

WEST SOMERSET DISTRICT COUNCIL

Meeting to be held on Wednesday 23 July 2014 at 4.30 pm

Council Chamber, Williton

AGENDA

1. Apologies for Absence

2. Minutes

Minutes of the Meeting of Annual Council held on 18 June 2014 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. Tobacco Declaration

To consider Report No. WSC 112/14 to be presented by Councillor K H Turner, Lead Member for Housing, Health and Wellbeing – **SEE ATTACHED.**

The purpose of the report is to outline the issues relating to tobacco, health and wellbeing, to recommend that Council signs the Tobacco Declaration and to consider the possible actions the Council could deliver.

7. Supplementary Budget Allocations 2014/15

To consider Report No. WSC 111/14 to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to request approval of the Council for two supplementary budget allocations for the 2014/15 Revenue Budget.

8. Joint Independent Panel on Members' Remuneration

To consider Report No. WSC 106/14 to be presented by Councillor S J Pugsley, Lead Member for Executive Support and Democracy – **SEE ATTACHED.**

The purpose of the report is to seek approval for a proposal to expand the membership of the Joint Independent Remuneration Panel to include Mendip District Council.

9. Southwest Audit Partnership Governance Arrangements

To consider Report No. WSC 107/14 to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to propose a change to the West Somerset Council "Director" to the Southwest Audit Partnership (SWAP) to reflect the responsibilities of the new Joint Management Team (JMT).

10. Allocation of HPC Section 106 Tourism Information Funds

To consider Report No. WSC 108/14 to be presented by Councillor K M Mills, Lead Member for Economic Regeneration and Tourism – **SEE ATTACHED.**

The purpose of the report is to consult with Council on a suggested approach for the allocation of the HPC S106 Phase 2 (Part 1) Visitor Information funds.

11. Annual Treasury Management Review 2013/14

To consider Report No. WSC 110/14 to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to review the treasury management activity and the performance against the Prudential Indicators for the 2013/14 financial year as prescribed by the revised CIPFA Code of Practice and in accordance with the Council's Treasury Management Strategy and Annual Investment Policy.

12. Member Reporting on Membership of Outside Body for Information

- Somerset Passenger (Public) Transport Forum by Councillor A Trollope-Bellew – **SEE ATTACHED.**
- Quantock Hills Joint Advisory Committee by Councillor G S Dowding – **SEE ATTACHED.**
- Exmoor Tourism Partnership by Councillor K Mills – **SEE ATTACHED.**
- Local Action for Rural Communities by Councillor K Mills – **SEE ATTACHED.**
- Into Somerset (Inward Investment) by Councillor K Mills – **SEE ATTACHED.**

13. Minutes and Notes for Information

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

- Draft notes of the Minehead Area Panel held on 11 June 2014
<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Minehead-Area-Panel/Minehead-Area-Panel---11-June-2014.aspx>

14. Approval of Redundancies

To consider Report No. WSC 109/14 to be presented by Councillor T Taylor, Leader of Council and Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to request Council to approve the redundancies of the Revenues, Benefits and Debt Recovery Manager (WSC) with effect from 31 July 2014 and the Planning Policy Lead (TDBC) with effect from 28 February 2015. The necessary financial approvals are already in place via the Business Case for Joint Management and Shared Services. This request for Full Council approval is a separate requirement of the Council's HR policies.

The report makes reference to confidential appendices and should Council wish to discuss this part of the report it will be necessary to consider excluding the press and public in accordance with Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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

RISK SCORING MATRIX

Report writers score risks in reports uses the scoring matrix below

Risk Scoring Matrix

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

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

- 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 COUNCIL**Minutes of the Meeting held on 18 June 2014 at 4.30 pm****in the Council Chamber, Williton****Present:**

Councillor G S Dowding Chairman
Councillor B Heywood Vice-Chairman

Councillor A Chick	Councillor H J W Davies
Councillor M O A Dewdney	Councillor J Freeman
Councillor P N Grierson	Councillor A P Hadley
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 K J 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:

Director of Operations (S Adam)
Assistant Chief Executive (B Lang)
Director – Housing and Communities (J Barraah)
HR Consultant (M Griffin)
Assistant Director – Housing and Community Development (S Lewis)
Assistant Director – Business Development (I Timms)
Meeting Administrator (K Kowalewska)

Also in Attendance:

Matt Ballard, Somerset County Council (Item 11)

C13 Appointment of Vice-Chairman

RESOLVED that Councillor B Heywood be appointed Vice-Chairman for the meeting.

C14 Apologies for Absence

Apologies for absence were received from Councillors M J Chilcott, S Y Goss, R P Lillis, I R Melhuish and A F Knight.

C15 Minutes

(Minutes of the meeting of Annual Council held on 14 May 2014 circulated with the Agenda.)

RESOLVED that the Minutes of the meeting of Annual Council held on 14 May 2014 be confirmed as a correct record.

C16 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:

Name	Minute No.	Member of	Action Taken
Cllr H J W Davies	All	SCC	Spoke and voted
Cllr P N Grierson	All	Alcombe	Spoke and voted
Cllr P H Murphy	All	Watchet	Spoke and voted
Cllr K J Ross	All	Dulverton	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

C17 Public Participation

Peter Grandfield and Mike Copleston spoke on Agenda Item 11 – Superfast Broadband Extension – Request for Match Funding.

C18 Chairman's Announcements

7 June 2014	Attended a service for the installation of the new Bishop of Bath and Wells at Wells Cathedral
14 June 2014	Attended the Somerset Schools' Folk Dance Festival in Wells

The Chairman announced that the Armed Forces Day ceremony would be held on Monday 23 June at 11.00 am at the Council Offices, Williton and hoped as many Members as possible would be able to attend.

C19 Core Members of Policy Advisory Groups (PAGs)

RESOLVED that for the 2014/15 municipal year, the core membership of Policy Advisory Groups (PAGs) be approved as follows:

Housing, Health & Wellbeing

*Councillor K H Turner
Councillor D J Westcott
Councillor A M Chick
Councillor B Heywood
Councillor A F Knight
Councillor L W Smith
Councillor A P Hadley
Councillor E May

Environment

*Councillor A H Trollope-Bellew
*Councillor C Morgan
Councillor G S Dowding
Councillor S Y Goss
Councillor J Freeman
Councillor I R Melhuish
Councillor E May
Councillor M A Smith
Councillor B Heywood
Councillor M O A Dewdney

Community and Customer

*Councillor D J Westcott
Councillor K H Turner
Councillor G S Dowding
Councillor K M Mills
Councillor A F Knight
Councillor L W Smith
Councillor I R Melhuish
Councillor E May
Councillor D J Sanders

Performance & Corporate Support

*Councillor T Taylor
*Councillor S J Pugsley
*Councillor K V Kravis
Councillor M J Chilcott
Councillor R P Lillis
Councillor M O A Dewdney
Councillor A H Trollope-Bellew
Councillor J Freeman
Councillor I R Melhuish
Councillor D D Ross
Councillor P H Murphy

Regeneration & Economic Growth

*Councillor K M Mills
Councillor R P Lillis
Councillor M O A Dewdney
Councillor S Y Goss
Councillor A M Chick
Councillor M J Chilcott
Councillor A P Hadley
Councillor K J Ross
Councillor E May
Councillor M A Smith
Councillor D D Ross
Councillor P N Grierson

Hinkley

Councillor C Morgan
Councillor M A Smith
Councillor T Taylor
Councillor I R Melhuish
Councillor K V Kravis
Councillor S Y Goss

C20 Member Reporting on Membership of Outside Body for information

(The following reports were circulated with the Agenda:

- Armed Forces Covenant Committee by Councillor G S Dowding
- Police and Crime Committee by Councillor G S Dowding
- Management Committee of Broadlands by Councillor P Grierson
- Somerset Play Forum and Somerset Rural Youth Project by Councillor E May)

The Chairman thanked those Councillors who had submitted reports.

RESOLVED that the reports on membership of outside bodies be noted.

C21 Dulverton Weir Repair Works

(Report No. WSC 85/14, circulated with the Agenda.)

The purpose of the report was to update on steps taken to secure a repair to the damaged Weir in Dulverton and to seek consent for a Capital contribution to initiate works. This report and the recommendations have previously been approved by Cabinet.

The report was presented by the Lead Member for Environment – General who outlined the details contained therein. He reiterated the Council had a legal obligation to maintain the Weir and to keep water running down the Leat and advised that the emergency work which had been carried out last year had now dispersed due to the severe winter weather conditions. He advised that there were other options to consider in order to address the problem and officers would investigate these, but in the meantime a temporary but robust repair was proposed to be undertaken.

The Lead Member proposed the recommendations of the report, which were duly seconded by Councillor E May.

Members congratulated the Director - Housing and Communities for his clear, concise and well written report and expressed support for the proposed repair work. Councillor K J Ross stated that it was essential that once the repairs had been carried out, the Weir be properly maintained thereafter.

RESOLVED (1) that the proposed temporary repair to the Weir be approved.

RESOLVED (2) that an increase to the 2014-15 Capital Programme by £20,000 to support the works be approved.

RESOLVED (3) that the standing orders be agreed to be waived and the Council's preferred contractor be appointed to undertake this work as a matter of urgency.

C22 Local Government Pension Scheme (LGPS) Discretions

(Report No. WSC 84/14, circulated with the Agenda.)

The purpose of the report was to set out some minor wording amendments to the current LGPS Discretions as suggested by the Pensions Manager at Peninsula Pensions; and to set out wording for two new discretions which arise as part of the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 and which need to be approved by 30 June 2015.

The Lead Member for Resources and Central Support presented the item and proposed the recommendations which were seconded by Councillor M O A Dewdney.

RESOLVED (1) that the minor wording amendments to the current discretions as set out in Appendix A to the report be approved.

RESOLVED (2) that the wording for the two new pension discretions as set out in Appendix B to the report be approved.

C23 WSC's Response to Somerset's Health and Wellbeing Strategy

(Report No. WSC 88/14, circulated with the Agenda.)

The purpose of the report was to seek approval for West Somerset Council's (WSC) response to Somerset Health and Wellbeing Strategy 2013-2018.

