 and staff transferring on existing salaries.

Establishment on existing salaries		£531476
<b>Total Savings</b>	<b>£297,256</b>	
<b>Savings realised/Authority</b>	<b>£74,314</b>	

Ex 2.

Assuming all new posts are filled at the top of the highest salary scale of the partners.

The current establishments, assuming all posts are filled gives a total cost of		£828,702
Proposed establishment with salary uplift		£590,590
<b>Total savings on</b>	<b>£238,112</b>	
<b>Savings realised/Authority</b>	<b>£59,528</b>	

**IT** – Independent to their decision on the service’s main location, the Board considered what options were available to provide IT services to the partnership and concluded that provision through Sedgemoor District Council would provide the technical support and development skills required, as well as being the most cost effective option.

The ICT infrastructure is already available at Sedgemoor District Council and has sufficient capacity for the increased number of users and will enable mobile working through real-time remote access to the central system.

At present, the partner councils use different types of application software. The Board has agreed that the application software used by Sedgemoor District Council, the current market leader, will be the one used by the partnership. The system will be able to link into other Council systems, such as GIS, DIP and development control application software, as required.

Currently the costs for initial setup have been identified as being approximately £45,000 which includes a staff resource of £14,000. A full breakdown of costs and a commentary on the IT work stream are attached in Appendix B

**Savings on Admin** – At this stage of the project the savings identified initially are through structural reorganisation and by centralising the admin function to a single office. Future savings are anticipated by further reducing and eliminating current duplication of processes and by developing more effective and updated methods of working. These will include moving to electronic payment systems, reduction in printing and postage and increasing the use of electronic communication to clients and customers.

**Supplies and services** - are expected to fall as a result of the establishment of the joint unit. This is mostly in respect of reduced subscriptions and licence fees and will be reported as part of the future finance report

**Recharged staff** – Currently Mendip’s Building Control Section receives a recharge for the provision of admin support. Under the joint unit, all admin staff will be a part of the unit, so there will no longer be a recharge. There is also currently recharges for staff between TDBC and SDC, however this will not generate savings as all staff will remain within the proposed partnership.

**Support services** - The new building control unit will need finance, HR, IT and legal support services. However these services are supplied (ie whichever partner(s) are responsible), the partners are concerned that they will end up receiving less total revenue (recharge plus surplus) with which to cover their support service commitments after the new unit is created than before, whether or not they are the providers of the support services.

It is our view that creating a joint unit will sustain the total funding available for support services and also improve the surplus available for distribution than remaining separate.

The project team have had extensive discussions regarding the options, in summary, the view is that in order to be successful, the joint unit should ideally source support services from whichever provider best meets the business’s needs. However, it is most likely that HR, Finance and IT support is sourced from the Host Authority.

Future savings in IT and Finance support costs will be forthcoming once the contract between MDC and Capita ends in 2017 and IT support savings when the current contract between TDBC and Southwest One concludes in 2017

**Support costs** -Our work has identified significant variations in the level of support services and associated recharges paid by building control sections. For the purposes of this case we have made the prudent assumption that there will be no reduction in support service recharges in Year 1. However, as expressed previously further discussions will need to be had with regard costs in the future and how the costs to the unit can be reduced by those authorities no longer providing support services.

**Residual costs** - As we have noted a reduction in the cost of support services to the Joint Unit may not necessarily be equalled by a reduction in the cost of support services for the partner authorities in the short term. If this is the case then the authorities could incur short term residual costs. This means that there will be additional savings for partners over the longer term.

**Capital charges** -There are currently no capital charges, but as discussed in Section 2 (Drivers of Change), a key element of the joint unit's strategy is to improve service delivery through the introduction of new technology. To some extent it is likely that the partner authorities will have to invest in such technology. It is envisaged that a percentage of the structural savings identified be utilised for investing in this area.

**Transport costs** - are also assumed to be the same as operating a joint unit. Increased use of technology will lead to a greater degree of home and remote working which should reduce transport costs. However, this will be offset to some extent by increased costs for the management team (who will have to travel across the four authorities) and the business development function.

**Accommodation** - Premises costs are assumed at the same level in year 1 as TDBC and WSDC have confirmed that no savings can be considered with regard to accommodation. In reality, the joint unit is likely to reduce its usage of partner authorities' offices once its HQ and Admin centre are established at the host authority, but we have assumed that any expenditure on such accommodation will be offset by a reduction in charges from the partner authorities in the future.

## 5.5 Implementation costs

### 5.5.1 Implementation costs could include:

- Potential redundancy costs for two of the existing Building Control Managers, one Building Control Surveyor and Three Admin posts. These costs are to still be confirmed
- The costs of appointing staff to the new structure in Year 0. This could comprise:  
Partnership Manager (potential cost nil to £9,836 for internal candidate)  
Operational manager (potential cost nil to £4,812 for internal candidate)  
Business support/Admin Manager (£6298)  
*N.B All costings are within the salary structures calculated in this document.*
- IT costs on initial setup is approximately £45,000 including staff resource.

**6. Implementation Plan.** The following table indicates the stages the proposed partnership will follow to full transformation

Implementation Plan			
	Set up	Live Project	One year in
	Year 0 – up to April 2015	Year 1 2015 – 2016	Year 2 2016 - 2017 Year 3 Onwards
<b>Process</b>	Process integration <ul style="list-style-type: none"> <li>• Datasets review</li> <li>• Quality Management</li> <li>• Service performance framework</li> <li>• Review of hourly rates with a view to harmonisation day 1</li> </ul>	Investigation of diversification opportunities <ul style="list-style-type: none"> <li>• Fire risk assessments</li> <li>• SuDS</li> <li>• Access audits</li> <li>• Sound testing</li> </ul>	
<b>Organisation</b>	<p><b>Year 0-1</b></p> <p>Legal</p> <ul style="list-style-type: none"> <li>• Agreement on company model (arms length, host authority etc)</li> <li>• Governance structure approval and establishment of Joint Committee</li> <li>• Appointment of Management Team</li> <li>• HR/Staff consultation</li> </ul> <p>Corporate Identity/Branding Marketing Strategy</p>	<p><b>Year 1-2</b></p> <p>Management and administration bases determined Surveyors move to agile/remote working IT plan TUPE</p>	<p><b>Year 2-3</b></p> <p>Daily presence provided to each authority as required in each Local Authority</p>
<b>People</b>	Management Team appointed – 1 Partnership Manager Operational Manager Key management/professional support services during year nought provided by the DC partners as agreed.	See above	<ul style="list-style-type: none"> <li>• Transfer of Partnership functions to a single office</li> <li>• Utilise use of mobile working technologies</li> <li>• Implementation of single desk presence in each authority to provide:                             <ul style="list-style-type: none"> <li>- local customer advice contact</li> <li>- development/access advice</li> <li>- local point of contact Surveyor</li> </ul> </li> </ul>
<b>Information &amp; communication technology</b>	IT consultants to advise in the following areas. Dates to be set for implementation subject to the agreement of an IT implementation strategy: <ul style="list-style-type: none"> <li>• Unification of data management system for go live on year one commencement</li> <li>• Remote/mobile working</li> <li>• EDMS</li> <li>• Website development</li> <li>• Computer suite choices</li> <li>• Electronic submission/payment delivery</li> </ul> Renewal of mobile/equipment contracts with host authority having let existing contracts run their course, i.e. mobile phones, laptops, online provider.		
	Specification and selection of data management system + training	Single submission material electronic and paper	

## 7. Risk Log: Building Control project

Risks to project	Impact	Likelihood	Mitigation
Corporate Management Teams (CMT) of the partners refuse to back a recommendation to proceed with project due to perceived impact on overhead allocation and less control of surpluses	M	M	Financial case does not depend on significant overhead costs or savings. Partners control partnership board, which allocates surpluses.
Members do not support a recommendation to proceed eg due to perceived reduction in their control of the service	H	ML	The project was mandated by the Partnership's Commissioning Board, which includes Senior Managers from all participating authorities. Building Control is not a politically sensitive service and with suitable stakeholder management and CMT support the project is likely to proceed.
Combined service fails to achieve expected benefits to customers and to partner organisations	M	ML	Customer service: during transition, analyse service performance and redesign service processes where appropriate, starting with the customer. Financial: make conservative estimates of surpluses. Manage costs of transition and operational costs closely. Monitor market share and forward pipeline and increase business development activities as needed.
Staff unhappy with change: key staff leave, or reduced co-operation.	HM	ML	Good communication; involving staff in developing services and operational improvements; emphasise career and potential financial benefits to staff of new unit.
Fail to implement successful technology solutions and improvements so fail to achieve mobile/flexible working.	M	L	Well established technology already deployed elsewhere; essential to partner organisations' success irrespective of this project.

Risks to project	Impact	Likelihood	Mitigation
Union opposition delays project or results in increased costs, prejudicing business case.	M	L	Early and comprehensive union consultation and involvement.
The authorities cannot deliver non fee earning work as efficiently as at present	M	L	The joint unit will deliver all those services that are currently provided by building control, including their mandatory non fee earning services. The SLAs will define the range of activities and act as a “contract” for services to the partner authorities.
Too much focus on external clients	L	M	There is no reason why this should be more of an issue with the Joint Unit than it is for authorities individually at the moment. The Joint Committee which governs the service will ensure that the focus is kept to an appropriate level. The establishment of a Business Development function which is separate from the delivery arm of the joint unit could also reduce this risk.
Reduction in local knowledge	M	M	Whilst there will be opportunities for greater specialisation across the joint unit, delivery of services will still be through area based teams who will retain local knowledge as at present.
Joint unit fails to achieve projected fee levels	M	MH	This is a bigger risk for the authorities if they do not create a joint unit; the new unit will be more financially robust. In addition, the managers of the joint unit will be required by the Joint Committee to deliver the required trading surplus; managers will therefore reduce expenditure in line with reduced income



Risks to project	Impact	Likelihood	Mitigation
Disagreement over the division of surpluses	M	MH	Whilst we do not think it would be appropriate to tie the hands of the Joint Committee, we have set out in the business case our proposals for a default method for apportioning distributed surpluses.
Financial controls are weaker	L	M	One authority will have clear responsibility for accountancy and audit services, and other partners will be entitled to rely on that authority's controls. This issue will also fall within the remit of the Joint Committee to manage.
Loss of democratic control	L	M	Building Control has a relatively low profile with Members, so this is a lesser problem than it would be for other services. In addition, the Joint Committee will have elected Member representatives from each authority.

**APPENDIX A**

## Stakeholder needs analysis for unified service

Stakeholder Group	Current service needs & expectations (What success looks like)	Future service needs & expectations of unified structure (What success will look like in future in addition to the present)
Customers	Effective service Cost efficient service (value for money). Professional advice & guidance. Quick resolution of issues. Consistency of approach.	Value adding products (warranty schemes etc.) Value adding services where appropriate (fire safety audits etc)
Management teams & elected members	Service viability. Cost efficient (reduced contribution from general fund). Operational fit, with other internal services. Few or no complaints. All other non-fee (building control) services still provided.	More sustainable service. Greater cost efficiency. Better service standards. Improved service innovation. Greater flexibility in cost control. All other non-fee (building control) services still provided, but with possible increase in scope, e.g street naming service for all districts. See Appendix G for further detail
Staff	Enjoyable and interesting work. Professional development. Succession Planning. Job stability (for most but not all) Personal value and self esteem	Greater diversity in workload. Opportunity for wider skill use and development Improved morale and entrepreneurial ethos. Market aligned terms & conditions. Improved recruitment & retention. Improved career opportunities
Partner organisations	Development of nationally agreed partnership frameworks	Improved consistency. Solution based service delivery. Improved access to specialist skills.
Community	Healthy, safe & sustainable local built environment	As opposite but more effectively and efficiently delivered (more or same for less)

## APPENDIX B

### **Building Control (BC) Partnership ICT Update – CW20141210**

#### **Assumptions**

The Sedgemoor ICT provisioning is based on the following assumptions:-

- A) All BC Partnership users (16 maximum) will be Sedgemoor employees.
- B) The BC Partnership will use existing SDC ICT Infrastructure and Systems as defined in the spreadsheet (attached) to assure best value.
- C) SDC ICT will configure, support and liaise with suppliers to ensure the environment at SDC is suitable for the BC Partnership needs.
- D) Funding will be made available as identified in the spreadsheet (see attached).
- E) There will be no data migration from partner legacy systems.
- F) Land Charges and Street Naming and Numbering service is outside the scope of the requirements.
- G) Any existing dynamic integration of Land Charges related to Building Control at other non SDC authorities will cease to operate eg. TDBC and MDC. However, a web portal hosted at SDC will be available to view BC property history related to Land Charges. Manual intervention at the partner locations will be required.

#### **Current BC Partnership Systems**

The table below summarises the current BC Software Suppliers and the appropriate BC case management system in use within each Local Authority.

**Table 1 – Authority Systems**

Authority	Supplier	Product	Contract Expiry	Contract Issues
TDBC	IDOX	Acolaid	2017/18	Linked to other business areas and South West One contract
MDC	IDOX	Caps	2017/18	Linked to other business areas and Capita contract
WSDC	Northgate	Building Control	2016	Linked to other business areas and overarching Northgate product contract
SDC	IDOX	Acolaid	Annual Reoccurring	Linked to other business areas and overarching IDOX product contract

## **Proposed ICT Environment**

The following explanation provides a greater explanation of the products and services identified on the attached spreadsheet.

### **Servers**

In order to ensure the 'ICT environment' is technically operational for the BC Partnership the existing SDC technical architecture will need to be modified. It is anticipated that the changes will be minimal if the environment remains as SDC. eg. all users of the BC Partnership will have Sedgemoor.gov.uk email addresses. It is not intended, at this stage, to set up a separate technical operating company within the SDC ICT infrastructure eg. equivalent to Homes in Sedgemoor.

### **Acolaid**

Acolaid is the proposed case management system to support the BC Partnership hosted at SDC. The existing solution installed at SDC already contains various modules and interfaces to support the operations of BC. It is proposed to extend this functionality by reconfiguring elements of the existing system to support the BC Partnership and specific partners.

The spreadsheet (attached) identifies some investment at an early stage in order to comply with software licensing and the business plan of the BC Partnership. It should be noted any licences, eg. e BC and PR module should not be incurred at this time (negotiations are still in progress with IDOX to ratify this). However, the novation of licences should occur at the end of partner contracts, therefore further investment should not be required at this time.

### **Trim**

Trim is the SDC Records Management System where records eg. emails and scanned images are stored. Due to the recent SDC organisational downsizing and existing supplier contract term duration, SDC currently has a number of licences available. Therefore no further investment is required.

### **Website Presence**

A TDBC and SDC BC Partnership website already exists. This is already hosted at SDC and may well need to be amended to support the wider BC Partnership. The changes required will be absorbed by existing resources.

### **Desktop Environment**

The BC Partnership Business Plan requires a 'mobile solution; which maximises their operational flexibility. With Windows 10 to be released in 2015 alongside new mobile devices (touch based laptops and '2 in 1's'), investment in the latest mobile devices will need to be assured at the appropriate time. New devices will need to be purchased/configured prior to the date when the partnership requires technical operation. Therefore, investment will need to be assured.

### **Remote Access and Telephony**

In order for the SDC Partnership employees to work flexibly, Two Factor Authentication (RSA fob) and existing Lync Telephony will need to be provided in line with the SDC flexible working and IS Security Policies. 2FA investment will be required as SDC do not hold spare licences. . Due to the recent SDC

organisational downsizing and existing supplier contract term duration, SDC currently has a number of Lync telephony licences available. Therefore no further investment is required.

### **Lumia Phones**

As all staff are SDC employees, Lumia phones will be provided to operate on the SDC infrastructure. SDC do not carry spare stock, so investment will need to be assured once the BC Partnership is technically operational. This will need to be aligned with desktop, email and user account creation.

### **Data Migration**

The investment required to migrate data has been excluded as the costs are currently unknown. Costs could be as high as £30,000-£40,000 per site, but as no evaluation has taken place on this aspect it is excluded from the costs (see attached spreadsheet). The recommendation is to exclude data migration.

Alternatively, once the BC Partnership is technically operational, any new BC applications should be added to the SDC BC Partnership solution. However, this will require all employees of the BC Partnership to have access to the hosted system. This will need to be aligned with desktop, email and user account creation.

### **Conclusion**

Although investment has been reduced (attached spreadsheet), by maximising existing SDC sink costs and capability, there is operational effort, on SDC's behalf, that will require additional investment – estimate £14,000. The majority of this additional investment will be working with our Supplier eg. IDOX to ensure the solution hosted at SDC is fit for purpose.

There are three potential issues for further consideration:

- 1) Agreement of the resource availability
  - a. SDC IS,
  - b. BC Partners
  - c. SDC Supplier – IDOX
- 2) Agreement of the timeframes to complete the ICT technical operations. In all likelihood the technical environment will not be ready until quarter two/three of 2015.
- 3) An understanding by the BC Partnership of the impact on systems at the remaining sites.eg. TDBC and the dynamic Land Charges integration which will cease, unless there is a double entry of TDBC property and BC case data.

		120						
		Year 0	Year1	Year 2	Year 3	Year 4	Year 5	Year 6
	Qty(additional) 15 staff max							
<b>Servers</b>								
Domain Controller	2 Servers	£0	£0	£0	£0	£0	£0	£0
Email Server std	1 Server	£0	£0	£0	£0	£0	£0	£0
File Store	9 Users	£0	£0	£0	£0	£0	£0	£0
SFTP Server for secure file transferred (Sedgemoor) (if required)		£0	£0	£0	£0	£0	£0	£0
Configuration of Accounts and Email (Sedgemoor)		£3,000						
<b>Acolaid</b>								
BC Module	9	£0	£0	£0	£0	£0	£0	£0
PR module	9	£0	£0	£0	£0	£0	£0	£0
GIS Module (MapExtreme)	9	£1,550	£360	£360	£360	£360	£360	£360
Competent Person Scheme XML	1	£0	£0	£0	£0	£0	£0	£0
Dangerous Structures	9	£0	£0	£0	£0	£0	£0	£0
TRIM integration	9	£0	£0	£0	£0	£0	£0	£0
LLPG importer	1	£0	£0	£0	£0	£0	£0	£0
Configuration of Acolaid inc LLPG/CPS import solution(Sedgemoor and Idox)		£4,000						
Online BC XML interface		£3,000	£400	£400	£400	£400	£400	£400
Configuration of BC Online Application Interface and XML Payments (Sedgemoor)		£4,000						
<b>Trim &amp; Scanning</b>								
Trim and Redaction	9	£0	£0	£0	£0	£0	£0	£0
Configuration of TRIM and Scanning (Sedgemoor)		£3,000	£0	£0	£0	£0	£0	£0
<b>Website Presence</b>								
Website Configuration (Sedgemoor)	1	£0	£0	£0	£0	£0	£0	£0
<b>Desktop Environment</b>								
Laptop inc Operating System, Office licence and docking station	9	£9,000						£4,500
2nd Monitor (large)	15	£2,000	£0	£0	£0	£0	£0	£2,000
Pager	10	£200	£50	£50	£50	£50	£50	£50
Printing (price per copy) - available only at Sedgemoor								
<b>Remote Access</b>								
2FA token/Licence & headset	9	£650	£210	£210	£210	£210	£210	£210
VPN - managed endpoint devices only	9	£0	£0	£0	£0	£0	£0	£0
Remote Access Server	1	£0	£0	£0	£0	£0	£0	£0
Remote Telephony	9	£0	£0	£0	£0	£0	£0	£0
Remote working (Careline Service)	9	£0	£0	£0	£0	£0	£0	£0
<b>Smartphone</b>								
Lumia 635 - no for admin staff	9	£450	£200	£200	£200	£200	£200	£200
Sub Total		£30,850	£1,220	£1,220	£1,220	£1,220	£1,220	£7,720
<b>System Migration</b>								
WSDC (frozen at end of contract period) - no data migration		£0	£0	£0	£0	£0	£0	£0
TDBC (frozen at end of contract period) - no data migration		£0	£0	£0	£0	£0	£0	£0
MDC (frozen in at end of contract period) - no data migration		£0	£0	£0	£0	£0	£0	£0
Totals		£30,850	£1,220	£1,220	£1,220	£1,220	£1,220	£7,720

## APPENDIX C

BUILDING CONTROL FINANCIAL HIGH LEVEL STATEMENT FOR 2013-14

AUTHORITY NAME:

Total

Mendip District Council

Sedgemoor District Council

Taunton Deane borough C

INCOME & EXPENDITURE ACCOUNT

	Fee Earning	Non Fee Earning	Total	Fee Earning	Non Fee Earning	Total		Fee Earning	Non Fee Earning	Total		Fee Earning	Non Earning
	£	£	£	£	£	£	%	£	£	£	%	£	£
<b>EXTERNAL EXPENDITURE</b>													
Staff costs													
direct employee expenses	539,881	214,631	754,513	130,470	30,328	160,798	21%	152,910	61,076	213,986	28%	185,963	
indirect employee expenses	26,225	13,792	40,016	0	0	0	0%	1,941	1,620	3,561	9%	13,139	
Premises Costs	6,005	7,118	13,123	261	0	261	2%	0	3,889	3,889	30%	10	
Transport Costs	33,451	16,212	49,662	9,415	2,541	11,956	24%	9,809	6,950	16,759	34%	11,320	
Supplies & Services	121,539	13,310	134,849	47,990	107	48,097	36%	9,880	4,982	14,862	11%	18,300	
<b>TOTAL EXTERNAL EXPENDITURE</b>	<b>727,101</b>	<b>265,063</b>	<b>992,164</b>	<b>188,137</b>	<b>32,975</b>	<b>221,112</b>	<b>22%</b>	<b>174,540</b>	<b>78,518</b>	<b>253,057</b>	<b>26%</b>	<b>228,732</b>	
<b>EXTERNAL INCOME (enter as positive)</b>													
Building Control plan fees	826,397	0	826,397	245,532	0	245,532	29.7%	255,660	0	255,660	31%	230,022	
Other external income	30,101	49,725	79,826	699	0	699	1%	196	36,262	36,459	46%	26,190	
<b>TOTAL EXTERNAL INCOME</b>	<b>856,498</b>	<b>49,725</b>	<b>906,223</b>	<b>246,231</b>	<b>0</b>	<b>246,231</b>	<b>27%</b>	<b>255,857</b>	<b>36,262</b>	<b>292,119</b>	<b>32%</b>	<b>256,213</b>	
<b>TOTAL EXTERNAL NET EXPENDITURE</b>	<b>(129,397)</b>	<b>215,338</b>	<b>85,941</b>	<b>(58,095)</b>	<b>32,975</b>	<b>(25,120)</b>	<b>-29%</b>	<b>(81,317)</b>	<b>42,255</b>	<b>(39,062)</b>	<b>-45%</b>	<b>(27,481)</b>	
<b>INTERNAL EXPENDITURE (enter as positive)</b>													
Support Services	321,774	165,039	486,813	112,549	39,266	151,815	31%	54,584	51,240	105,824	22%	109,991	
Capital Charges	6,910	3,105	10,015	0	0	0	0%	0	0	0	0%	6,910	
<b>TOTAL INTERNAL EXPENDITURE</b>	<b>328,684</b>	<b>168,143</b>	<b>496,828</b>	<b>112,549</b>	<b>39,266</b>	<b>151,815</b>	<b>31%</b>	<b>54,584</b>	<b>51,240</b>	<b>105,824</b>	<b>21%</b>	<b>116,901</b>	
<b>INTERNAL INCOME</b>													
Internal recharges	52,550	83,513	136,063	0	0	0	0%	0	59,903	59,903	44%	52,550	
<b>TOTAL INTERNAL INCOME</b>	<b>52,550</b>	<b>83,513</b>	<b>136,063</b>	<b>1210</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>59,903</b>	<b>59,903</b>	<b>44%</b>	<b>52,550</b>	
<b>TOTAL INTERNAL NET EXPENDITURE</b>	<b>276,134</b>	<b>84,631</b>	<b>360,765</b>	<b>112,549</b>	<b>39,266</b>	<b>151,815</b>	<b>42%</b>	<b>54,584</b>	<b>(8,663)</b>	<b>45,921</b>	<b>13%</b>	<b>64,351</b>	