The report was presented in detail by the Lead Member for Housing, Health and Wellbeing who expressed a wish for health and wellbeing to be, in the future, one of the Council's corporate priorities as he felt that the Council had a vital role to play and a greater responsibility for health and wellbeing for residents in the district. He drew Members' attention to the Better Care Fund and highlighted that WSC was regularly working with local partnerships to make better use of resources.

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

Various questions and issues were then raised by Members on matters which included the underutilisation of Minehead Hospital; the importance of education and training on health and wellbeing within schools; understanding that there was a need for more resources but not at the cost of reducing acute services; and the future of Williton Hospital.

RESOLVED (1) that the WSC response to the Somerset Health and Wellbeing Strategy, as set out in Appendix A to the report, be approved.

RESOLVED (2) that it be agreed that the Joint Management Team adopt and monitor delivery of the Health and Wellbeing Action Plan.

RESOLVED (3) that future budget decisions in line with the delivery of the action plan be considered.

C24 Superfast Broadband Extension – Request for Match Funding

(Report No. WSC 86/14, circulated with the Agenda.)

The purpose of the report was to update Council on the proposal to extend the superfast broadband rollout project to increase the coverage in the district; and to outline the requirement for match funding and request that Council determine whether to agree in principle to commit £240,000 to secure the extended coverage.

The Lead Member for Regeneration and Economic Growth presented the report in detail, highlighting the following:

- The number of additional properties who would access superfast broadband as a result of the extension was approximately 2,410.

- The project was crucial, giving WSC access to significant match funding, and was also a new opportunity which would ensure the Council had a say in the new contract on how it best served the residents and businesses in the district.
- Recent studies have shown that the overall number of homeworkers has increased significantly and more than a quarter of workers in West Somerset work from home.
- The lack of superfast broadband was one of the key prohibitors to moving into the area.
- If, following the procurement process, the Council considered that the coverage did not provide value for money there would be an opportunity to withdraw from the scheme.

The Lead Member proposed the recommendations contained in the report which were duly seconded by Councillor M O A Dewdney.

There were differing views from Members about the proposal. A lengthy debate ensued and the following main points were raised:

- The Council did not have the capital resources available to support the project.
- The money should be spent on improving the quality of basic services within the district.
- West Somerset desperately needed superfast broadband and it was crucial to the district's future.
- It was reiterated that this was a brand new procurement exercise and not a further rollout of the Devon and Somerset Broadband project, and there would be opportunities to look at alternative technologies.
- Concern with the difficulties in acquiring future funding for the aspirational capital programme if all the Council's money was spent on this project.
- The Lead Member for Resources and Central Support stated that the decision had huge financial impacts and expressed concern about committing that amount of money, however she strongly felt that people of West Somerset could not be denied this opportunity.
- The Council was being penalised for being rural.
- Who would assess whether the Council was getting value for money.
- It was the duty of councils to invest in infrastructure and broadband.
- The report did not make it clear where the money would come from and what the implications would be of using capital receipts.
- The Chair of the Scrutiny Committee reported that the committee would want to look at the future of the capital programme in more detail to gain reassurance that value for money was being achieved.
- The project would improve a lot of people's lives.

The Assistant Director – Business Development reassured Members that the procurement would be supported by technical and financial experts and confirmed that a report would be presented to the Scrutiny Committee on how value for money was judged as part of the exercise.

On being put to the vote there were 17 votes for, 4 against and 1 abstention and the recommendations contained in the report were CARRIED.

RESOLVED (1) that, subject to the issues set out in the report, the sum of £240,000 for the SEP Broadband Project, underwritten by West Somerset Council in the following manner, be approved, pending the outcome of bids for external funding:

- £109,000 of unallocated capital resources, plus
- £131,000 from 2014/15 expected capital receipts. Should capital receipts not be forthcoming, then this will be funded from General Fund Reserves.

RESOLVED (2) that the Assistant Director Business Development be requested to urgently progress bids for external funding to cover the costs underwritten by West Somerset Council on the SEP Broadband project. An update report on progress would be shared with the Corporate Policy Advisory Group in six months.

RESOLVED (3) that the Assistant Director Business Development be nominated to be the Council's representative throughout the procurement process.

The meeting closed at 6.34 pm

Report Number: WSC 112/14
Presented by: Cllr Keith Turner
Author of the Report: Angela Summers, Community Liaison Manager
Contact Details:
Tel. No. Direct Line 01984 635 318
Email: asummers@westsomerset.gov.uk

Report to a Meeting of: Full Council
To be Held on: 23.7.14
Date Entered on Executive Forward Plan Or Agreement for Urgency Granted: 5.12.14

TOBACCO DECLARATION

1. PURPOSE OF REPORT

- 1.1 To outline the issues relating to tobacco, health and wellbeing.
- 1.2 To recommend that Council signs the Tobacco Declaration attached as Appendix A of this report.
- 1.3 To consider the possible actions the Council could deliver as outlined in Appendix B.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 None in respect of this report.

3. RECOMMENDATIONS

- 3.1 Members endorse the Health and Wellbeing Board recommendations;
- 3.2 The council signs the Local Government Declaration on Tobacco Control; and
- 3.3 The council supports the SCC request to the Pensions Committee to reconsider its investment policy in relation to the tobacco industry.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
Council fails to contribute to countywide approach on Health and Wellbeing especially the linked impacts of smoking. Any breach of Treaty obligations by the council would not be actionable in the English courts, but would be a matter for resolution through Treaty mechanisms by the Parties to the Treaty. The risk of action is very low, but would be potentially damaging to the reputation of the council and the UK. More likely is that civil society organisations would raise any breaches with central government, and the latter would seek assurances from the council to prevent any further breaches.	Possible (3)	Major (4)	Medium (12)

<i>Sign Declaration - Develop clear action plan to address all health concerns</i>	Possible (3)	Moderate (3)	Low (9)
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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 the mitigation measures have been actioned and after they have.

5. **BACKGROUND INFORMATION**

- 5.1 Smoking is the single greatest cause of premature death and disease in Somerset, and the single largest factor in health inequalities. It is also a major driver of poverty. The move of public health to local government presents an opportunity for local authorities to lead local action to tackle smoking, and to ensure that the tobacco industry is not able to influence local tobacco control policy.
- 5.2 **Impact:** Every year in England more than 80,000 people die from smoking related diseases. This is more than the combined total of the next six causes of preventable deaths, including alcohol and drugs misuse. Smoking accounts for one third of all deaths from respiratory disease, over one quarter of all deaths from cancer, and about one seventh of all deaths from heart disease. In 2011, there were 71 deaths caused by smoking, in West Somerset. On average a smoker loses 10 years of life. The earlier you stop, the less life you lose.
- 5.3 **Reducing smoking in our communities significantly increases household incomes and benefits the local economy.** The annual cost of smoking to the UK national economy has been estimated at £13.7 billion. A smoker consuming a pack of 20 cigarettes a day will spend around £2,500 a year on their habit. Based on 2009 prices, poorer smokers proportionately spend five times as much of their weekly household budget on smoking than do richer smokers. If poorer smokers quit they are more likely to spend the money they save in their local communities. At present, people in West Somerset spend £4 - £5 million a year on tobacco.
- 5.4 **Reducing smoking amongst the most disadvantaged in our communities is the single most important means of reducing health inequalities.** About half of all smokers in England work in routine and manual occupations. Workers in manual and routine jobs are twice as likely to smoke as those in managerial and professional roles. The poorer and more disadvantaged you are, the more likely you are to smoke and as a result to suffer smoking-related disease. Ill-health caused by smoking is therefore much more common amongst the poorest and most disadvantaged in society.
- 5.5 **Smoking is an addiction largely taken up by children and young people.** Two thirds of smokers start before the age of 18, and across the UK more than 200,000 children aged between 11 and 15 start to smoke every year, even though it is illegal to sell cigarettes to anyone below the age of 18. Two thirds of smokers say they began before they were legally old enough to buy cigarettes. Research shows that by the age of 20, four fifths of smokers regret they ever started. Growing up around smoke puts children at a major health disadvantage in life. Children exposed to tobacco smoke are at much greater risk of cot death, meningitis, lung infections and ear disease, resulting in around 10,000 hospital admissions each year.
- 5.6 **The smoking epidemic:** The tobacco industry needs to recruit 200,000 smokers a year in the UK to maintain current levels of consumption, replacing those smokers who have stopped or who have died from diseases related to their addiction. The great majority of these new smokers will be under 18 years old. Although tobacco advertising is now banned in the UK, the tobacco multinationals use packaging of their products to try to attract young people in general, with specific brands aimed at target groups such as young women.
- 5.7 **The illicit trade in tobacco funds the activities of organised criminal gangs and gives children access to cheap tobacco:** HM Revenue and Customs estimate that in 2010/11, the illicit market in cigarettes accounted for about 9% of the UK market, and the illicit market in hand-rolled tobacco accounted for about 38% of the UK market. The total amount of revenue lost to the Exchequer was estimated at £1.20 billion for cigarettes and £0.66 billion for hand-rolled tobacco. (All figures are mid-range estimates).

5.8 **Framework Convention on Tobacco Control**

- 5.8.1 The Framework Convention on Tobacco Control (FCTC) is the world's first public health treaty, negotiated through the World Health Organisation. It has been ratified by more than 170 countries, including the UK. Key provisions include support for: price and tax measures to reduce the demand for tobacco products; public protection from exposure to tobacco smoke; regulation of the contents of tobacco products; controlling tobacco advertising, promotion and sponsorship; measures to reduce tobacco dependence and promote cessation; tackle illicit trade in tobacco products; and end sales to children. Article 5.3 commits Parties to protecting their public health policies from the commercial and vested interests of the tobacco industry and the UK has explicitly committed to live up to this obligation in chapter 10 of the Tobacco Control Plan for England.
- 5.8.2 The FCTC is binding on all levels of Government, including local government. The national tobacco control plan aims to reduce smoking prevalence, in line with the FCTC commitment *"to reduce continually and substantially the prevalence of tobacco use."* Specifically, the national plan is to cut the number of smokers by 210,000 every year. Guidelines on compliance for the Parties to article 5.3 of the Convention include the following provisions:
- "Government institutions and their bodies should not have any financial interest in the tobacco industry.... Parties that do not have a state-owned tobacco industry should not invest in the tobacco industry and related ventures...."*
- 5.8.3 The Somerset County Pension Fund, administered by the County Council through the Pensions Committee, invests in tobacco companies as part of its portfolio of investments. Approximately 1.4% of the fund is currently invested directly in tobacco stocks, amounting to some £19.2m, producing around £800,000 per annum income.