**BUILDING CONTROL FINANCIAL HIGH LEVEL STATEMENT FOR 2014-15**

AUTHORITY NAME:

Total

Mendip District Council

Sedgemoor District Council

Taunton Deane Borough Council

**INCOME & EXPENDITURE ACCOUNT**

Fee Earning

Non Fee  
Earning

Total

Fee  
EarningNon Fee  
Earning

Total

Fee Earning

Non Fee  
Earning

Total

Fee Earning

Non Fee  
Earning

Total

**EXTERNAL EXPENDITURE**

£

£

£

£

£

£

%

£

£

£

%

£

£

£

Staff costs

direct employee expenses

indirect employee expenses

Premises Costs

Transport Costs

Supplies &amp; Services

**TOTAL EXTERNAL EXPENDITURE****EXTERNAL INCOME (enter as positive)**

Building Control plan fees

Other external income

**TOTAL EXTERNAL INCOME****TOTAL EXTERNAL NET EXPENDITURE****INTERNAL EXPENDITURE (enter as positive)**

Support Services

Capital Charges

**TOTAL INTERNAL EXPENDITURE****INTERNAL INCOME**

Internal recharges

**TOTAL INTERNAL INCOME****TOTAL INTERNAL NET EXPENDITURE**

579,952

235,840

815,792

169,460

46,120

215,580

26%

142,400

61,280

203,680

25%

197,502

88,733

286,235

18,196

8,344

26,540

0

0

0

0%

3,070

3,570

6,640

25%

10,626

4,774

15,400

0

5,050

5,050

0

4,250

4,250

84%

0

800

800

16%

0

0

0

34,700

16,470

51,170

8,630

2,300

10,930

21%

10,850

6,980

17,830

35%

12,103

5,437

17,540

82,154

29,892

112,046

21,220

70

21,290

19%

18,390

7,810

26,200

23%

16,954

7,617

24,571

**715,002****296,596****1,010,598****199,310****52,740****252,050****25%****174,710****80,440****255,150****25%****237,185****106,661****343,846**

773,917

0

773,917

215,000

0

215,000

28%

230,720

0

230,720

30%

231,697

0

231,697

35,969

56,236

92,205

3,790

0

3,790

4%

0

43,710

43,710

47%

27,879

12,526

40,405

**809,886****56,236****866,122****218,790****0****218,790****25%****230,720****43,710****274,430****32%****259,576****12,526****272,102****(94,885)****239,361****144,476****(19,480)****52,740****33,260****23%****(66,010)****36,730****(19,280)****-13%****(22,392)****94,036****71,644****INTERNAL EXPENDITURE (enter as positive)**

Support Services

Capital Charges

**TOTAL INTERNAL EXPENDITURE****INTERNAL INCOME**

Internal recharges

**TOTAL INTERNAL INCOME****TOTAL INTERNAL NET EXPENDITURE**

240,520

156,340

396,860

92,870

30,320

123,190

31%

20,990

62,850

83,840

21%

71,332

32,048

103,380

0

0

0

0

0

0

0%

0

0

0

0%

0

0

0

**240,520****156,340****396,860****92,870****30,320****123,190****31%****20,990****62,850****83,840****21%****71,332****32,048****103,380**

135,319

131,761

267,080

0

0

0

0%

0

65,330

65,330

24%

85,560

38,440

124,000

**135,319****131,761****267,080****0****0****0****0%****0****65,330****65,330****24%****85,560****38,440****124,000****105,201****24,579****129,780****92,870****30,320****123,190****95%****20,990****(2,480)****18,510****14%****(14,228)****(6,392)****(20,620)**



**APPENDIX D**

## Other examples of partnership working in Building Control

Name	Local Authorities	Details
CNC Consultancy	Broadland District Council Norwich City South Norfolk	Commenced 1 April 2004. Joint Committee. Host Authority Broadland. Strong brand image. Clear and early communication with customers
Devon Building Control Partnership	South Hams District Council Teignbridge District Council West Devon Borough Council	Commenced April 2004 (Teignbridge & West Devon). South Hams joined partnership August 2006. Hosted strategic local authority partnership. A developing partnership based on existing area based structures.
Horsham and Crawley Building Control Partnership	Horsham District Council Crawley Borough Council	Commenced 2006 Joint Partnership Board. Horsham acting as host
North Derbyshire	Bolsover Chesterfield North East Derbyshire	Joint committee with Chesterfield acting as host including provider of all support services. This was one of several joint working initiatives the authorities considered at the same time.
Ipswich	Ipswich Suffolk Coastal	Lead authority model with Ipswich providing services to Suffolk Coastal under contract.

## APPENDIX E

### Full service catalogue

#### Building Control defined:

The main function of all Building Control sections is to ensure that new building work meets the requirements of the Building Regulations. These Regulations cover matters such as structural stability, fire safety, conservation of fuel and power and access and facilities for disabled persons. This is achieved by checking and approving plans of proposed works, and then carrying out inspections of the work on site as it proceeds.

#### Building Control also:

- Ensures that dangerous structures are made safe.
- Demolition of existing structures does not endanger public health and safety.
- Offer general advice about building matters.
- Gives advice about access and facilities for people with disabilities.

#### Proposed Building Control Level of Service:

The existing teams cover all or some of the services noted in the above table; we proposed to maintain this level of service within the new structure. However, opportunities exist for the Districts to choose to retain, or pass over services to be undertaken by the newly formed establishment. An example of this is the land Charges Service. Currently, one district provides this through building control. It may be more logical from an information management context for the new unit to provide this service across the Partnerships districts

Chargeable account Works	Funding stream	Source of Duty
<b>Building Regulation Work</b>		
Plan checking & consultations	Building Regulation fee income	Statutory Duty
Structural engineering checks		
Site Inspections		
Preliminary enquiries in connection with future projects		
Administration associated with LA controlled submissions		
<b>Non chargeable account works (building control)</b>	<b>Funding stream</b>	<b>Source of Duty</b>
<b>Building Act/Legal/Enforcement</b>		
Enforcement/Appeals/Disabled Fee/Exempt Works etc.	Council Tax funding	Statutory Duty
Public Advice/Complaints/Political		
Approved Inspector registration		
<b>Development Control &amp; Conservation</b>		
Planning Condition checks	Rechargeable work	Best Practice

Planning Application Consultations etc.		consultation	
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<b>Non chargeable account works (building control)</b>	<b>Funding stream</b>	<b>Source of Duty</b>
<b>Public Safety Services</b>		
Action on dangerous structures	Council Tax funding <sup>1</sup>	Statutory Duty
Control on demolitions		
Fire Authority enforcement checks		
MOE, Ingress & Egress (S71/S72)		
<b>Emergency Planning</b>		
Emergency callout provision for dangerous buildings		
<b>Other Internal Services</b>		
Consultation Service, i.e, housing	Rechargeable work	Discretionary consultation
Land charge searches		
Licensed premises consultation		
Means of Escape advice		
Housing returns	Council Tax	Statutory Duty
Solicitors Query replies		
Corporate Development Unit		
Departmental work for people with disabilities	Council Tax	Discretionary
<b>Street Naming &amp; Numbering</b>		
Naming & Numbering	Council Tax	Statutory
Renaming & Renumbering	Fee income	Discretionary
LLPG	Council Tax	
<b>Other surveying work outside of trading account</b>		
MOD work	Fee income	Discretionary
Access audits		
Fire Audits		
Energy surveys		

## APPENDIX F

### Treatment of the expenditure and income of the Building Partnership

#### 1.0 Treatment of the expenditure and income of the Building Partnership

The Building Control Partnership will be made up of four Building Control units representing Mendip District Council, Sedgemoor District Council, Taunton Deane Borough Council and West Somerset District Council. This guidance note sets out the intention of how income, surpluses, recruitment and capital investment costs should be split between the four authorities.

#### 2.0 Fee Earning Income

The income derived from Building Regulations applications will be readily identifiable, as application fees will be recorded against each application. Each application will also be identified against the district/borough Council in which it sits by an identifiable suffix on the file management system. Initial research suggests that this is entirely possible through the IDOX packages. This will allow the fee income from each authority to be established through the database at any time and when budget monitoring and when budgets are set and outturns are calculated. Fee income can then be attributed against each Local Authority ready to be apportioned against relevant support charges, salaries, accommodation and other on costs.

As surveyors and support staff will be employed by a single Council there will be no requirement to adjust the recharge rate of surveying services across districts beyond their agreed harmonisation at the outset. It is noteworthy that the hourly rate of each Building Control department from each Council is similar to the point that that harmonisation can be fully established and fees can be unified with very little impact on each authorities published schedule of fees. Surveyors will work across what were authority boundaries and, in accordance with the Building (Local Authority Charges) Regulations 2010, 'the charges regulations', each application is expected to be delivered on a full cost recovery basis irrespective of which authority has legal control.

#### 2.1 Proposal 1 – Equally split surpluses and deficits

*Fee earning income for each authority x 4 - cost of all building control staff, support costs and on cost / 4 = Surplus or deficit per authority.* The surplus or deficit will sit with the partnership to be treated in accordance with the Building (Local Authority Charges) Regulations 2010, although in reality this will be under the control of each authority equally.

The Partnership will be working to the statutory requirements of the Building (Local Authority Charges) Regulations 2010. This requires a Council to charge only for what is required for an application to be serviced. There should be no ambition for the Partnership to model a business that attracts large surpluses without the intention of investing them back in to the business through staff resource or

infrastructure or in order to neutralise previous deficits as a rolling programme. There are a number of factors that need considering should the partnership choose to equally split surplus' and deficits across the partners.

1. An equal split creates autonomy amongst the Partners.
2. This has been an agreed process though a number of similar partnerships.
3. The Partnership is guided by CIPFA guidance and Regulations set out in the 'Charging Regulations'. Transparency of accounts and how costs are attributed so that Authorities are not cross subsidising each other will need to be established.
4. An equal split will work where surplus' can be reinvested in infrastructure and technology or staff. Problems may occur where deficits occur which have to be absorbed by each authority. Based on 2013/14 outturns it is clear that West Somerset cannot currently attract the same levels of income as the other Partners (*WSDC income 11% of total income see Appendix A*). Deficits would be based over the Partnership divided by 4 which may be an increase on costs to WSDC or transversely it may be that the other Councils attract deficits as a result of a single Council not being able to cover its costs.
5. The principle of the Partnership and the 'Charging Regulations' is that resources are attributed to service an application at cost recovery only. If prudent management and accounting is established resources will be targeted where required and reduced where not. This negates whether an Authority attracts higher levels of income than others or not, as resources are established based on income.
6. Should the Partnership disband or one partner leave settlements of 25% of any surplus (or deficit) in the current year will need to be agreed. Agreements to tie Authorities to capital expenditure will also need to be established.

## **2.2 Proposal 2 - Treatment of deficits and surpluses based on an agreed factoring arrangement.**

An alternative to proposal 1 is that surpluses and deficits should sit with each Authority coming into the Partnership. This can be established based on application data which will remain readily available through the chosen file management system. When considering this option the following factors need to be taken into account: -

1. Agreement of the factors to be taken into account will need to be established and agreed. It is likely that fee income and number of applications will be key data but that the size (hectares) of each area will also need to be taken into account. With a single hourly rate for the Partnership, mileage and dead time through travel need to be accounted for so that the cost of servicing remote applications on a frequent basis can be factored into the true cost of servicing an area.
2. In order to account for the running costs of offices and administration any factoring will need to include service costs, although accounting costs and HR costs may need to be factored separately as the delivery of accounts for instances does not change based on income or number of applications.

3. The factoring of surpluses and deficits if taken as the chosen route forward will need to also be applied to redundancy and capital investment costs, in order to promote equality in the financial contributions. This may be challenging when trying to establish a single Partnership as it may establish more dominating Partners in the Partnership. Simply, if equality is established throughout, this can be reflected in the decision making processes, financial contributions and service delivery.
4. The factoring of surpluses and deficits leaves a status quo of each 'service unit' acting individually. It further leads to each Authority needing to reach their proposed factor rating in order for the factor to correct at its application.
5. Any factoring will need to be revisited on an annual basis to establish that remains equitable.