Since the turn of the century there has been substantial investment in smoking cessation within the NHS, a service that is now commissioned by local authorities. Government has also invested heavily in mass media campaigns to both reduce uptake and encourage cessation. Currently Somerset spends about the equivalent of two packs of cigarettes per smoker in the county on tobacco control and smoking cessation. Return on investment calculations show this spending is highly cost-effective for the local economy.

The Health and Social Care Act 2012, which transferred public health duties to local authorities includes this wording:

"Each local authority must take such steps as it considers appropriate for improving the health of the people in its area."

The Health and Wellbeing Board, at its meeting on 26th September 2013, agreed that it is appropriate for improving public health in Somerset to divest from tobacco, and to ask SCC Full Council to request the Pensions Committee to reconsider its investment policy accordingly. The Board also asked the District Councils to seek a review of the investment policy. The authority has no share investments in the tobacco industry.

5.9 **Local Government Declaration on Tobacco Control**

- 5.9.1 The Local Government Declaration on Tobacco Control (Appendix A) is a response to the enormous and on-going damage smoking does to our communities. It is a commitment to take action and a statement about a local authority's dedication to protecting local communities from the harm caused by smoking.
- 5.9.2 Further, it is an opportunity for local leadership. The best way to tackle smoking is through a comprehensive approach working with all partners. The Local Government Declaration on Tobacco Control can be a catalyst for local action showing the way for partners both inside and outside the local councils.
- 5.9.3 This is a cross-party Declaration built on the same principles as the Nottingham Declaration on Climate Change which is now endorsed by over 300 councils across the country. Below are some of the councils who have signed the declaration:

Somerset County Council	Newcastle City Council
Taunton Deane Borough Council	Salford City Council
Sedgemoor District Council	Warwickshire County Council
Mendip District Council	Hartlepool Borough Council
South Somerset District Council	St Helens Metropolitan Borough Council
Devon County Council	Liverpool City Council
Bath and North East Somerset Council	Swindon Borough Council
Bristol City Council	Manchester City Council

- 5.9.4 There is strong cross party consensus on tobacco control with every major party signed up to a comprehensive approach to reduce smoking. Everything contained in the Declaration has previously been committed to at a national level by all political parties. The Declaration is also strongly supported by the wider public health community including The Trading Standards Association, Chartered Institute of Environmental Health and the Association of Directors of Public Health as well as Public Health England, the Public Health Minister and the Chief Medical Officer.
- 5.9.5 The FCTC is binding on local government, so strictly speaking there is no need for Full Council to explicitly sign up to the Declaration which makes that commitment explicit. This option was rejected because the binding commitments are little known within local government. Signing the Declaration and the actions outlined in Appendix B will raise awareness and thus limit the likelihood of West Somerset Council breaching UK Treaty obligations. Signing the Declaration will also show strong leadership on a key public health issue in the county.
- 5.9.6 The Pensions Committee has considered tobacco investments in the past, but not in the context of FCTC obligations. Given the conflicting objectives involved, it would be perverse not to ask the Pensions Committee to review its position in the light of the Council signing the Declaration.
- 5.9.7 **It is also necessary to protect local policy from the tobacco industry.** Tobacco companies have a long record of attempting to influence council policies. In England they have:
- Sponsored schools and museums.
 - Paid for industry branded smoking shelters on council property.
 - Provided staff and funding and sniffer dogs for joint work on illicit tobacco. These campaigns have focussed on counterfeit and "cheap white" brands rather than main stream branded products sold without tax.
 - Worked through front campaigns such as "Love where you live". Supporting environmental campaigns is a great strategy for companies that produce a large

proportion of street litter. It has also been a way of distributing industry branded giveaways such as portable ash trays.

- Used subsidiaries to arrange meetings with members and officers on local harm reduction policies.

None of the aforementioned applies to West Somerset Council.

When they cannot divert local policies in their favour they will seek to delay and dilute their implementation. Previously secret industry papers released in court talk of “*throwing sand in the gears*” of health policy. Under the World Health Organisation Framework Convention on Tobacco Control, countries have pledged to protect health policy from the commercial interests of the tobacco industry. Local authorities are also subject to this treaty, but policies on how to ensure local compliance are rare. By signing the Declaration councils are reinforcing their existing obligations and sending a message that they will protect policies from tobacco industry lobbying.

The Assistant Director for Housing and Community Development sought reassurances from the Director of Public Health at SCC and from the SCC Smoking Public Health Specialist, both of whom were clear that the council would not have onerous responsibilities arising from signing the declaration. It is a statement of intent, and can be largely delivered by working with other partners through the Alliance. Specifically little will be required in terms of additional officer time or cash resources than that already invested through partnership by the Council.

6. **FINANCIAL/RESOURCE IMPLICATIONS**

6.1 The resource implications relate to working with the Health and Wellbeing Board and identifying any specific actions that are required as a result of signing the Declaration.

6.2 A draft West Somerset Action Plan for health inequalities and tackling smoking prevalence has been produced, see Appendix B. This outlines how WSC directly supports the declaration and outlines further actions that we could take to do more. WSC has undertaken an audit of how the Council contributes to all of the Somerset Health and Wellbeing Strategy priorities. Part of this work has identified and mapped out the partnerships and networks already promoting health within the district. The next steps will involve be to determine the best way that officers can engage with these to further the health agenda, including the smoke-free message.

6.3 Most of the work taking place in West Somerset happens under the auspices of the Somerset Smokefree Alliance of which WSC is a member.

6.4 The County Council administers the pension fund on behalf of all the member employers, so the Pension Committee is quasi-autonomous. Following SCC Council recommendation to support the declaration, the Pensions Committee will seek both professional and legal advice before taking any decision to divest. It is important to note that any decision to divest would not result in the loss of £800,000 of income to the SCC pension fund, but the marginal difference, if any, between dividends from tobacco and other investments.

7. **SECTION 151 OFFICER COMMENTS**

7.1 As the council is a key organisation with regard to tackling health and wellbeing signing this non statutory Declaration action does commit the Council to action.

7.2 There appear currently to be no significant resource implications. However, Cabinet and Council will need to ensure that in setting the 2015/16 budget and associated service plans that this Declaration is taken into account.

8. **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

- 8.1 There is no negative equalities impact from signing the declaration. There will be a positive impact for people in communities who either stop or reduce smoking as a result of actions taken by WSC and other parties to the agreement in Somerset. Statistics indicate that smoking prevalence is relatively high for people with severe mental illness, lower socio-economic groups, lesbian, gay, bisexual and transgender people and younger adults.

9. **CRIME AND DISORDER IMPLICATIONS**

- 9.1 There are some links to tobacco smuggling and avoidance of tax that relate to this objective but these are wider implications for the community as a whole. There is no clear link to specific issues in West Somerset.

10. **CONSULTATION IMPLICATIONS**

- 10.1 The Housing and Environmental Health PAG considered the Declaration and recommended that the Lead Member should take it forwards to Cabinet and Council for signing.
- 10.2 Following the outcome from Cabinet, it was agreed to take this report to Community PAG to discuss possible Council actions before progressing to full council.
- 10.3 At the June 2014 Community PAG meeting, members were informed that the proposed signing of the declaration had been included in the WSC response to the Somerset Health & Wellbeing Strategy as one of the actions. It was suggested that if the WSC response to the H&WB Strategy was supported, the Tobacco Declaration Report should be presented at a future Full Council meeting.

11. **ASSET MANAGEMENT IMPLICATIONS**

- 11.1 In signing the Declaration there will be indirect links regarding potential new signage in the authority's play areas.

12. **ENVIRONMENTAL IMPACT IMPLICATIONS**

- 12.1 The main implications relate to the wider impacts of smoking on the built environment.

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 Actions from this report propose to meet the requirements outlined in the Council's response to the Somerset Health & Wellbeing Strategy. This includes the Council undertaking appropriate partnership engagement with others, including West Somerset Health Forum, GP Practices, and the GP Federation to allow the Council to improve its support and delivery against health and wellbeing objectives and be able to commit to signing the Local Government Declaration on Tobacco.

14. **LEGAL IMPLICATIONS**

- 14.1 The signing of this Declaration is voluntary so any implications flow from any decision that Council may make to sign up to it.
- 14.2 Guidelines have been agreed which (while not binding in themselves) reflect the signing parties consolidated views of how best to implement the FCTC. The guidelines draw on evidence and the practical experience of the Parties in handling tobacco industry tactics, and aim to ensure that efforts to protect tobacco control from the commercial and other vested interests of the tobacco industry are comprehensive and effective.
- 14.3 All Parties to the FCTC, including the UK, agreed the text of the guidelines through consensus and that they should be implemented by all relevant branches of government. The agreed position is set out in paragraph 10 which states –

“The guidelines are applicable to government officials, representatives and employees of any national, state, municipal, local or other public or semi/quasi-public institution or body within the jurisdiction of a Party, and to any person acting on their behalf. Any government branch (executive, legislative and judiciary) responsible for setting and implementing tobacco control policies and for protecting those policies against tobacco industry interests should be accountable.”

- 14.4 The guidelines to the FCTC can be found through the following link:
http://www.who.int/fctc/text_download/en/index.html
- 14.5 Councils which sign up to the Declaration are committing to taking action on smoking, and will develop plans in partnership to reduce smoking prevalence, monitor progress and publish the results. They will also need to take steps to counter the influence exerted by the tobacco industry. This will require reviews of any relevant work programmes in which the tobacco industry has an involvement, such as the Keep Britain Tidy Group's 'Love Where You Live' campaign, sponsored by Imperial Tobacco, and any involvement with the tobacco industry by Trading Standards in relation to the illegal trade, as well as ensuring there are safeguards against direct or indirect tobacco company influence through lobbying or other means. These reviews will be undertaken by the Health and Wellbeing Board.

Local Government Declaration¹⁷ on Tobacco Control

We acknowledge that:

- Smoking is the single greatest cause of premature death and disease in our communities;
- Reducing smoking in our communities significantly increases household incomes and benefits the local economy;
- Reducing smoking amongst the most disadvantaged in our communities is the single most important means of reducing health inequalities;
- Smoking is an addiction largely taken up by children and young people, two thirds of smokers start before the age of 18;
- Smoking is an epidemic created and sustained by the tobacco industry, which promotes uptake of smoking to replace the 80,000 people its products kill in England every year; and
- The illicit trade in tobacco funds the activities of organised criminal gangs and gives children access to cheap tobacco.

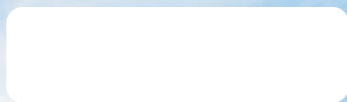
As local leaders in public health we welcome the:

- Opportunity for local government to lead local action to tackle smoking and secure the health, welfare, social, economic and environmental benefits that come from reducing smoking prevalence;
- Commitment by the government to live up to its obligations as a party to the World Health Organization’s Framework Convention on Tobacco Control (FCTC) and in particular to protect the development of public health policy from the vested interests of the tobacco industry; and
- Endorsement of this declaration by the Department of Health, Public Health England and professional bodies.

We commit our Council from this dateto:

- Act at a local level to reduce smoking prevalence and health inequalities and to raise the profile of the harm caused by smoking to our communities;
- Develop plans with our partners and local communities to address the causes and impacts of tobacco use;
- Participate in local and regional networks for support;
- Support the government in taking action at national level to help local authorities reduce smoking prevalence and health inequalities in our communities;
- Protect our tobacco control work from the commercial and vested interests of the tobacco industry by not accepting any partnerships, payments, gifts and services, monetary or in kind or research funding offered by the tobacco industry to officials or employees;
- Monitor the progress of our plans against our commitments and publish the results; and
- Publicly declare our commitment to reducing smoking in our communities by joining the Smokefree Action Coalition, the alliance of organisations working to reduce the harm caused by tobacco.

Signatories



Leader of Council



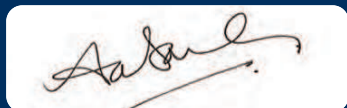
Chief Executive



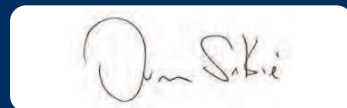
Director of Public Health

Endorsed by

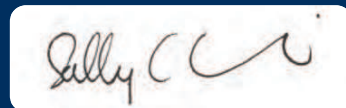
Anna Soubry, Public Health Minister, Department of Health



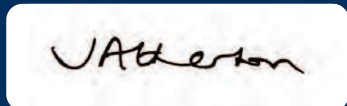
Duncan Selbie, Chief Executive, Public Health England



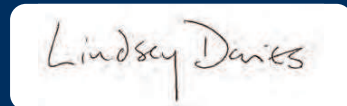
Professor Dame Sally Davies, Chief Medical Officer, Department of Health



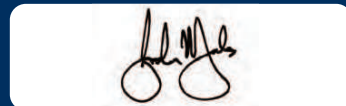
Dr Janet Atherton, President, Association of Directors of Public Health



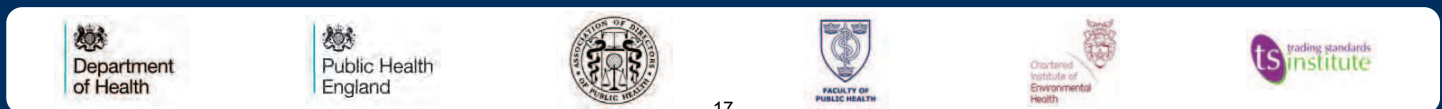
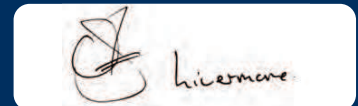
Dr Lindsey Davies, President, UK Faculty of Public Health



Graham Jukes, Chief Executive, Chartered Institute of Environmental Health




Leon Livermore, Chief Executive, Trading Standards Institute



APPENDIX B

Outlined below are possible actions which the council could take in West Somerset. An update on progress would be produced annually and presented to the Somerset Smokefree Alliance.

	Activity	Possible WSC Action
1	<p>Smokefree Play Areas - Funding is currently available to cover the cost of the signs and £510 towards installation to implement smokefree play parks. The scheme has been successfully piloted and evaluated in Sedgemoor, and is now being rolled out across the county. Smokefree play parks signage designed by children:</p>  <p>Visitors to the Smokefree Play Parks in Sedgemoor were surveyed and the results were:</p> <p>67% of those visiting the play park stated that the signs had a positive effect in stopping or reducing smoking in the play park 40% of those who smoked, stated the signs had made them stop or reduce their smoking in the play park 51% stated the play park was now a better place to play than a year ago, with only 1% stating that it is a worse place to play than a year ago.</p>	<p>Implement signage in our ten play areas:</p> <ul style="list-style-type: none"> • Teal Road, Minehead • Plover Close, Minehead • Sycamore Road, Minehead • Warren Road, Minehead • Whitworth Road, Minehead • Kingsland, Watchet • Courtlands Close, Watchet (possible had over to WTC) • Woodland Road, Watchet • Townsend, Williton • Burgage Road, Stogursey (leased to SPC)
2	<p>Somerset NHS Stop Smoking Service – Jonathan Chetham is the dedicated specialist practitioner for West Somerset. Projects include:</p> <ul style="list-style-type: none"> • Working with GP surgeries and pharmacies in the district to promote services to help people stop smoking. GPs are able to refer patients to: <ul style="list-style-type: none"> ○ Trained advisors ○ Products and aids to help stop smoking ○ Fortnightly support service on Wednesdays - Minehead Hospital, TA24 5LY - Bookable half hour appointments between 2-4pm ○ a national helpline • Annual poster campaign for pharmacies, surgeries, libraries, schools, buses. <p>http://www.somersetstopsmoking.nhs.uk/</p>	<p>Promote this service in our 'Community Matters' newsletter and our web site.</p>
3	<p>Somerset Smokefree Alliance: The Alliance consists of representatives from SCC (Public Health and Trading Standards, the Somerset Partnership NHS Foundation Trust, Yeovil and Taunton NHS Foundation Trusts, District Council Environmental</p>	<p>Promote future funding in our 'Community Matters' newsletter and our web site.</p>

	Health Departments, the Devon and Somerset Fire and Rescue Service, Somerset College and Yarlington Housing Group. Somerset Community Foundation is administering the Smokefree Alliance Grants Programme which is offering funding to organisations who want to deliver projects which help young people and pregnant women to stop smoking. For more information, please visit: http://www.somersetcf.org.uk/index.php?page=somerset-smokefree-guidelines Whilst the closing date for this scheme was 14 th February 2014, there could be potential action around future schemes.	
4	Facts: In the UK, lung cancer is the biggest cause of cancer death in women claiming around 16,000 lives a year compared with 12,000 from breast cancer. About 90% of lung cancer is caused by smoking. For help with quitting please call 0303 033 9840.	Develop a dedicated page on our web site endorsing this message with a link to the Somerset NHS Stop Smoking Service (see 2 above). External link: http://www.smokefreesouthwest.org.uk/
5	Training: Frontline staff, especially, housing and benefit staff regarding possible intervention and referral for both stopping smoking and smokefree homes: http://www.ncsct.co.uk/publication_secondhand-smoke-training-module.php	Smokefree Homes: On line training 30 minute module about helping people to stop smoking in their homes.
6	Smoking Policy Review	WSC's policy was reviewed in April 2013. If members decide to sign the declaration and agree the actions outlined above, the policy will need to have play signage added and a review of distance from our buildings for smokers.
Already happening in West Somerset		
WSC Environment Health		
Enforce the Smokefree legislation which came into force on 1 st July 2007 as part of the Health Act 2006.		
<ul style="list-style-type: none"> • They issue warnings and offer guidance before imposing fixed penalty notices, where people are smoking in enclosed public places. • The Team provides advice on our web site: http://www.westsomersetonline.gov.uk/Environment/Environmental-Health/Smokefree-Somerset • Reactive service to complaints about people smoking in public places and work vehicles. • Carry out checks on shelters and signage when visiting premises. • Team receive quarterly updates from Alistair Bell at SSDC (district rep who sits on the Alliance). 		

Report Number: WSC 111/14
Presented by: Cllr K V Kravis, Lead Member for Resources
Author of the Report: Paul Fitzgerald, Assistant Director Resources
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Report to a Meeting of: Council
To be Held on: 23 July 2014

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

SUPPLEMENTARY BUDGET ALLOCATIONS 2014/15

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to request approval of the Council for two supplementary budget allocations for the 2014/15 Revenue Budget.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The request is linked to the Council's 'Local Democracy' priority in terms of investment in improving open spaces provision in the area and reducing flood risks.

3. RECOMMENDATIONS

- 3.1 That Council approves Supplementary Budget allocations of £5,500 for improvements to Blenheim Gardens and £10,000 for sand clearance from drains and gulleys on the seafront in Minehead, making use of 2013/14 budget underspend.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
Flood risk...			

- 4.1 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 the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

- 5.1 As part of the financial outturn information provided to Scrutiny on 10 July 2014, details of a net budget underspend for 2013/14 of £102,000 has been reported.

- 5.2 The financial outturn includes details of the Council's reserves position, which shows that the projected reserves balance in 2014/15 is £670,758. This is above the current recommended minimum balance of £500,000.