### **3.0 Recommendation**

The Building Control Managers from each Authority feel that an equal split on all costs will enhance the prospects of a successful partnership. This model has been adopted by other Local Authorities entering Building Control partnerships

### **4.0 Statutory Costs and the recharge of costs incurred on statutory functions (Proposal)**

The costs of carrying out enforcement work, dangerous structures and demolition notices will remain with each local authority, although the statutory account will be administered by a single accounting unit. This has currently been identified as Sedgemoor District Council. If and when staff are TUPE'd to a host authority, time dealing with other authorities enforcement works will need to be recharged to the appropriate Council. The Councils included in this partnership have very similar hourly rates for the recharge of their Building Control services. This allows for the development of a single hourly rate to be established without adversely affecting fees and recharges of any of the authorities included.

In the interests of establishing a viable partnership it is sensible that no single Council should take the burden for enforcement costs. These are cost that should be borne by the Council in which the statutory function sits and professional staff costs should be identified and recharged to the specific Council and the specific case to which the charges relate. This allows for the processes to be fully auditable and for each Council to enjoy any savings that are established through efficiency savings being distributed through the hourly rate. When considering dangerous structures for example, undertaking works to make structures safe is time consuming and can become costly if a Council undertakes work or measures to make a building safe, or initiates legal action through the Magistrates Court. Expenditure on enforcement work will sit within each Council with recharges, such as solicitor costs, surveyor costs, and labour costs and equipment costs being charged on as a cost of service for servicing a specific incident.

### **5.0 Calculation of expenditure and capital investment (Proposal)**

In order for the Partnership to move forward and align itself to the proposed structure in the business plan, there will be some costs associated with streamlining the workforce and a requirement for capital investment to upgrade IT systems and realise full efficiency of the service through mobile working and

alignment of systems and processes. It is noteworthy that none of the Building Control units currently have surpluses ready for reinvestment and that upgrading of IT currently sits within each Council through their IT service providers. These costs are attributed through each Council's accounting procedures. All investment will need to be demonstrated on a 'spend to save' basis. When considering expenditure to streamline the workforce, this would include the costs associated with redundancy. The Partnership Board and Executive will need to decide how this expenditure will be shared through the Partnership and the following options need to be considered: -

**Table 1. Consideration of options**

Proposal	Justification of proposal
All Costs should be attributed equally at 25% per Authority.	<p>With regard to redundancy precedent has already been set through the Taunton Deane and Sedgemoor working arrangements. The redundancy cost of the Senior Administration post was split 50/50. This was irrespective as to the employer of the post which was a single Council with salary costs being recharged.</p> <p>In the interests of forming an equal Building Control Partnership differences in size, the ability to attract income or the staffing ratios for each building control team should not be considered as it highlights the differences in unit size. With stakeholder support required from the outset we should not produce a culture that larger service units have greater gravitas and therefore attract higher costs when paying for redundancy or investment. All costs attributed to the Partnership should be on a spend to save basis for the Partnership.</p>
Each Council should pay for their own staff costs. (redundancy)	The business plan is for all staff to be TUPE transferred to one Council in the medium term. Therefore everybody connected to the Partnership will be working for the same organisation. All costs associated with this process will need to be met by each authority. Redundancy costs will form part of this process. In order for the recruitment

	and redundancy process to be completely transparent and equal it is not reasonable for a single council to bear the costs of making its own staff redundant as a consequence of the Partnership when staff from other partnered councils may not have these costs because their staff was successful in filling a position.
Redundancy cost should be factored	If costs were factored agreement would be required as to how a factor would be applied. Table 2 gives a number of options on how a factor could be applied. Applying a factor would be difficult and would complicate the accounting procedures for the partnership. If a factor was based on unit income this would need to be revisited on a periodic basis as specific towns or areas enjoy investment which may lead to a spike in income for example.
Capital Investment to be based on agreed factors.	As described previously establishing an equitable factor could be complicated and will be subject to audit on a regular basis as micro economies change. It further attracts a further process to finances and budget setting.
Capital Investment to be shared equally	It is reasonable to share capital investment equally based on the issues raised in sections 2 and 3 of this guidance. Agreement and an ongoing strategy from each authority will be easier to establish if costs are equally shared. Equality of costs = Equality of input. Capital investment should establish a saving for the business over a prescribed time period which, as a result, will lead to savings which can be factored into IT support costs and other capital investment.

The following data has been considered when developing a factoring system for the delivery of costs and expenditure: -



**Table 2. Factoring considerations**

<b>Factors for analysis</b>	<b>Considerations</b>
Population of each Council area	The Partnership remit works with a specific service area and not a service used by all groups using a Council. The size of population within a Council does not necessarily equate to the amount of income derived through Building Regulations as high density areas may be subject to greater competition meaning a smaller proportion of work is won. There is some correlation to base proportional costs and revenue based on population but application data and area also need to be considered to give a rounded picture.
Workload – Number of applications	The number of applications gives a good indication as to the workload of each organisation. Although this needs to be considered it should not be in isolation as it does not account for the complexity and size of a project and what is required to resource it.
Fee income	Fee income is key in establishing what each service will contribute to the partnership in terms of resource. It should be noted that with a cost neutral budget on the fee earning accounts that the amount of resources being supplied into the partnership will be balanced with the staff allocated in each district and so therefore equilibrium of income and expenditure is retained irrespective of where any building project occurs.
Number of staff entering the partnership	Each Building Control Unit will have a specified number of staff coming into the partnership. It should not be the case that this is factored into any agreement as this becomes historic data after when staff are TUPE'd and the Partnership comes to fruition.

Area Hectares	As mentioned above, Authority size (Hectares) cannot form a factor singularly but should be used in calculating an overall factor as travel time, remoteness and dead time contribute as a cost servicing an application.
Redundancy Costs formulated on each Council's terms and conditions	<p>3 of the Councils identified have a 3x multiplier on redundancy costs whereas West Somerset District Council has a 2x multiplier on redundancy costs. Redundancy costs for all staff should be: -</p> <p>SDC - Cost incurred = <math>3 \times 1/11</math> of total costs</p> <p>MDC - Cost incurred = <math>3 \times 1/11</math> of total costs</p> <p>TDBC Cost incurred = <math>3 \times 1/11</math> of total costs</p> <p>WSDC Cost incurred = <math>2 \times 1/11</math> of total costs</p>
Redundancy Costs based on current complement of Building Control Staff.	<p>Formula: Total number of Building Control staff in each LA x <math>1/\text{Total Partnership complement}</math> = fractional split.</p> <p>This formula does not take into account redundancy terms from each Council.</p>

## 6.0 Recommendation for the treatment of redundancy costs.

In consultation with each Council's Human Resources departments the Building Control Managers recommend that Redundancy Costs should be based on the terms and conditions relative to each Council.





## APPENDIX H

### BUSINESS DEVELOPMENT

The business will need to address a declining market share whilst experiencing increased competition through all the market sectors in which it competes. None of the Partners wish to see the managed decline of a Building Control Service to a business where only non-desirable sectors of work are available and statutory function management is the cornerstone of the business. This would present a service, not a business, which is an expense for each Council to run.

The Partnership will need to provide a comprehensive marketing plan that addresses the key functions and fundamentals of the business, along with identifying the tools it has, and requires, to build a successfully branded business. This will be built on what measures the organisations currently identify and undertakes; and what the business has identified is required as a product that its customers require or want. Currently each individual Building Control unit markets its services with support from National and Regional LABC and understands the market within which it operates. However, there is recognition that moving forward the new business unit will require additional expertise to help it develop and realise its full potential within the marketplace

Generically the actions can be identified as follows and will be the bases of the marketing plan going forward: -

#### Vision

To provide an efficient cohesive partnership offering expertise, flexibility and Professionalism in the administration of the building control function to all members of the community

#### Objectives

- To improve customer satisfaction by providing an effective and efficient administration and site inspection regime in particularly through improved use of information technology and communication
- To raise the profile of Partnership by developing a dynamic marketing strategy and pursuing the expansion of the Partnership through additional partners.
- To provide additional services through a consultancy to generate additional income.
- To continually review contributions by partner authorities to reflect reductions in expenditure.

#### Strategy

In order to be successful, the following strategy is to be adopted:

- To increase the profile of the Partnership to all existing and potential customers, with particular emphasis on developers and architects.
- Develop a competitive advantage through service provision.
- Through excellence in service provision turn customers into champions of the local service.
- To build and strengthen our liaisons with local professional and trade bodies, and establish a comprehensive database of customers, identifying and developing contacts within the industry.

- To develop and improve communication to our customers, keeping them continually informed and aware of developments and improvements to our service.
- To ensure closer working relations within the region and with the National Business Development Team.
- To successfully promote national initiatives and the 'added value' benefits to be gained by using LABC.
- To develop a marketing and advertising campaign, whilst taking into account customer feedback.
- To work to ISO 9001 principles and frameworks.
- To utilise the knowledge developed through the Customer Service Excellence accreditation scheme.

### **Action Plan**

- Develop a comprehensive marketing strategy and customer charter
- To keep our customers informed of service and regulatory developments and solutions through the provision of a regular newsletter, technical seminars, guidance notes and advice.
- Through direct day to day contact with customers the team will further promote the latest service, regulatory and promotional developments and initiatives within building control.
- To actively promote and encourage 'partnerships' with architects etc.
- To produce an updated range of customer information leaflets.
- To work within the guidelines of the published Building Control Performance Standards
- To formally establish the Development Team Approach across all authorities utilising the existing internal links with other regulatory areas involved in the construction process i.e. Development Control
- To promote the 'added value' of the Building Control service through the 'development team' approach and complementary services offered by commercial partners.
- Establish a local user group of regular customers.
- To continually evaluate and improve the service in line with customer needs identified through satisfaction surveys and user groups, together with developments in national best practice and benchmarking.
- To educate, train and develop staff through Council development programs and CPD processes to ensure they are trained to the highest level and able to pass this knowledge on to our customers.
- To continually improve access to our service through development of IT systems.
- To maintain and build on contacts with local, regional and national marketing strategies to ensure co-operation and co-ordination and to facilitate exchange of market intelligence and information.
- To maximise contacts with key building control decision-makers in major developers, architects, contractors and householders.

### **Increasing market share and expanding the business**

In order for the partnership to expand its business, a number of factors need to be understood as well as number of actions undertaken to give the business the opportunity to succeed and flourish. To succeed and flourish, which should be exceed performance beyond that of achieving the status quo and achieving budget forecasts, requires the organisation to be far more aggressive in its marketing and branding than any of the Partners joining the organisation have been able to achieve individually through their own marketing plans. The Managers steering the organisation going forward will need to develop the business around the following factors: -

- The Building Control environment and legislative background needs to be understood by the staff, Partnership Board and Councillors so that opportunities and threats can be identified along with the business reflecting and understanding its strengths and weaknesses.
- The current marketing position has to be understood by all stakeholders.
- The sectors forming the Building Control market need to be understood, along with the market position of the organisation within these and the level of competition within each sector.
- The organisation needs to market itself and provide a service to each Building Control sector relevant and relative to each customer's needs.
- The price elasticity of each sector needs to be established so that the business can address competition compete within each sector.
- A marketing plan with clear measureable goals will be required for the Partnership. The proposed strategy will address 'What and Why and When and How and Where and Who' in order to maximise business opportunity and clarity, understand our customer base and how we effectively market to them and service their needs.

### **Marketing to our customers**

Users of the service can be identified as follows: -

- Internal customers (Internal stakeholders our staff, internal departments, Councillors, staff delivering the service).
- One off users – the public (Those with no or little experience of the service or Building Control marketing sectors).
- Current Partners and regular subscribers (Business that are familiar and happy with our service.) (Repeat users)
- Architects and Agents (Local to the business – those who may see the advantages of using a local service but are apathetic to using the service against that of a competitor)
- Aggrieved users – Those who have used other Local Authority statutory services and feel reluctant to use further Local Authority service.

- Customers currently using other services having formed professional relationships - Architects, Agents and Builders that currently use competitor services for every project for which they are involved irrespective of any level of marketing aimed at them.