6. SUPPLEMENTARY BUDGET APPROVALS

- 6.1 In view of the net underspend in 2013/14, Cabinet Members have proposed two additions to the Budget in 2014/15. These are:
- 6.2 £5,500 to invest in making Blenheim Gardens a magnet for residents and visitors by clearing overgrown spots and making the most of the flowers, shrubs and trees. Blenheim Gardens is West Somerset's flagship park and covers six acres in the centre of Minehead. Created in the 1920s, the gardens are mature with spring and summer bedding displays, a wide range of trees, shrubs and perennials that thrive in the mild maritime climate. The gardens also has its own bandstand for summer concerts and brass bands – always a family favourite – as well as a seasonal putting course, a Burma Star Memorial Garden and seating.
- 6.3 £10,000 to provide additional funds for clearance of sand from the surface water drainage gulleys on Minehead seafront. This work has not been undertaken for some years and will complement the more frequent surface sand clearance that is undertaken by the Council (and other partners) on a regular basis. The work will require specialist equipment, however a contractor has been identified and has quoted rates for the tasks. It is anticipated that the work can be completed quickly to improve the amenity of the area for future planned summer events.
- 6.4 The works for Blenheim Gardens have already commenced, effectively as a 'first call' on existing maintenance budget for 2014/15. However, the request for additional funding will mean that other planned maintenance of open spaces can still be delivered in addition to the improvements to Blenheim Gardens.
- 6.5 These proposals were considered and supported by Scrutiny Committee on 10 July 2014.

7. FINANCIAL/RESOURCE IMPLICATIONS

- 7.1 Contained within the body of the report.

8. COMMENTS ON BEHALF OF SECTION 151 OFFICER

- 8.1 The allocation of £15,500 from Reserves, effectively funded from 2013/14 underspend, to support one-off spending is affordable. Reserves will remain above the current recommended minimum balance, and the spending will be one-off in nature rather than create an ongoing budget pressure.

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 None directly in this report.

10. CRIME AND DISORDER IMPLICATIONS

10.1 None directly in this report.

11. CONSULTATION IMPLICATIONS

11.1 None directly in this report.

12. ASSET MANAGEMENT IMPLICATIONS

12.1 The additional resources being placed into Blenheim Gardens will improve the appearance of the gardens, there is a need to look at the way in which this area is managed going forward as this is only a one of piece of work.

12.2 A longer term strategy of maintaining these drains and sand control more widely is needed but must be looked at in context of other asset management needs, and will require input from key partners to resolve in the longer term.

13. ENVIRONMENTAL IMPACT IMPLICATIONS

13.1 Both areas of additional spend will make considerable improvements of the Minehead area and its visitors. The improvement in Blenheim Gardens are aesthetic, whereas the drainage works will help with surface water run of and clear the infrastructure to help prevent surface ponding on the seafront.

14. 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.

14.1 None directly in this report.

15. LEGAL IMPLICATIONS

15.1 None directly in this report.

Report Number: WSC 106/14

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

Author of the Report: Bruce Lang, Assistant Chief Executive

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Report to a Meeting of: Council

To be Held on: 23 July 2014

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

JOINT INDEPENDENT PANEL ON MEMBERS' REMUNERATION

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek approval for a proposal to expand the membership of the Joint Independent Remuneration Panel to include Mendip District Council.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 There is no direct link to the Council's corporate priorities in respect of the contents of this report.

3. RECOMMENDATIONS

- 3.1 That Council approve the expansion of the Joint Independent Panel on Members' Remuneration to include Mendip District Council and delegate authority to the Monitoring Officer in consultation with the Portfolio Holder to take detailed decisions necessary to establish the new Joint Panel.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
Not applicable			

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 the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

- 5.1 Provisions in relation to allowances for elected Members including the role of the Panel 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).
- 5.2 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 Members' 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 taking these declarations as having been made by all Members. Members do not therefore need to make a verbal declaration at the Council meeting.
- 5.3 The Council agreed a proposal in January 2014 to invite the remaining district councils in Somerset to join the Joint Independent Panel which currently advises the County Council and West Somerset Council. The legislation puts no limit on the number of councils that can be supported by an individual panel. A joint panel must make separate recommendations to each council involved.
- 5.4 Mendip District Council took an 'in principle' decision at its May 2014 meeting to join the Panel. This will mean that Mendip will not have to maintain a separate panel and will add to the benefits of the existing Joint Panel arrangement in:
- Sharing expertise and officer resources
 - Improving local benchmarking and consistency of Members' allowance schemes as the Panel's expertise grows
 - Strengthening the independence of the Panel from individual councils
 - Ensuring the limited officer resources available to support the Panel are used to best effect.
- 5.5 The other district councils have confirmed that they do not wish to take up the invitation to join the Panel at this time.
- 5.6 In terms of moving Mendip's 'in principle' decision forward, it is anticipated that they will nominate their representative to the Joint Panel at their Council meeting at the beginning of October. The only legislative requirement is that each council must ensure that the Panel commands public confidence in the locality, is truly independent of each council, is well qualified to discharge the required functions and is representative of the diversity of the communities in the local authority's area. From the Council's perspective, the current joint panel arrangements have already been agreed by the Council and Somerset County Council and therefore all the Council now has to agree is to formally accept Mendip District Council as part of the Joint Panel arrangement and add their nominated Member to the Panel's membership.
- 5.7 Given the timing of Mendip's likely nomination of a Member to join the Panel (2 October 2014) it is important that a mechanism is put in place to formally establish the revised Panel as soon as Mendip's nomination for membership is made. Mendip's nomination for membership of the Joint Panel will therefore be considered at a meeting of the Council to be held on 19 November 2014. Somerset County Council will also need to endorse Mendip's participation in the Panel.
- 5.8 The Joint Panel functions and arrangements will, apart from the additional membership, remain unaltered.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 The financial impact of expanding the Joint Panel to the Council is insignificant.

7. COMMENTS ON BEHALF OF SECTION 151 OFFICER

7.1 There are no comments to be made under this section.

8. 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

8.1 None in respect of this report.

9. CRIME AND DISORDER IMPLICATIONS

9.1 None in respect of this report.

10. CONSULTATION IMPLICATIONS

10.1 The existing Joint Independent Panel on Members' Allowances have been consulted on the proposed expansion of the Panel and support the proposal.

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 in respect of this report.

14. LEGAL IMPLICATIONS

14.1 The proposal in this report adheres to the requirements set out in the relevant regulations.

Report Number: WSC 107/14
Presented by: Cllr Kate Kravis, Deputy Leader & Resources
Author of the Report: Richard Sealy, Assistant Director – Corporate Services
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Report to a Meeting of: Council
To be Held on: 23 July 2014

SOUTHWEST WEST AUDIT PARTNERSHIP GOVERNANCE ARRANGEMENTS

1. PURPOSE OF REPORT

- 1.1 This report proposes a change to the West Somerset Council “Director” to the Southwest Audit Partnership (SWAP) to reflect the responsibilities of the new Joint Management Team (JMT).

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 There is no direct contribution to the Corporate Priorities.

3. RECOMMENDATIONS

- 3.1 That Council approve the nomination of:
- i) The Assistant Director – Resources as the Council’s Director on the Board of SWAP; and
 - ii) The Assistant Director – Corporate Services as the Alternate Director.

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
No specific risks have been identified in respect of this report and recommendation	N/A	N/A	N/A

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 the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

- 5.1 SWAP was formed in 2005 to deliver the internal audit function to two authorities in Somerset. By 2013 the partnership had expanded to twelve partners across the South West and a different governance model was needed.

- 5.2 Members agreed in 2013 to form a Company Limited by Guarantee and the Southwest Audit Partnership Ltd came into being in April 2013. The governance structure for the new company provided for each Authority providing a Member representative to the Members Board and an Officer Director to the Company Board.
- 5.3 The Member representative to the Members Board is the Chair of the Audit Committee. This arrangement is working well and no change is proposed.
- 5.4 Representation at officer level, as the Director to the Company Board, has been undertaken by the Principal Accountant (Steve Plenty). Clearly with the new Joint Management Team in place we need to amend the directorship to reflect the new roles and responsibilities.

6. THE PROPOSAL

- 6.1 The Board of Directors continues to be a “hands on” role and it is appropriate that this continues to be carried out by Officers.
- 6.2 It is recommended that the Assistant Director – Resources becomes the nominated Director for West Somerset with the Assistant Director – Corporate Services acting as the Alternate Director. (NB. The Assistant Director – Corporate Services is the Director for TDBC with the Assistant Director – Resources acting as the Alternate Director for TDBC).
- 6.3 Whilst each Council will continue to have a separate nominated Directors to the Board, in practice and by utilising the proxy voting arrangements we will generally only have one of the two Nominated Directors attend board meetings to represent both Councils. This will save time and money, but have no impact on quality. Generally this will be the Assistant Director – Corporate Services, who has the responsibility for Audit under the new structure.

7. FINANCIAL/RESOURCE IMPLICATIONS

- 7.1 There are no financial implications resulting from this report.

8. COMMENTS ON BEHALF OF SECTION 151 OFFICER

- 8.1 This change is required in order to ensure that the ongoing representation at the SWAP Board reflects the change in responsibilities resulting from the implementation of the new Joint Management Team.

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 There are no implications for equalities and diversity resulting from this report.

10. CRIME AND DISORDER IMPLICATIONS

- 10.1 There are no implications.

11. CONSULTATION IMPLICATIONS

- 11.1 This proposal has been discussed with the Chief executive of SWAP who is supportive of the proposed approach.

12. ASSET MANAGEMENT IMPLICATIONS

- 12.1 There are no implications.

13. ENVIRONMENTAL IMPACT IMPLICATIONS

- 13.1 There are no implications.

14. 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.

- 14.1 There are no implications.

15. LEGAL IMPLICATIONS

- 15.1 Good, transparent governance arrangements are essential. The Director of the Board of SWAP Ltd will have legal responsibilities to the company.

<i>Report Number:</i>	<i>WSC 108/14</i>
<i>Presented by:</i>	<i>Cllr Karen Mills – Cabinet Lead for Economic Regeneration & Tourism</i>
<i>Author of the Report:</i>	<i>Corinne Matthews – Economic Regeneration & Tourism Manager</i>
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<i>Report to a Meeting of:</i>	<i>Council</i>
<i>To be Held on:</i>	<i>Wednesday 23 July 2014</i>
<i>Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:</i>	<i>n/a</i>

ALLOCATION OF HPC S106 TOURISM INFORMATION FUNDS

1. PURPOSE OF REPORT

- 1.1 To consult with Council on a suggested approach for the allocation of the HPC S106 Phase 2 (Part 1) Visitor Information funds.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 Maximising opportunities for West Somerset communities and businesses to benefit from the nuclear development whilst protecting local communities and the environment.

3. RECOMMENDATIONS

- 3.1 To recommend the allocation of the Phase 2 (Part One) S106 Tourism allocation of £50,000 to those Local Authorities and Visitor Centres named within the Section 106 Agreement, as follows:-

(i) £20,000 to West Somerset Council for the purpose of supporting Minehead, Porlock and Watchet Tourism Information Centres.

(ii) £15,000 to Sedgemoor District Council for the purpose of supporting Burnham-on-Sea Tourism Information Centre.

(iii) £15,000 to Somerset County Council for the purposes of supporting the Sedgemoor Services Visitor Centre (located on the M5)

- 3.2 In respect of this allocation, to approve an addition expenditure budget of £50,000 to the Revenue Budget for Tourism Information Centres with a corresponding income budget of £50,000 for the S106 Contribution.

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

Risk Matrix

Description	Likelihood	Impact	Overall
<i>Those TIC's supported do not undertake the monitoring and support requirement in respect of minimising the impacts and maximising the opportunities of the HPC Project</i>	2 (slight)	3 (mod)	6 (low)
<i>SLA's / Partnership Agreements in place that clearly set out the expectation.</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 the mitigation measures have been actioned and after they have.

5. **BACKGROUND INFORMATION**

5.1. Role and Responsibilities of Tourism Information Services

- Tourism Information Centres are the 'eyes and ears' of tourism intelligence across the County. They are a front-line service, and via their tried and trusted relationships with tourism providers and visitors are aware of visitor trends, opportunities and threats well in advance of any statistical analysis. The recent flooding issues that have impacted on Somerset, where Somerset was perceived as 'being under water' has endorsed this, and it was the local TIC's who were informing us on a daily basis of the detrimental effects this was having on tourism bookings for the County. This enabled us to direct some resources at the tourism industry to try and mitigate the impact.
- The role of Tourism Information Services has changed considerably over the past decade. The growth of the internet, and other modernised tourism marketing models, has minimised the role that the TIC has in supporting the consumer to research their holiday destination in advance of prior bookings. However, it still has significant strength in supporting Visitors once they have arrived within a destination, and helping to support accommodation providers and other key attractions in being an integral part of place based marketing and promotion. Information Centres, also traditionally provide a range of services for the local community as well.
- In respect of the Hinkley Point C Project specifically the Information Services will have a pivotal role in the following areas
 - Acquiring first-hand information in relation to any 'issues' that are impacting on tourism visits / visitor spend and rapidly communicating that information to the Local Authorities.
 - An important and vital conduit to businesses in terms of the dissemination of information / messages / alerts.
 - An important resource to HPC Construction Workers and their families, in helping to promote and market the area / provide information for recreational opportunities (providing regular updates to the HPC Accommodation website)

5.2. Resource Allocation to-date

The Phase 1 allocation of £50,000 was made payable to West Somerset Council in March 2012. This early allocation had been negotiated by WSC to reflect that it was very important to support Visitor Information Centres within a District that was highly dependent on the tourism economy, at the earliest possible stage within the execution of the HPC project. An additional factor that had prompted the early release of tourism funding from Phase 2 to

Phase 1 was in respect of the Minehead Information Centre transitioning from Local Authority operation to becoming a community run service.

West Somerset Council has made contributions to its named IC's from the £50,000 allocation as outlined in Table 1. The principles for the allocations were agreed by WSC's Cabinet in April 2012. Each allocation has been subject to there being an agreed Service Level Agreement in place with the Information Centre and West Somerset Council, where the Centres role in supporting the HPC Project has been made explicit.

The allocation has been used in its entirety and has supported the named TIC's for a period of two years.

Table 1 – Allocations to West Somerset IC's

Financial Year	Centre	Amount
2012/13	Minehead IC	28,000
	Porlock IC	4,000
	Watchet IC	750
Total 2012/13		£32,750
2013/14	Minehead IC	12,950
	Porlock IC	3,600
	Watchet IC	750
Total 2013/14		£17,250
Total S106 drawn down		£50,000

5.3. The need for continued support for Information Services

- The role of the Public Sector in supporting Tourism Information Centres has changed considerably within the past decade, with very few Centres operating that are entirely supported from public sector funding streams. Having said that, the opposite is also true, and most Visitor Information Centres, continue to rely on some form of public sector investment or other support.
- In transitioning Information Centres from Local Authority run to private / community sector, it has been common for the public sector to either endow the Centres with resources / assets (capital support) and or provide some revenue funding.
- Most Local Authorities encourage TIC's to consider a range of income generating activity, external funding opportunities and flexibility with business models to remain viable and sustainable without the need for long term public sector support.

Case Study: Minehead VIIC – West Somerset Council closed the Visitor Centre in October 2011, but supported Minehead Development Trust to establish a new community run operation from Town Centre Premises, which opened in May 2012. The support took the form of direct financial investment towards capital and revenue costs, as well as Officer time to support applications / fund raising activity for other funding streams, and gifts of capital equipment from the former Visitor Centre.

After two years of operation there was an opportunity to terminate the lease agreement on the shop premises, and a chance to co-locate at the Beach Hotel (opposite the railway station) with a new museum and café. The co-location of services (the new centre opened May 2014), have realised significant savings for premises and staffing costs, which in turn means that the TIC is able to begin to close the gap between over reliance on public funding, and looking to break even sooner rather than anticipated.

- The above aims to recognise that Information Centres are changing as well as their business models, and these services can often be delivered in a number of different ways. The local geography together with the relationship that the Centre has with its local tourism businesses will often influence what it delivers.

5.4 Future allocation of funding to Tourism Information Centres

- In respect of the Phase 2 (Part 1) allocation discussions have been held with Sedgemoor District Council and Somerset County Council. Whilst neither Council had a call upon the Phase 1 allocation, they have requested some revenue funding from this tranche of funding, to which the terms of the S106 Agreement entitles them too. Each Authority has agreed that an allocation of revenue funding to the Centres will enable them all to pursue additional project activity that will help them become sustainable and less reliant on public sector support in the future. Examples of the types of projects that Centres are working on include producing local guides (shopping / food & drink) and establishing destination information for Coach Companies. Often a small amount of 'pump priming' funding can establish an initiative that then goes on to become self-financing in future years and can also generate an income stream.
- The proposed allocations are detailed in the recommendation Paragraph 3.1. Namely that an agreement in principle has been reached that WSC will draw down £20K, and SCC and SDC £15K each.
- The individual West Somerset TIC's are providing us with additional information about the project activity they would like to use the funding for, but indications are that we would want to allocate:
 - Watchet TIC - £1,000
 - Porlock TIC - £4,000
 - Minehead TIC - £15,000
- The Phase 2 (Part 2 allocation) is due on the anniversary of the start of Phase 2 which will be the 6th May 2015, where a further £100,000 becomes available. This is clearly a far larger sum of money, and a further Strategy will need to be considered for the most effective targeting of this. The Tourism Information function essentially needs to be an integral part of the wider HTAP Tourism Strategy, and be flexible and responsive to the priorities of the Strategy. Therefore, there needs to be the ability to flex the funding to support a variety of TIC functions, and support those functions to be sustainable in the long term. This could include capital as well as revenue funding, a competitive process for TIC's to bid into, as well as recognising that the business model is constantly evolving and modernising. The geographical reach of which Centres require support may also need to be flexed, as the challenges and opportunities for the tourism industry become better understood as the HPC Project progresses. Members will have the opportunity to input to the early stages of forming the HTAP Strategy at the Economic Regeneration and Tourism Policy Advisory Group to be held on **Thursday 24th July**.
- All the 2014/15 TIC allocations (and in the future) will be subject to a Service Level Agreement / Partnership Agreement that clearly sets out the levels of activity, monitoring and information that the Councils will require from the individual Centres in respect of the impacts of the HPC activity.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 The Phase 1 HPC TIC Contribution of £50K was received by West Somerset Council in March 2012 and was allocated in line with the recommendations of the April 2012 Cabinet.

6.2 The Phase 2 (Part 1) allocation of £50K was received by West Somerset Council on 6th May 2014, and is available to be allocated in-line with the Section 106 Agreement for Site Preparation works.

6.3 The Phase 2 (Part 2) allocation of £100K will be paid to WSC on 6th May 2015.

7. COMMENTS ON BEHALF OF SECTION 151 OFFICER

7.1 As the accountable body for the S106 funding, the total expenditure of £50,000 will be recorded in the Council's accounts. This will include contributions to other local authorities of £30,000 as detailed above, leaving £20,000 for allocations to TICs within West Somerset. It is important to note that the S106 funding is one-off monies and it is advisable to use this to support one-off spending in order to prevent an ongoing budgetary commitment for the Council. It is not expected that there will be any associated costs, other than staff time and minimal administration, in respect of this item.

7.2 To aid monitoring and reporting against financial approvals, it is recommended that the sum of £50,000 is added to the Revenue Budget creating an agreed budget for the expenditure, with a matching income budget of £50,000 and be funded from contributions received. This will not impact on Council's Net Budget position.

7.3 It is noted that a further £100,000 one-off receipt is due to be received in May 2015, and a further decision will be required in respect of the allocation of those funds, as highlighted above.

8. 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

8.1 All Tourism Information Centres receiving support from this fund will have an SLA with their respective Local Authority that will set out the requirements for equal opportunities for all in respect of the service they provide.

9. CRIME AND DISORDER IMPLICATIONS

9.1 Not applicable

10. CONSULTATION IMPLICATIONS

10.1 Somerset County Council, Sedgemoor District Council and the named Tourism Information Centres have been consulted with.