### **Identifying market sectors**

Market sectors can be broken down in a number of ways. In order to increase market share the Marketing Plan should identify targetable sectors and even targetable businesses. Sectors could be multifaceted and may cross each other but targeting specific sectors will allow business growth to be measured and successes realised. Some sectors will be safer than others with regard to securing cost recovery of services and may naturally attract higher fees than others. The marketing plan will need to identify the sectors where business success can be maximised with regard to securing fees against resources used, but also accepting that these will also have the highest levels of competition. Sectors should be increased beyond those already used to fully understand what to target, who to target, when marketing is required, how much lead in time is required, and how to market the service in respect of media and which facet of branding to use. Sectors need to be understood and may include: -

1. Domestic alterations
2. Domestic extensions
3. Domestic controlled Service and fittings
4. New dwellings (Single dwellings)
5. New dwellings (Small sites)
6. New dwellings (Large sites)
7. Rooms for residential purposes (Boarding houses, HMOs and Hotels)
8. Schools and Educational Establishments
9. Works involved in a change of use
10. Industrial Buildings (Single units)
11. Industrial Buildings (multiple units)
12. Industrial Buildings (Office fit outs)
13. New commercial buildings
14. Commercial alterations
15. Regeneration schemes
16. Council and County Council controlled works

In order to maximise opportunity the control over who is influencing and making contracting decisions will be key, i.e.: - Builder led, Home owner led, developer led, business led, insurer led, Architect led, shop fitter led, facilities management led, Government led.

### **Business Branding**

In order to maximise income and market share the new business needs to satisfy all potential customers needs and branded accordingly. (This will require buy-in from elected members)

Perception of the business and its ability to provide a service that the customer needs is essential to securing business. The business needs to deliver the following branding and profile to provide this: -

1. Local users may require a personalised service. This falls into two categories: -



- Those seeking the reassurance of using a public and genuine third party. (i.e. The Local Authority)
  - Local builders and agents who have developed a professional rapport with specific individuals and seek to maximise efficiency and effectiveness through trust and the willingness of a staff member to assist them whenever possible.
2. Those seeking a responsive and professional business through the Local Authority or Local Authority Partnership Scheme that can meet their needs wherever their projects are located.
  3. Those seeking a cost effective minimum service with a limited inspection regime.
  4. Those seeking an inspection regime extending towards a Clerk of Works role in order to assure good building practices are achieved on site.
  5. Those seeking to use a responsive and professional business which is not associated with or provided through a Local Authority. (i.e. An Approved Inspector or Private Sector Building Control provider)
  6. Those seeking a service that can also provide a package of 'bolt on' services such as Home Warranties, SAP calculations, EPC's, Water Calculations, Fire Risk Assessments and the production of Fire Safety information or Fire Engineering approaches to design. A business that can become a valued member of a design team or a business that can provide surveying services that fall outside of Building Regulations.
  7. Those who have been through the enforcement process but where an opportunity exists to build a professional working relationship. I.e. Through the Regularisation process or from the result of a rejected Initial Notice.

A marketing plan can address a number of these customer needs, making the business fit for purpose, and seeking to provide other profitable services where a business case has demonstrated that a need exists. Reversing the decline in market share will be difficult but as a Partnership an opportunity exists to maximise the impact of the collaboration of Councils. The Partnership can seek to brand itself in the following ways: -

- Individual Local Authorities working together for those who seek the assurance of a Council run Building Control department.
- A Local Authority Partnership embracing the flexibility and resilience created from the Partnership and utilising the LABC brand and Partnership Scheme to maximise workload.
- A Partnership that seeks to minimise its relationship and association with its Local Authority to attract business from those who do not wish to use the Local Authority Service. (Purely achieved through branding, i.e. letter heads, emails and website branded as a Partnership.

This may assist with increasing market share but will not attract customers that seek to use Approved Inspectors. There are several reasons that customers may choose this route, common factors are as follows: -

1. Council bureaucracy, the perception that the Council will cause a project to incur unnecessary costs or time delays. This may have occurred as a result of a customer having been through the Planning process for example, or from previously having a bad experience from a Local Authority Building Control provider. It may also be a perception that is unfounded but communicated by external competition.
2. The perception that a Council is less responsive, less productive and less efficient, less flexible in terms of servicing work and interpreting fit for purpose standards than its competitors.
3. The inability for a customer to sue a Council where performance standards have not been met. The Council has limited liabilities in comparison to Approved Inspectors that are private companies. This has been the case with larger retail stores reluctant to use LABC services, requesting that AI status be gained by specific Councils in order to continue working relationships. (Cited by Birmingham City Council).
4. The ability of an AI to form relationships and develop specialism's based on specific work sectors and utilise these skills and relationships without boundary restrictions.
5. The ability of an AI to aggressively market for work outside of a Council boundary. This creates a greater market in which to win work.
6. The ability to provide other services and market services as a 'one stop shop'.

Although some of these factors may be unfounded the perception exists despite marketing to the contrary. If the Building Control Partnership wishes to maximise the opportunities available in a recession free market it will need to consider and seek the approval of members to become a limited company with a view to gaining Approved Inspector status.

The marketing plan for the Partnership will need to address that to gain market share and expand as a business it will need to be aggressive and innovative in its marketing model, relationship building and networking. Gaining Approved Inspector status will remove any business barriers to undertaking work in any areas of the country, any sectors and with any potential customer. The Partnership will need to accept that adequate resource should be set aside to achieve the marketing goals set out in the marketing plan. These resources should be accounted for beyond the day to day operations of the Building Control partnership.

The proposed Partnership staffing structure has been created so that two distinct areas of business delivery are deliverable through it. The roles and responsibilities dictate that the Building Control Partnership Manager develops strategy with specific attention given to business development; they have the resources of the Administration Manager/Business Development Assistant and their allocation of staff to ensure that a Marketing Strategy can be delivered. It may also be the case that the Building Control Partnership Manager utilise marketing specialists to assist in this process, particularly in the

development of the Partnership. The Building Control Operations Manager has the responsibility of retaining customers through efficient and effective operational management of staff and the delivery of a service that satisfies the complete customer base of the Partnership. It is perceived that this structure, essentially that of developing work and market share and that of doing work and delivering services, will allow adequate resource to brand the partnership and aggressively market its services. It should further allow the Partnership to develop an innovate and robust but deliverable Marketing Plan which will take the Partnership from inception through to expanding the business by gaining customers outside of our common Council boundaries.

It is essential that any marketing plan considers the option of Approved Inspector status in the future through a remote business arm in order to increase market share and to halt the management of decline. The Partnership will need to develop an ethos of aggressively marketing its services in order to maximise the opportunities available to grow the Building Control business over the short to medium term. The Partnership will require Board approval of its marketing plan and the support of the four Councils in this process.

## APPENDIX I

### Introduction

It has been agreed by the Building Control Project Board for the partner authorities that the proposed Building Control Partnership should be hosted by one authority, meaning that one of the partner Councils becomes the employer for the employees of all Councils within the Partnership. The Project Board has agreed that Sedgemoor District Council host the proposed Partnership.

### Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

The Transfer of Undertakings (Protection of Employment) Regulations 2006 have been amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014. The latter applies only to transfers that take place on or after 31<sup>st</sup> January 2014 and therefore will apply in this instance. TUPE applies in the case of service provision changes, where a new authority takes over the activities of a client authority, in this case Building Control. For TUPE to apply the activities being done before and after the transfer should be “fundamentally the same” and the roles that transfer should be linked to the delivery of Building Control Services for each client.

Broadly speaking the effect of the above Regulations is to preserve the continuity of employment and the terms and conditions of those employees who are transferred to a new employer when a TUPE transfer takes place. This means that employees with a contract of employment from one authority retain their contractual salary, terms and conditions from that employer when they transfer to the new employer. This will include local agreements in force at the date of transfer.

There will inevitably be some discussion to be had with the union representatives and employees about what constitutes a contractual term versus a non-contractual term of employment. The new employer cannot impose changes. The changes must be agreed with the employees and their representatives. The Regulations provide some limited opportunity for either the outgoing or the new employer to vary the terms and conditions of employment contracts in certain stipulated circumstances even though the sole or principal reason for the variation is the transfer. The employer may vary terms and conditions where the sole and principal reason is an economic, technological or organisational (ETO) reason entailing changes in the workforce, provided that the employee is in a no less favourable position and both parties agree the variation, Further where the changes are entirely positive from the employee’s perspective, they may also be agreed without breaching the Regulations. However the harmonisation of terms and conditions may not be proposed as an ETO reason.

The partner authorities recognise that the partnership model involves a change in service provision and the creation of a single organised grouping of staff and TUPE is considered to apply to the transfer of Building Control activities and organisation from four client authorities to one host authority.

Should the joint partnership model be dissolved for any reason then staff would transfer back under TUPE to the partner authorities.

As TUPE is an event on a given day, namely when responsibility for the business activity transfers, rather than a process over time, the Building Control Project Board in consultation with affected employees and their unions, will determine a date upon which the transfer from one Council to another will take effect. The preferred date at this point is 1<sup>st</sup> July 2015

Member approval for the formation of the Partnership is being sought towards the end of March 2015 in all four Councils. The collective consultation obligations under TUPE require consultation to take place ‘in

good time' ahead of a proposal to transfer and January has been set aside for this to happen. Assuming a decision to proceed is granted by the end of March the timetable will reflect a further period of consultation by both the outgoing and future employer/s on the TUPE implications for affected employees. A period of approximately two months would be appropriate for the latter consultation.

### **Organisational Structure**

The business model for this Partnership is based on bringing together the management and delivery of building control services to achieve economies of scale, improve the service to the customer and increase resilience and flexibility in the face of aggressive competition from the private sector for both fee-earning work and staff. By delivering savings the Partnership may be in a position in the future to reduce fees to customers, thereby becoming more competitive in the market, essential to its future survival.

The Project Team has provided a proposed organisational structure, page 14 of the Business Case along with draft job summaries for the posts in the new structure, page 15.

The new posts are titled as follows:

Partnership Manager (1)

Operations Manager (Deputy)(1)

Senior/Building Control Surveyor (8)

Assistant/Trainee Building Control Surveyor (2)

Administrative Officer (1)

Administration Assistant (3)

These are new posts within the structure that are broader in scope and responsibility than the existing Building Control Manager and Area Manager posts. It is therefore proposed that the two posts be ring fenced to the four existing Managers (including one Area Manager) in the first instance. The successful candidates will be appointed on Sedgemoor's terms and conditions including the appropriate salary scale, subject to job evaluation.

Unsuccessful candidates for the management posts will be consulted on their options, but it is expected that the difference in grade between the management posts and the technical level below will be more than two grades and therefore would not constitute "suitable alternative" employment. In the event that there are no suitable alternative posts then the post holder would be put at risk and alternative posts considered within their originating authority and subject to agreement, across the partner authorities, failing which the employee would be made redundant. .

NB. If the sole and principal reason for making the employee redundant is the TUPE transfer then it would almost automatically be deemed unfair by an employment tribunal. However if the organisation is able to demonstrate that the employee is redundant by reason of an ETO issue (see next paragraph) that entails changes in the workforce, i.e. a reduction in the numbers of staff employed or a change in office location) and provided that the employer has followed a proper process, the risk is reduced that the redundancy would be considered unfair by an employment tribunal.

Technical and administrative posts

It is envisaged that all the remaining staff will transfer under TUPE and retain their existing salary with associated contractual terms and conditions.

As the proposal is for the host authority to be Sedgemoor District Council some work has been undertaken to consider draft job descriptions and person specs, although these are by no means final versions and therefore remain subject to consultation and job evaluation.

### Staff Reporting Arrangements

At Sedgemoor Group Managers have overall responsibility for all operational services. Therefore the Partnership Manager will report to the Group Manager with responsibility for Building Control, for the purpose of all line management matters, but will report to the Building Control Partnership Board on the Partnership's performance, targets and future direction.

The most significant impact of the proposed structure is on the number of posts. 16 in total against an existing staff complement of 21, excluding contractors, across the four authorities. Over the past year as vacant posts have arisen, they have either been kept vacant or filled temporarily with agency staff/contractors to mitigate the impact of any proposed reduction in the number of posts.

The chart below is taken from page 13 of the Business Case and reflects the proposed reduction in posts versus the existing establishment book.

Post Level	Existing Establishment	Proposed Establishment	Resource Saving
A. Building Control Managers	4	2	2
B. Principal	1	0	1
C. Building Control Surveyors (incl 1 x Senior Role)	11	8	3
D1. Assistant / Trainee Building Control Surveyors	2	2	0
D2. Admin Manager/Systems Administrator	7	4	3
<b>Total</b>	<b>25</b>	<b>16</b>	<b>9</b>

Within the existing establishment figures (shown in the table above) are 4 posts that are either being held vacant, filled temporarily by a contractor or covered within existing staff resources. This means that the actual impact of the reductions on the existing employees across the partner authorities is mitigated somewhat, i.e. it is effectively a reduction of 5 staff.

### Terms and Conditions of Employment

Each authority's adopted job evaluation scheme and pay scales vary, resulting in some differences in pay and locally negotiated terms and conditions between posts with similar responsibilities. It is proposed that staff be given two options,

- To retain their existing contractual salary and terms and conditions on transfer and for non-contractual matters to be addressed with the unions representatives and staff and subject to their agreement
- That the host authority offer the opportunity to be employed on their salary scale and terms and conditions relevant to the post

The principle will apply that any changes to terms and conditions should result in an overall no less favourable position for the employee.

As far as the financial assumptions are concerned I understand that the staffing costs have been budgeted at the highest cost of employment (salary and staff on-costs) across the partners, which should ensure that any changes are catered for, with the exception of any one-off severance costs, incurred on transfer.

### **TUPE Terms and Conditions and Harmonisation**

Under TUPE Regulations, existing contractual terms and conditions, including those subject to local agreement, transfer with staff to the incoming employer and they remain the same as they were with the outgoing employer. Following a TUPE transfer the incoming employer may seek to change terms and conditions, however the when, how and if changes can be made is complex and there is still a potential risk of a claim for constructive dismissal. Changes to terms and conditions if the sole or principal reason is the transfer are not permitted under the Regulations. However after 31<sup>st</sup> January 2014, certain changes may be valid. Employers can negotiate a change to terms and conditions in local collective agreements after 1 year providing the change is not less favourable to the employee.

Historically employers, especially in the public sector, tended to steer clear of any attempt to harmonise terms and conditions unless they can afford to do so by paying at the most advantageous rate amongst the respective employers. Where terms and conditions are not harmonised there remains the potential for a challenge under Equal Pay legislation.

The project team have asked whether it would be possible to incorporate Saturday and Sunday working as part of the standard contract of employment. I have advised that this could potentially be included under the ETO reason, as there will be changes in the number of the workforce and it can be argued that the change is necessary to compete with similar working patterns in the private sector. .

It is likely that there will be minor variations within the different authorities' contractual and non-contractual terms and conditions of employment, such as mileage rates, essential user status etc. along with aspects such as staff parking and these will need to form part of the consultation exercise with staff and unions. It is not permissible to undertake a total harmonisation of terms and conditions as part of a TUPE transfer and this may only be attempted in the future for a reason not related to the transfer.

### **Economic, Technical and Organisational (ETO) Reasons**

Where an ETO reason is argued it must relate to the future conduct of the business, as above.

**Economic Reasons** - The partner authorities consider that if the new structure does not seek this level of efficiency savings the future existence of a Somerset local authority Building Control Service undertaking anything other than its minimum statutory responsibilities is in serious question.

**Technical Reasons** – A significant change in work processes, introduction of new systems or technology requiring a reduction in the numbers of staff employed.

Organisational Reasons - There is a duplication of management and administrative structures, which, it is proposed, will be streamlined to provide a unified structure operating from one location. A change in workplace location is therefore going to impact a significant number of staff across the partner authorities, which for various reasons may prove impractical for the staff concerned. This will become apparent when the one to one consultations with affected staff take place.

On the positive side the restructuring and unified management of the service is expected to create increased capacity and resilience within the service which is currently an operational issue in two districts.

A reduction in the number of posts will likely result in some dismissals, which the partners consider to be potentially fair reasons for dismissal under TUPE as they are deemed to be ETO reasons entailing changes in the workforce. Where the reason for dismissal is an ETO reason, the dismissal will be potentially fair, however the law of unfair dismissal will apply and it will be for the employer to show that it has acted reasonably in relying on the reason to make the dismissal.

In order to mitigate the impacts of the proposed restructure the partner authorities will work together to try and minimise the need for compulsory redundancy. Voluntary redundancy will be offered in line with the employee's current terms and conditions to avoid the need for compulsory redundancy where this is required.

Any employee who does not wish to transfer employer or relocate to a new workplace has the right to object to the transfer. However if they are unable to find an alternative role within the present authority they are placing themselves in a vulnerable position. They are not considered to be at risk of redundancy as their post will transfer and therefore their employment simply comes to an end on the date of transfer as if they had resigned. They will not be redundant.

### **Office Location/s**

Building Control staff will remain located at their existing base for the first year, during which period systems and processes will become integrated, followed by an integration of all functions and offices at Sedgemoor from year 2. If an earlier integration is possible it is preferable from an HR perspective. The new team can form as one unit at the same time, any disruption to staff on account of the change in office location is contained to one point in time and the protections that will be granted for the difference in travel to work distances will all take effect from one date. The Surveyor function is most suited to a combination of home working/travel to site pattern of work, provided this can be supported by the relevant IT equipment.

### **Information and Consultation Requirements**

Both incoming and outgoing employers must consult with affected employees about the TUPE transfer and any measures they intend taking, regardless of the number of employees affected. This also includes colleagues of those who will transfer and those who will work alongside the newly formed Building Control Partnership in the incoming organisation.

Consultation should be meaningful and commence before any decision has been taken to proceed with the Partnership and TUPE transfer. UNISON is being consulted formally on the proposals and any measures that need to be taken will be discussed and agreed with them.



The draft timetable which provides more detail on the outline consultation requirements, will be published in due c. The number of meetings to be scheduled will depend to some extent on the issues raised and a requirement to agree measures with union representatives and employees. .



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*Report Number:* WSC 72/15  
*Presented by:* Cllr Karen Mills – Cabinet Lead for Economic Regeneration & Tourism  
*Author of the Report:* Corinne Matthews – Economic Regeneration & Tourism Manager  
*Contact Details:*

*Tel. No. Direct Line* 01984 635287  
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*Report to a Meeting of:* Council  
*To be Held on:* Wednesday 15<sup>th</sup> April 2015  
*Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:*

## STEAM COAST TRAIL – FUND HOLDER GOVERNANCE ARRANGEMENTS

### 1. PURPOSE OF REPORT

- 1.1 To outline the proposed fund holder arrangements West Somerset Council will undertake in partnership with the Friends of The Steam Coast Trail in respect of delivery of the Steam Coast Trail Project.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The Councils 2<sup>nd</sup> Corporate Priority is in relation to New Nuclear Development at Hinkley Point: Maximising opportunities for West Somerset communities and businesses to benefit from the nuclear development whilst protecting local communities and the environment.

Objective 4.3 of the Corporate Plan is work with tourism partners to mitigate the negative effects of the development and take advantage of any opportunities created.

### 3. RECOMMENDATIONS

- 3.1 Council approves the Governance arrangements for its fund holder responsibilities in respect of the Coastal Communities Grant for the Steam Coast Trail Project as detailed in the Partnership Agreement included in Appendix A.
- 3.2 Council approves the creation of a capital budget within the 2015/16 Capital Programme of £559,050 – increasing to £637,050 if contingency funds from CLG are allocated – for the purposes of the Steam Coast Trail Project, fully funded by S31 Grant from CLG.

### 4. RISK ASSESSMENT

#### Risk Matrix

Description	Likelihood	Impact	Overall
West Somerset Council becomes liable for the deliverability of the Steam Coast Trail Project.	4	4	16
Legally compliant Partnership Agreement in place	2	4	8

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before and after the mitigation measures have been actioned.

## **5. BACKGROUND INFORMATION**

- 5.1 Council last received a report from the Friends of the Steam Coast Trail (FoSCT) in August 2013, where the recommendation was that Council supports, in principle, the delivery of the Steam Coast Trail (SCT) project in West Somerset. Cabinet in October 2014 agreed to an allocation from the HPC Leisure & Recreation S106 of £4,000 towards the costs of technical studies needed to inform a Coastal Communities application for funding.
- 5.2 A proposal for funding to deliver a section of the SCT between Dunster beach and Blue Anchor, of 5kms in length suitable for walkers, cyclists and wheelchair users was submitted to the Coastal Communities Fund for the Round Three deadline of October 2014. As part of the application West Somerset Council had affirmed its in principle support as a key partner and supporter of the Project.
- 5.3 FoSCT were informed in January that they had been successful with their application and were to be awarded the full amount that had been requested of **£637,050**. £78,000 of that amount had been set aside to cover contingency.
- 5.4 The Grant will help to create a significant new piece of tourism infrastructure in the District which is predicted to create up to 98 new jobs once it is up and running.
- 5.5 At the beginning of March FoSCT received their offer letter from the Big Lottery Fund who administer Coastal Communities grants on behalf of the Department for Communities and Local Government. In reviewing the documents, which included a 10 page letter and 12 attachments, it became quickly apparent that managing the financial aspects and cash flow of this project would be very onerous for a small Voluntary Organisation.
- 5.6 On behalf of FoSCT our Economic Regeneration Manager entered into direct conversations with the Big Lottery to better understand how the Council could support the financial delivery of this project, without becoming corporately liable for any of the conditions of grant. Big Lottery agreed in writing that West Somerset Council as a Partner in the Project (and subject to a Partnership Agreement) could undertake the Fund Holding Role, without incurring any liabilities or claw-backs related to delivery of the Project, meaning that the 'Accountability Role' continues to rest with FoSCT.
- 5.7 The advantage to FoSCT in respect of project delivery is that responsibility for what would have been very burdensome financial accounting and monitoring can now be undertaken by the Council. DCLG will award the entire sum of grant (less the contingency) to West Somerset Council as a S31 Grant, and will require only one financial report a year. FoSCT would have had to make monthly claims and reports as well as managing cash-flow.
- 5.8 Taking on this role for West Somerset Council will not be without implications, as there will be an additional impact on staffing resource. The Council has also agreed to host a 21 month Project Officer role and help Sustrans (the Cycling Charity who will be co-ordinating the design and build) recruit their Project Manager to manage the construction. By undertaking these strands of activity we will be ensuring that FoSCT can comply with the

terms of their Grant Offer. Discussions are on-going in respect of what can be considered a reasonable management fee payable to the Council, from the Grant allocation to enable staffing support to be best utilised to ensure that supporting this project does not adversely impact on the delivery of front-line services.

## **6. FINANCIAL/RESOURCE IMPLICATIONS**

- 6.1 The Council will receive the sum of £559,050 directly from DCLG as a S31 payment. £78,000 identified as contingency will be retained by DCLG until such time as a claim is made to draw this down.

## **7. COMMENTS ON BEHALF OF SECTION 151 OFFICER**

- 7.1 This is an exciting project and it is clear that the Council can support good governance arrangements for this significant grant funding, by undertaking the Fund Holding Role on behalf of Friends of The Steam Coast Trail. The funding will be received by the Council as a Section 31 Grant – which means that we will need to account for the funds through our income and expenditure reporting. This will have resource implications and it is anticipated that the ongoing negotiations will result in an appropriate element of the funding being retained by WSC for this purpose. It is recommended that the S151 Officer allocates an appropriate proportion of any retained management fee to provide appropriate capacity in the Finance Team for accounting, monitoring and cash flow management activity that goes with the Fund Holder role. In the event that not all of the funding is spent on the project, any unspent balance will be returned to CLG.
- 7.2 Whilst we will be the Fund Holder, an important feature of this arrangement is that FoSCT will be the accountable body. This mitigates against the Council taking responsibility for any financial risks for the project.
- 7.3 Whilst the funding received will be a revenue grant, the nature of the project – being infrastructure development – means the costs will be treated as capital expenditure. It is therefore appropriate to create a budget for monitoring and control purposes within the Capital Programme for 2015/16. The budget will be fully funded from the S31 Grant and will therefore have no impact on the Council's existing capital reserves or capital borrowing requirement.

## **8. EQUALITY & DIVERSITY IMPLICATIONS**

- 8.1 **Members need to demonstrate that 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 are:

- 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

- 8.2 The Steam Coast Trail will be constructed to a standard that will allow usage by those with impaired mobility.

## **9. CRIME AND DISORDER IMPLICATIONS**

- 9.1 None that are relevant to this report.