11. ASSET MANAGEMENT IMPLICATIONS

11.1 Not applicable

12. ENVIRONMENTAL IMPACT IMPLICATIONS

12.1 Not applicable

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 Not directly applicable

14. LEGAL IMPLICATIONS

14.1 The recommendations that form part of this Report are in line with the requirements of the HPC Site Preparation S106 – Schedule 6.

Report Number: WSC 110/14
Presented by: Councillor K V Kravis, Lead Member for Resources and Central Support
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Report to a Meeting of: Full Council
To be Held on: 23rd July 2014
Date Entered on Executive Forward Plan Or Agreement for Urgency Granted: N/A

ANNUAL TREASURY MANAGEMENT REVIEW 2013/14

1. PURPOSE OF REPORT

- 1.1 To review the treasury management activity and the performance against the Prudential Indicators for the 2013/14 financial year as prescribed by the revised CIPFA Code of Practice and in accordance with the Council's Treasury Management Strategy and Annual Investment Policy.

2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 None directly in relation to this report.

3. RECOMMENDATIONS

- 3.1 To note the Treasury Management activity for the 2013/14 financial year (Appendix A).

4. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to maintain an adequate system of internal control	Unlikely (1)	Major (3)	Medium (1)
<i>The Council has in place suitable arrangements</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 the mitigation measures have been actioned and after they have.

5. BACKGROUND INFORMATION

- 5.1 The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annual Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year.

5.2 The scrutiny of treasury management policy, strategy and activity is delegated to the Audit Committee.

5.3 Treasury management in this context is defined as:

“The management of the local authority’s cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks”.

5.4 Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council’s treasury management objectives.

6. FINANCIAL/RESOURCE IMPLICATIONS

6.1 As set out in the report.

7. COMMENTS ON BEHALF OF SECTION 151 OFFICER

7.1 The treasury management function has been well-managed during the year. It is pleasing to note that compliance with the TMSS has been maintained. As interest rates remain low, together with the modest cash balances through the year, the opportunities to generate significant income through investments is limited.

8. 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

8.1 None in respect of this report.

9. CRIME AND DISORDER IMPLICATIONS

9.1 None in respect of this report.

10. CONSULTATION IMPLICATIONS

10.1 None in respect of this 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. LEGAL IMPLICATIONS

13.1 None in respect of this report.

Annual Treasury Outturn Report 2013/14

1. Background

The Authority's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year.

This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Investment Guidance.

During 2013/14 the Authority borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

2. External Context

Economic background: At the beginning of the 2013-14 financial year markets were concerned about lacklustre growth in the Eurozone, the UK and Japan. Lack of growth in the UK economy, the threat of a 'triple-dip' alongside falling real wages (i.e. after inflation) and the paucity of business investment were a concern for the Bank of England's Monetary Policy Committee. Only two major economies - the US and Germany - had growth above pre financial crisis levels, albeit these were still below trend. The Eurozone had navigated through a turbulent period for its disparate sovereigns and the likelihood of a near-term disorderly collapse had significantly diminished. The US government had just managed to avoid the fiscal cliff and a technical default in early 2013, only for the problem to re-emerge later in the year.

With new Governor Mark Carney at the helm, the Bank of England unveiled forward guidance in August pledging to not consider raising interest rates until the ILO unemployment rate fell below the 7% threshold. In the Bank's initial forecast, this level was only expected to be reached in 2016. Although the Bank stressed that this level was a **threshold** for consideration of rate increase rather an automatic trigger, markets began pricing in a much earlier rise than was warranted and, as a result, gilt yields rose aggressively.

The recovery in the UK surprised with strong economic activity and growth. Q4 2014 GDP showed year-on-year growth of 2.7%. Much of the improvement was down to the dominant service sector, and an increase in household consumption buoyed by the pick-up in housing transactions which were driven by higher consumer confidence, greater availability of credit and strengthening house prices which were partly boosted by government initiatives such as Help-to-Buy. However, business investment had yet to recover convincingly and the recovery was not accompanied by meaningful productivity growth. Worries of a housing bubble were tempered by evidence that net mortgage lending was up by only around 1% annually.

CPI fell from 2.8% in March 2013 to 1.7% in February 2014, the lowest rate since October 2009, helped largely by the easing commodity prices and discounting by retailers, reducing the pressure on the Bank to raise rates. Although the fall in unemployment (down from 7.8% in March 2013 to

7.2% in January 2014) was faster than the Bank of England or indeed many analysts had forecast, it hid a stubbornly high level of underemployment. Importantly, average earnings growth remained muted and real wage growth (i.e. after inflation) was negative. In February the Bank stepped back from forward guidance relying on a single indicator - the unemployment rate - to more complex measures which included spare capacity within the economy. The Bank also implied that when official interest rates were raised, the increases would be gradual - this helped underpin the 'low for longer' interest rate outlook despite the momentum in the economy.

The Office of Budget Responsibility's 2.7% forecast for economic growth in 2014 forecast a quicker fall in public borrowing over the next few years. However, the Chancellor resisted the temptation to spend some of the proceeds of higher economic growth. In his 2013 Autumn Statement and the 2014 Budget, apart from the rise in the personal tax allowance and pension changes, there were no significant giveaways and the coalition's austerity measures remained on track.

The Federal Reserve's then Chairman Ben Bernanke's announcement in May that the Fed's quantitative easing (QE) programme may be 'tapered' caught markets by surprise. Investors began to factor in not just an end to QE but also rapid rises in interest rates. 'Tapering' (a slowing in the rate of QE) began in December 2013. By March 2014, asset purchases had been cut from \$75bn to \$55bn per month with expectation that QE would end by October 2014. This had particular implications for global markets which had hitherto benefited from, and got very accustomed to, the high levels of global liquidity afforded by QE. The impact went further than a rise in the dollar and higher US treasury bond yields. Gilt yields also rose as a consequence and emerging markets, which had previously benefited as investors searched for yield through riskier asset, suffered large capital outflows in December and January.

With the Eurozone struggling to show sustainable growth, the European Central Bank cut main policy interest rates by 0.25% to 0.25% and the deposit rate to zero. Markets were disappointed by the lack of action by the ECB despite CPI inflation below 1% and a looming threat of deflation. Data pointed to an economic slowdown in China which, alongside a weakening property market and a highly leveraged shadow banking sector, could prove challenging for its authorities.

Russia's annexation of the Ukraine in March heightened geopolitical tensions and risk. The response from the West which began with sanctions against Russia which is the second largest gas producer in the world and which supplies nearly 30% of European natural gas needs and is also a significant supplier of crude oil - any major disruption to their supply would have serious ramifications for energy prices.

Gilt Yields and Money Market Rates: Gilt yields ended the year higher than the start in April. The peak in yields was during autumn 2013. The biggest increase was in 5-year gilt yields which increased by nearly 1.3% from 0.70% to 1.97%. 10-year gilt yields rose by nearly 1% ending the year at 2.73%. The increase was less pronounced for longer dated gilts; 20-year yields rose from 2.74% to 3.37% and 50-year yields rose from 3.23% to 3.44%.

3-month, 6-month and 12-month Libid rates remained at levels below 1% through the year.

3. The Borrowing Requirement and Debt Management

	Balance on 01/04/2013 £000	Maturing Debt £000	Debt Prematurely Repaid £000	New Borrowing £000	Balance on 31/03/2014 £000	Avg Rate % and Avg Life (yrs)
CFR	7,658				7,633	
Short Term Borrowing ¹	3,500	(3,500)	0	3,500	3,500	1.39% / 0.39 yrs
Long Term Borrowing	0	0	0	0	0	0
TOTAL BORROWING	3,500	(3500)	0	3,500	3,500	1.39% / 0.39 yrs
Other Long Term Liabilities	0	0	0	0	0	0
TOTAL EXTERNAL DEBT	3,500	(3,500)	0	3,500	3,500	1.39% / 0.39 yrs
Increase/ (Decrease) in Borrowing £m	0	(3,500)	0	3,500	3,500	1.39% / 0.39 yrs

The Authority's underlying need to borrow as measured by the Capital Financing Requirement (CFR) at 31/03/2014 was £7.633 million. Usable reserves and working capital, which are the internal resources available for investment, were £3.92 million.

The Authority's chief objective when borrowing money has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continued to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

At 1st April 2013 the Authority held £3.5 million of loans, as part of its strategy for funding previous years' capital programmes.

The 2013/14 treasury strategy intended for the Council to hold its then current PWLB loan until maturity in February 2014, at which point the debt would have been repaid. However delays in anticipated capital receipts from proposed asset sales meant the Authority had to take the decision to re-borrow £3.5 million upon repayment of the PWLB loan and this was achieved through a short-term loan from the market. Therefore a loan was taken for a period of six months at a rate of 0.45% in February 2014.

The Council maintained an under-borrowed position during 2013/14, which means that the capital borrowing need (the Capital Financing Requirement (CFR)) was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as a temporary measure. This strategy was considered prudent as investment returns remained low and counterparty risk was relatively high.

The Authority funded £0.615m of its capital expenditure through useable capital receipts with the remaining £0.486m being funded by government grants and other contributions.

Total borrowing at 31st March 2014 was £3.50 million.

The 2013/14 capital expenditure plans and treasury strategy did not imply a need to borrow over the 3-year forecast period as capital receipts and capital grants were used to finance the capital programme.

Loans Borrowed during 2013/14	Principal £000	Average Rate %	Average Maturity (years)
Market Loans	3,500	0.45	0.39
Total	3,500	0.45	0.39

4. Investment Activity

Both the CIPFA and the CLG's Investment Guidance require the Authority to invest prudently and have regard to the security and liquidity of investments before seeking the optimum yield.

Investment Counterparty	Balance on 01/04/2013 £000	Investments Made £000	Maturities/ Investments Sold £000	Balance on 31/03/2014 £000	Avg Rate %
Banks and building societies and other organisations					
- Short-term	1,192	4,200	2,700	2,749	0.5392
- Long-term					
TOTAL INVESTMENTS	1,192	4,200	2,700	2,749	0.5392
Increase/ (Decrease) in Investments £000				1,557	

Security of capital remained the Authority's main investment objective. This was maintained by following the Authority's approved countries for investments as set out in its Treasury Management Strategy Statement for 2013/14 which stated that the Authority would use the UK and AAA rated sovereigns to invest monies with.