**10. CONSULTATION IMPLICATIONS**

- 10.1 The Council has been an active member of the FoSCT Steering Group and helped develop the bid to Coastal Communities Fund. Landowners along the proposed route continue to be proactively engaged and consulted with.

**11. ASSET MANAGEMENT IMPLICATIONS**

- 11.1 There are no asset management implications.

**12. ENVIRONMENTAL IMPACT IMPLICATIONS**

- 12.1 The design and build of the trail will be in line with environmental guidance for such infrastructure.

**13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

- People, families and communities take responsibility for their own health and wellbeing;
- Families and communities are thriving and resilient; and
- Somerset people are able to live independently.

- 13.1 The creation of the Steam Coast Trail will provide significant new opportunities for health and well-being, as a new off road safe route will be created to provide for walkers and cyclists.

**14. LEGAL IMPLICATIONS**

- 14.1 The draft Partnership Agreement (Appendix A) between FoSCT and West Somerset Council will form the basis for a legally binding agreement between the two parties.

## APPENDIX A

### DRAFT - Partnership Agreement

This partnership agreement sets out a framework for effective joint working to deliver the Coastal Communities Grant funded stage of the Steam Coast Trail - between

**West Somerset Council**, West Somerset House, Killick Way, Williton TA4 4EQ

and

**Friends of the Steam Coast Trail** c/o Mr. Robert Stephen Rivett, Ashdown, Wood Lane, Blue Anchor  
MINEHEAD TA24 6LA

#### 1. Purpose of the agreement

The agreement relates to Coastal Communities Grant offer (CCF Project ID: 0010246314) of 26.01.2015 to grant £637,050 to the Friends of the Steam Coast Trail. West Somerset Council is the **Fund Holder**. Friends of the Steam Coast Trail are the **Accountable Body** for the Grant Conditions.

The Agreement sets out the respective roles and responsibilities that form in most part the 'Conditions of grant from the Coastal Communities Fund' and ensures that each Partner is aware of their legal responsibilities in respect of these.

#### 2. Roles and Responsibilities

2.1 The roles and responsibilities of West Somerset Council are:

- i. To act as the fund holder for the Coastal Communities Fund grant.
- ii. To manage recruitment of a Project Officer and host the Project Officer for a period not exceeding 21 months.
- iii. Manage the recruitment of a Project Manager that will be hosted by Sustrans.

2.2 The roles and responsibilities of The Friends of the Steam Coast Trail (and where relevant and appropriate West Somerset Council are: (as outlined in the CCF offer letter and conditions).

### 3.0 Coastal Communities Fund - Standard Terms and Conditions of Grant (Revised 8 August 2014)

#### 3.1 Definitions

West Somerset Council (WSC) – Fund Holder

Friends of Steam Coast Trail (FoSCT) – Accountable Body

Department for Communities and Local Government (DCLG) - Managing Agent

Coastal Communities Fund (CCF) Grant Programme and Grant 'Brand Name'

Grant – Refers to the CCF Grant

Agents of Friends of the Steam Coast Trail – Contractors employed by them, including Sustrans.

#### 3.2 General

- i. WSC will use the grant exclusively for the project. We will hold any unused part of the grant on trust for DCLG at all times, and WSC will repay any unused grant to DCLG immediately upon demand.
- ii. During the period of the grant WSC and FoSCT will act in a fair and open manner without distinction as to race, religion, age, gender or disability, and in compliance with relevant legislation.
- iii. WSC / FoSCT will make sure that all current and future members of their governing body and WSC's executive team, receive a copy of these terms and conditions while the Grant Agreement remains in force.
- iv. FoSCT will ensure that at all times while the Grant Agreement is in force they are correctly constituted and regulated and that the receipt of the grant and the delivery of the project are within the scope of their governing documents, and if asked by WSC / DCLG will provide a legal opinion from their solicitors confirming this.

### 3.3 The Project

- i. FoSCT / WSC will get written agreement from DCLG before making any change to the project or to its name, aims, structure, delivery, outcomes, duration or ownership.
- ii. FoSCT will start the project within six months of the date of the Grant Agreement or, if it is delayed, write to DCLG giving reasons for the delay and asking for an extension.
- iii. FoSCT agree to use reasonable endeavours to deliver the project and complete it on time or within a reasonable period if a time limit has not been set.
- iv. FoSCT / WSC will not use the grant to pay for any spending commitments made before the date of the Grant Agreement.
- v. FoSCT / WSC will tell DCLG immediately of any offer of funding for this project from anyone else at any time during the project.
- vi. If WSC spend less than the whole grant on the project, WSC will return the unspent amount to DCLG promptly.
- vii. FoSCT / WSC will acknowledge the grant publicly as appropriate and as practical. FoSCT / WSC will follow CCF branding and publicity guidelines at all times. WSC / FoSCT will acknowledge CCF support in any published documents or in any digital media that refer to the project, including job advertisements, accounts and public annual reports, or in written or spoken public presentations about the project.
- viii. FoSCT / WSC hereby consent to any publicity about the grant and the project as DCLG / CCF may from time to time require.
- ix. FoSCT will tell WSC / DCLG promptly about any changes to information FoSCT have provided and will make sure that the information they hold is always true, accurate and up to date at the time it is given and remains true, accurate and up to date whilst the Grant Agreement remains in force.
- x. FoSCT agree to comply with all laws regulating the way they operate, the work they carry out, the staff they employ and the goods they buy. FoSCT will ensure that they have an equal opportunities policy in place at all times, to help them comply with all relevant laws and good practice whilst the Grant Agreement remains in force.



- xi. FoSCT will maintain adequate insurance at all times and if asked, will supply copies of the insurance policy to WSC and DCLG. This includes employee and public liability insurance and insurance that covers the full replacement value of any assets DCLG have funded.

### 3.4 Organisation

- i. FoSCT will get WSC written agreement before: Changing their governing document, concerning aims, payments to members or shareholders and members of their governing body, the sharing out of assets (whether the organisation is dissolved or not), or the admission of any new members or shareholders; or Transferring our assets to, or merging or amalgamating with, any other body, including a company set up by them.
- ii. FoSCT will inform WSC / DCLG immediately if any legal claims are made or threatened against them and/or which would adversely affect the project during the period of the grant (including any claims made against members of their governing body or staff concerning the organisation).

### 3.5 Monitoring

- i. FoSCT will ensure that they continue to attend regular Steering Group Meetings and provide information in a timely manner to allow WSC to comply with DCLG's Annual Monitoring requirements.
- ii. FoSCT will inform WSC immediately in writing of anything that significantly delays, threatens or makes unlikely the project's completion.
- iii. WSC will inform FoSCT immediately in writing if there is to be any variation to or decrease in the project outcomes.

### 3.6 Salaries

- i. As the Host Organisation for the **Steam Coast Trail Project Officer** - WSC will ensure that legally compliant employment policies and procedures are in place at all times. WSC policies will reflect the requirement of equalities in the recruitment and selection process and the need to ensure an appropriate balance of staff in the organisation.
- ii. WSC will advertise the vacancy externally, using appropriate media (including media that could attract disadvantaged groups). WSC will send SCT / DCLG (CCF) copy of the text of the advertisement within a reasonable time before such advertising, which will be in accordance with all current best practice and will acknowledge that CCF are the funder of the post.
- iii. WSC will maintain all main financial records including personnel and payroll records for staff funded by CCF for seven years after the grant has ended. WSC will complete all statutory returns for employees and make all relevant payments to cover their pensions and salary deductions, such as income tax and National Insurance contributions, these payments will have been budgeted for from the outset and will be ring-fenced from the Grant for that purpose.

### 3.7 Financial Accounting

- i. WSC will account for the SCT Project in a separate activity budget, with a discrete set of income and expenditure codes.

- ii. FoSCT will be required to also keep financial accounting records to enable them to manage overall project expenditure. It will be the responsibility of FoSCT to approve all expenditure prior to WSC arranging payment. FoSCT is required to nominate a named person for this role.

### 3.8 Length of Agreement

- i. These terms and conditions and the Agreement remain in force for whichever of these is the longest time: For one year following the payment of the last instalment of the grant. As long as any part of the grant remains unspent. The expiry of the maximum period required under the grant for asset monitoring. As long as FoSCT are in breach of any of the terms and conditions of the Agreement (this includes any outstanding reporting on grant expenditure or project delivery).
- ii. The terms and conditions outlined in Addendum One are additional.

### Addendum One

Additional Terms and Conditions for Capital Grants (Revised 8 August 2014) were included with the Offer Letter dated 26<sup>th</sup> January 2015 and therefore provide additional roles and responsibilities for the Partnership Agreement:

1. Where part of the capital grant is to buy or build, refurbish, extend or alter buildings or land ("capital assets"), then FoSCT understand that these standard terms and conditions will apply to the grant in addition to all other conditions required.
2. If any part of the capital grant is to buy land (whether freehold, heritable or leasehold land), FoSCT will provide when asked the following documents: confirmation by FoSCT's solicitors that all necessary consents for the use of the land for the purposes of the grant have been obtained.
3. If any part of the capital grant is to buy leasehold land, then FoSCT will ensure that the lease will be for the following minimum term of years:
  - For capital grant of up to and including £100,000: a lease of at least 5 years, without a break clause.
  - For capital grant of £100,001 or more but less than £350,000 a registered and assignable lease of at least 10 years, without a break clause.
  - For capital grant of between £350,000 and £5 million (inclusive): a registered and assignable lease of at least 20 years, without a break clause.
4. If all or part of the capital grant is to be used for any building work we understand and accept:
  - That WSC will keep 95% of the capital grant until FoSCT have provided in a satisfactory form:
    - evidence that they have received any necessary planning permission, listed building consent and building regulations consent (or other applicable consents or regulations) required for the building work; and
    - evidence that an EU-compliant competitive tender process has been undertaken with a minimum of three estimates received from three independent Companies. If FoSCT (or their agents) are to commission the building works under pre-tendered arrangements, FoSCT will provide evidence of the tender process undertaken to identify existing contractors;
  - That WSC will make payments in stages when upon receipt of builders' invoices or against interim certificates completed on the RIBA (Royal Institute of British Architects) or RIAS (The Royal Incorporation of Architects in Scotland) form or other appropriate invoices;
  - That FoSCT (or their agents) will keep 5% of the part of the grant for the building works until they receive the certificate of practical completion.

5. Where the capital grant is £100,001 or over and to be used for any construction work FoSCT (or their agents) understand and accept that:

- They will require confirmation (by way of a certificate of title, which they will supply) from their solicitors that they are the leasehold, freehold or heritable owner of the capital assets to which the grant relates and that the capital assets may be employed for the grant purpose;
- WSC will keep 95% of the capital grant until FoSCT (or their agents) have provided in a form which is completed to their satisfaction:
  - a copy of the tender review report. If FoSCT (or their agents) are to commission the building work under pre-tendered arrangements, we will provide you with evidence that demonstrates that costs have been market tested to confirm value for money;
  - an updated capital project cost summary, cash flow and programme; and
  - evidence that FoSCT (or their agents) have secured all the required partnership funding for the capital project;
- FoSCT (or their agents) must employ a lead professional to manage the tender process, which must comply with the EU procurement regime, and to certify that the construction works have been properly carried out;
- If structural work is necessary, FoSCT (or their agents) must employ a structural engineer;
- FoSCT (or their agents) will use building professionals that are fully qualified members of an approved professional body and have all necessary professional indemnity insurance cover; and
- If building works come under the Construction (Design and Management) Regulations, FoSCT (or their agents) will confirm that we have appointed a CDM-coordinator.

6. FoSCT (or their agents) understand that if they do not make payment claims for capital grant within three months of incurring the relevant capital expenditure, then there is a great risk that DCLG will proportionally reduce the capital grant in line with the actual capital expenditure incurred in the claim period.

7. FoSCT (or their agents) understand and accept that a five year asset-monitoring period will start from the date of purchase of the capital asset or the date of completion of the building work, whichever is the later.

## Addendum Two

### The grant offer (as stipulated by CCF)

The grant is to pay for capital costs to include: procurement of a piece of land from Crown Estates, survey fees, professional fees, and development of the route. Revenue costs would pay for salaries; marketing; travel and volunteer costs; and ongoing path maintenance.

Salary Costs: £48,000 (2 posts c. £25k)

Marketing Costs: £8,500 (leaflets and marketing)

	Capital	Revenue	Total
Year one	£557,150	£34,487	£591,637
Year two	£0	£45,413	£45,413

The figures above relate to Project Years (ie 12 months from the start of the project).

**Project outcomes, change indicators and timescales (as set out in Annex B of offer letter)**

<b>Project outcome one</b>	
<b>Outcome</b>	Coastal communities will experience regeneration and economic growth through projects that directly or indirectly create sustainable jobs and safeguard existing jobs
<b>Indicator one</b>	Deliver 2km of high quality multi-user path, opening up a 36km cycle trail
<b>Level</b>	NA
<b>Timescale</b>	Year one
<b>Indicator two</b>	Carry out marketing and promotion to attract 100,000 users in the first full year
<b>Level</b>	NA
<b>Timescale</b>	Year two
<b>Indicator three</b>	Carry out ongoing maintenance to ensure the continued use of the path
<b>Level</b>	NA
<b>Timescale</b>	End of project

# NEWSLETTER

January 2015

Dear Member

*Happy New Year and huge apologies for the late arrival of this newsletter, which was previously promised for the Autumn! It has now been a whole year since I took over the role of Secretary to the SBPT from Erica Adams and it has been a very busy year indeed. Erica has been a very hard act to follow and her help over the past year has been invaluable, I can't thank her enough for her ongoing support.*

*Highlights of 2014 have included the opening of Castle House by the Duke of Gloucester in April, a very enjoyable members' visit to Balsam House in Wincanton at the end of May, a visit to Lyng Court Farm and King Alfred's Monument at the end of August, the William Stansell Awards in September and the AGM held at Huntstile Farm, Goathurst followed by a visit to Halswell House.*

*On a sadder note one of our long standing trustees, Hermoine Hobhouse passed away last Autumn and Hilary Binding, a well known local historian who has provided assistance to the Trust in the past, passed away at the end of last year after a short illness. Both will be very missed.*

*The support of our members for the work the Trust carries out is very appreciated and, if you have not already re-joined for 2015, a membership renewal form is enclosed.*

*I am looking forward to an equally successful and busy 2015!*

Ann Manders

Trust Secretary

## **Membership Renewals**

A membership renewal is enclosed with this newsletter, many of you have already paid your renewal subscription by BACS, but some are still outstanding. If you have not yet renewed and wish to remain a member please return the form with your subscription to Ann Manders as soon as possible. Please also return the form if you have already renewed but wish to 'Gift Aid' your subscription or have a change of contact details.



SBPT Members Enjoying the Sunshine and Tea at Balsam House

## **Latest SBPT Projects**

The SBPT team are currently assisting with three important projects: we are working in partnership with the newly formed South West Heritage Trust to bring about a renovation of the Glastonbury Rural Life Museum, we are supporting South Somerset District Council in the aims to find a future use and restoration solution for the Old Court House buildings at Chard and we are supporting the new owner of Halswell House in Goathurst with the restoration of the house and parkland. Full reports on each project of these projects are included in this newsletter. The project to help restore the Bishop's Barn in Wells has been placed on hold until a decision about the re-structuring of the current management trust has been made.

### Hermione Hobhouse

Hermione became a member of the SBPT Board in 1991 and was Vice Chairman for many years, retiring in 2013. She was extremely well known as an architectural historian, was a member of the Royal Commission on Historic Monuments, Chairman of the Royal Albert Hall Fabrics Committee and for a number of years ran the Victorian Society. A highly regarded author, Hermione wrote extensively on her knowledge of eminent Victorians and historic buildings. Particularly well known was her biography of Prince Albert, His Life and Work: Thomas Cubitt; Crystal Palace and the Great Exhibition. Hermione was always a very enlightening presence on the SBPT Board and her practical contributions were very well received. Coming from a noted Somerset family her interest in Somerset and its historic built heritage was of great importance to her. She will be sadly missed by everyone.



### Halswell House and Parkland Restoration

During October, following our AGM, members were treated to a visit to Halswell House, now under the new ownership of Edward Strachan. During the 1990s the SBPT restored two key buildings at Halswell, the Robin Hood Hut (now managed by the Landmark Trust) and the Temple of Harmony, now managed by the Halswell Park Trust. Since that time the SBPT and HPT have been negotiating with various owners of the area known as Mill Wood which provides the setting for the Temple of Harmony to try and achieve solution to the declining historic environment. Over recent years our Secretary, Ann Manders had been a key campaigner for action which would lead to the restoration of both the structures and woodland at Mill Wood. During 2014 this area was purchased by Edward Strachan who invited Ann to join his restoration team on behalf of the SBPT. Financed by Edward, work on the restoration began last Autumn with the planting of 150 trees. This year's work will include archaeological investigations, structural surveys and listed building consents, the team plan to plant in excess of another 1000 trees and to bring about the restoration of the Bath Stone Ornamental Bridge (currently on the HE 'At Risk' register. Exciting times indeed!

The Temple of Harmony is open to the public on Sunday afternoons from Easter to October (see their website: [www.halswellparktrust.org.uk](http://www.halswellparktrust.org.uk)), and Mill Wood will be open on selected occasions. Dates to follow.

### The Angel Awards recognise SBPT's Castle House Achievement

The Angel Awards were the brain child of Andrew Lloyd Webber to reward the efforts of local people in saving their heritage. With Historic England providing match funding with that generously given by Andrew Lloyd Webber the Angel Awards were introduced in 2011.

The SBPT's superb Castle House, Taunton project was submitted for the 2014 awards and we were delighted to receive a Certificate of Commendation.

At the 2014 AGM, Ralph Clark, President of SBPT, presented the Certificate to Mike Foden who masterminded and project managed the Castle House restoration whilst he was Chairman of SBPT.

### The Buildings of England. Somerset. Julian Orbach and Nikolaus Pevsner

Many of our members will re-call that Julian Orbach gave a presentation at the 2013 SBPT AGM. His revised Pevsner guide to the buildings of Somerset: South and West was published in November 2014 by Yale University Press as a companion to Somerset: North and Bristol by Andrew Foyle and Nikolaus Pevsner published in 2011. This expertly revised and enlarged survey is the perfect companion to our beautiful region and is available from all good bookshops.

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**WILLIAM STANSELL  
SOMERSET HISTORIC BUILDING AWARDS 2014**

During 2014 the SBPT once again hosted the bi-annual William Stansell Somerset Historic Building Awards, the winners were announced at a special ceremony at Castle House, Taunton during September. The panel of judges was headed by architect Paul Richold, of Architecton in Bristol and included Patrick Brown a SBPT Trustee and a retired conservation architect who was an Inspector of Historic Buildings for English Heritage.

The Awards are named after the late William Stansell, founder and Chairman of the Stansell Group. His great love was the conservation and repair of historic buildings. The main sponsor is Tauntfield Ltd (the Stansell family company) and the Awards were presented by Chris Winter, director of Summerfield Developments (SW) Ltd

**AWARD WINNERS 2014**

**Repair to medieval house - Court Farm, Preywater Road, Wookey.**

Entrant and architects: Harrison Brooks, 15 Portway Frome Tel: 01373 474398

**Tower restoration - St Michael's Church, North Lane, Othery.**

Entrant and architects: Beech Tyldesley, Heritage Courtyard, 17D Sadler Street, Wells. Tel: 01749 673565

**New build in a conservation area - Ferrum House, 23 Quaperlake Street, Bruton**

Entrant: Andrew Pennock, Ferrum House

**Repair and renovation - Durslade Farmhouse, Dropping Lane, Bruton**

Entrant: Hauser and Wirth Somerset, 23 Savile Row, London Tel: 01749 814068

**COMMENDATIONS 2014**

**Housing scheme incorporating part of the old building - former Wells and District Hospital (The Mews) 1-15, The Mews, Bath Road, Wells.**

Entrant and architects: David Brain Partnership, Ralph Allen's Townhouse, 2 Church Street, Bath. Tel: 01225 445055

**House restoration - 41 Swain Street, Watchet.**

Entrant and architects: Paul Upton, Friar Barton, Over Stowey, Bridgwater. Tel : 01278 734630

**Refurbishment of Priory Barn - Somerset Cricket Museum, 7 Priory Ave, Taunton.**

Entrant and architects: Stone and Partners, Saxum House, 4 Billetfield, Taunton Tel: 01823 337211

**Creation of small chapel inside church - St Peter and All Hallows Church, West Huntspill, Bridgwater.**

Entrant and architects: Annie Evans, Sowdens Fiddington Bridgwater Tel: 01278 732339

Our next event will be a presentation about the 2014 William Stansell entries by judge Paul Richold from Architecton and Russell Lillford the SBPT Chairman. This will be held on the afternoon of Thursday 12 March (booking form enclosed) and it is hoped to follow this up with visits to some of the winning schemes during the summer. More details to follow.

### Somerset Rural Life Museum

The SBPT are working in partnership with the newly formed South West Heritage Trust and Somerset County Council to bring about a complete renovation of the Somerset Rural Life Museum in Glastonbury with Russell Lillford chairing the project board. The SBPT have taken a lease on the building which will pass to the Heritage Trust on completion of the works. SBPT have been awarded approximately £750,000 from Viridor Credits toward a £2.3 million project. Other significant funding is being provided by the Heritage Lottery Fund, Somerset County Council, Garfield Weston, the Fairfield Trust, the Friends of the Rural Life Museum, the National Trust and private individuals.

Ken Biggs Contractors Ltd have been appointed main build contractors, a company with an excellent track record for delivering successful conservation projects in the South West, including the visitor centres at Tyntesfield and Wells Cathedral, and new facilities at the American Museum near Bath.

Work started just before Christmas and is progressing well, more details can be found on the Rural Life Museum website at [www.somerset rurallifemuseum.org.uk](http://www.somerset rurallifemuseum.org.uk).

#### The Alfred Jewel

Earlier this year members enjoyed a visit to West Lyng Tithe Barn followed by a trip to King Alfred's Monument. We were all treated to a very informative presentation by Amanda Watmore who had been taken on the role of restoration architect for the barn and from Bob Croft, County Archaeologist. Following on from this visit it has recently been announced that the Alfred Jewel one of the most celebrated treasures from Anglo-Saxon England, is returning to Somerset for the first time in nearly 300 years.

The South West Heritage Trust has announced that, through the kindness of the Ashmolean Museum, University of Oxford, the Jewel will be displayed at the Museum of Somerset in Taunton during the month of February.

The Jewel, which dates from the late 9th century, was found near North Petherton church in 1693. It is lavishly made of gold, enamel and rock crystal and includes the image of a seated figure. It also bears a famous inscription which translates as 'Alfred ordered me to be made'.

It has long been assumed that King Alfred the Great commissioned the Jewel, and that it may have been his gift to the abbey at Athelney which he founded in thanksgiving for his defeat of the Vikings in 878.

For more information please visit:

[www.museumofsomerset.org.uk/2015/01/16/the-alfred-jewel](http://www.museumofsomerset.org.uk/2015/01/16/the-alfred-jewel) or telephone: 01823 255088

#### **No.9 Fore Street, Chard**

Nos. 7-11 Fore Street are a group of Grade I listed buildings in the main street of Chard. They stand opposite the Guildhall in the centre of the Town and date from the 1570's, following rebuilding after a fire. Whilst medieval traces of the earlier buildings survive the most significant structure is the so-called Court Room. This splendid building of c.1630 stands at the rear of No.9 Fore Street and is approach via a courtyard and passageway. The single first room lit by ten-light transomed windows to front and back, measures approx. 9 metres by 6 metres and has a complete scheme of naive and charming decorated plasterwork, to the barrel vault, tympana, frieze and overmantel. The east tympanum has two figures (Justice and Wisdom) between three scenes of the Judgement of Solomon, Shedrach, Meshack and Abednego in the Fiery Furnace, and Daniel in the Lions' Den.

At the request of South Somerset District Council, the Trust has joined with Historic England in a project to secure the future of these important historic buildings included on the *Buildings at Risk Register*. Detailed historical and structural surveys have been carried out by consultants over the winter and will now be followed by an options appraisal identifying possible ways and means of taking the project forward. For its part, the Trust is particular concerned about the Court Room and is keen to bring this small building into a state that will permit regular public access, use and enjoyment.