Investments with banks and building societies were primarily call accounts and fixed-rate term deposits. The maximum duration of these investments was 6 months in line with the prevailing credit outlook during the year as well as market conditions.

Credit developments and credit risk management

The credit rating of counterparties was monitored regularly through credit rating information received as and when ratings changed and counterparties were checked promptly. Any counterparty failing to meet the criteria was removed from the list and if required new counterparties which met the criteria were added to the list.

The debt crisis in Cyprus was resolved by its government enforcing a 'haircut' on unsecured investments and bank deposits over €100,000. This resolution mechanism, in stark contrast to the bail-outs during the 2008/2009 financial crisis, sent shockwaves through Europe but allowed banking regulators to progress reform which would in future force losses on investors through a 'bail-in' before taxpayers were asked to support failing banks.

The Financial Services (Banking Reform) Act 2013 gained Royal Assent in December, legislating for the separation of retail and investment banks and for the introduction of mandatory bail-in in the UK to wind up or restructure failing financial institutions. EU finance ministers agreed further steps towards banking union, and the Single Resolution Mechanism (SRM) for resolving problems with troubled large banks which will shift the burden of future restructurings/rescues to the institution's shareholders, bondholders and unsecured investors.

Proposals were also announced for EU regulatory reforms to Money Market Funds which may result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper in the future.

The material changes to UK banks' creditworthiness were (a) the strong progress made by the Lloyds Banking Group in strengthening its balance sheet, profitability and funding positions and the government reducing its shareholding in the Group to under 25%, (b) the announcement by Royal Bank of Scotland of the creation of an internal bad bank to house its riskiest assets (this amounted to a material extension of RBS' long-running restructuring, further delaying the bank's return to profitability) and (c) substantial losses at Co-op Bank which forced the bank to undertake a liability management exercise to raise further capital and a debt restructure which entailed junior bondholders being bailed-in as part of the restructuring.

In July Moody's placed the A3 long-term ratings of Royal Bank of Scotland and NatWest Bank and the D+ standalone financial strength rating of RBS on review for downgrade amid concerns about the impact of any potential breakup of the bank on creditors. As a precautionary measure the Authority reduced its duration to overnight for new investments with the bank(s). In March Moody's downgraded the long-term ratings of both banks to Baa1. As this rating is below the Authority's minimum credit criterion of [A-], the banks were withdrawn from the counterparty list for further investment. RBS/NatWest is the Authority's banker and will continue to be used for operational and liquidity purposes.

The Co-op's long-term ratings were downgraded by Moody's and Fitch to Caa1 and B respectively, both sub-investment grade ratings. The Co-op Bank's capital raising plans to plug a capital shortfall include a contribution from the Co-op Group which is committed to injecting £313m in 2014 of which £50m has been paid so far *as at 16 April 2014*. However, in order to cover future expected losses and to meet the Prudential Regulation Authority's capital targets, a further £400m is being sought from shareholders, of which Co-operative Group's share is approximately £120m. Given the Co-op Group's own financial position, payment of these sums is by no means certain, leaving the bank with a precarious capital position.

Liquidity Management

In keeping with the CLG's Guidance on Investments, the Authority maintained a sufficient level of liquidity averaging £3.44m through the use of call accounts. The Authority uses spreadsheets to record all major in and outgoings to determine the maximum period for which funds may prudently be committed.

Yield

The UK Bank Rate was maintained at 0.50% through the year. The average 3-month LIBID rate during 2013/14 was 0.45%, the 6-month LIBID rate averaged 0.53% and the 1-year LIBID rate averaged 0.78%. The low rates of return on the Authority's short-dated investments reflect prevailing market conditions and the Authority's objective of optimising returns commensurate with the principles of security and liquidity.

The Authority's budgeted investment income for the year had been estimated at £0.015m. The average cash balances representing the Authority's reserves, working balances and Hinkley Phase 1 monies, were £4.37m during the period and interest earned was £0.023m.

5. Compliance

The Authority confirms that it has complied with its **Prudential Indicators** for 2013/14, which were approved on 27th March 2013 as part of the Authority's Treasury Management Strategy Statement.

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2013/14. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

The Authority also confirms that during 2013/14 it complied with its **Treasury Management Policy Statement** and **Treasury Management Practices**.

6. Other Items

Investment Training: During 2013/14 staff attended seminars and conferences provided by Capita Asset Services.

Appendix A: Debt and Investment Portfolio Position 31/3/2014

	31/3/2014 Actual Portfolio £000	31/3/2014 Average Rate %
External Borrowing:		
Local Authorities	3,500	0.45
Total External Borrowing	3,500	0.45
Total Gross External Debt	3,500	0.45
Investments:		
<i>Managed in-house</i>		
Short-term investments	2,749	0.40
Total Investments	2,749	0.40
Net Debt	751	

Appendix B

(a) Capital Financing Requirement (CFR)

Estimates of the Authority's cumulative maximum external borrowing requirement for 2013/14 to 2015/16 are shown in the table below:

Capital Financing Requirement	31/03/2014 Approved £m	31/03/2014 Actual £m	31/03/2015 Estimate £m	31/03/16 Estimate £m
General Fund	7,660	7,633	4,195	2,906
Total CFR	7,660	7,633	4,195	2,906

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31/03/2014 Approved £000	31/03/2014 Actual £000	31/03/2015 Estimate £000	31/03/16 Estimate £000
Borrowing	3,500	3,500	0	0
Total Debt	3,500	3,500	0	0
Borrowing in excess of CFR?	No	No	No	No

Total debt is expected to remain below the CFR during the forecast period.

(b) Authorised Limit and Operational Boundary for External Debt

The Operational Boundary for External Debt is based on the Authority's estimate of most likely, i.e. prudent, but not worst case scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Authority's debt.

The Authorised Limit for External Debt is the affordable borrowing limit determined in compliance with the Local Government Act Act. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

The Director of Operations and Deputy CEO/S151 Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during 2013/14; borrowing at its peak was £3.50m.

	Operational Boundary (Approved) 31/03/2014 £000	Authorised Limit (Approved) 31/03/2014 £000	Actual External Debt 31/03/2014 £000
Borrowing	7,500	10,000	3,500
Total	7,500	10,000	3,500

(c) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed.

	Approved Limits for 2013/14 %	Maximum during 2013/14 %
Upper Limit for Fixed Rate Exposure	100	100
Compliance with Limits:	Yes	Yes
Upper Limit for Variable Rate Exposure	100	0
Compliance with Limits:	Yes	Yes

(d) Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing at 31/03/2014 £000	% Fixed Rate Borrowing at 31/03/2014	Compliance with Set Limits?
under 12 months	100	0	3,500	100	Yes
12 months and within 24 months	100	0			
24 months and within 5 years	100	0			
5 years and within 10 years	100	0			
10 years and within 20 years	100	0			
20 years and within 30 years	100	0			
30 years and within 40 years	100	0			
40 years and within 50 years	100	0			
50 years and above	100	0			

(The 2011 revision to the CIPFA Treasury Management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date.²)

(e) Capital Expenditure

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Authority tax and in the case of the HRA, housing rent levels.

Capital Expenditure	31/03/2014 Approved £000	31/03/2014 Actual £000
Non-HRA	608	1,101
Total	608	1,101

The approved budget above was agreed as showing the net cost to West Somerset in respect of disabled facilities grants. The actual spend above also includes an affordable housing grant of £161,500 which was resourced from a section 106 agreement.

Capital expenditure has been and will be financed or funded as follows:

Capital Financing	31/03/2014 Approved £m	31/03/2014 Actual £m
Capital receipts	0	0
Capital Grants	180	486
Capital Reserves	428	615
Revenue contributions	0	0
Total Financing	608	1,101

(f) Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	31/03/2014 Approved %	31/03/2014 Actual %	31/03/2015 Estimate %	31/03/16 Estimate %
Non-HRA	0	0	0	0
Total	0	0	0	0

(g) Upper Limit for Total Principal Sums Invested Over 364 Days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

	31/03/2014 Approved £000	31/03/2014 Actual £000	31/03/2015 Estimate £000	31/03/16 Estimate £000
Principal sums invested > 364 days	0	0	0	0

Appendix C

The average, low and high rates correspond to the rates during the financial year rather than only those in the tables below

Table 1: Bank Rate, Money Market Rates

Date	Bank Rate	O/N LIBID	7-day LIBID	1-month LIBID	3-month LIBID	6-month LIBID	12-month LIBID	2-yr SWAP Bid	3-yr SWAP Bid	5-yr SWAP Bid
01/04/2013	0.50	0.40	0.50	0.40	0.44	0.51	0.75	0.59	0.68	0.97
30/04/2013	0.50	0.50	0.47	0.40	0.44	0.51	0.75	0.57	0.64	0.91
31/05/2013	0.50	0.38	0.42	0.40	0.44	0.51	0.75	0.68	0.82	1.15
30/06/2013	0.50	0.43	0.38	0.40	0.44	0.51	0.75	0.78	0.99	1.52
31/07/2013	0.50	0.42	0.50	0.40	0.44	0.51	0.75	0.68	0.86	1.39
31/08/2013	0.50	0.43	0.41	0.41	0.44	0.51	0.76	0.81	1.10	1.71
30/09/2013	0.50	0.38	0.38	0.41	0.44	0.51	0.76	0.83	1.12	1.73
31/10/2013	0.50	0.38	0.38	0.42	0.45	0.53	0.80	0.79	1.07	1.66
30/11/2013	0.50	0.38	0.36	0.42	0.45	0.54	0.81	0.80	1.11	1.76
31/12/2013	0.50	0.35	0.35	0.42	0.45	0.54	0.81	1.00	1.43	2.13
31/01/2014	0.50	0.36	0.41	0.42	0.45	0.55	0.82	0.94	1.34	1.95
28/02/2014	0.50	0.36	0.40	0.42	0.45	0.60	0.83	0.98	1.34	1.95
31/03/2014	0.50	0.35	0.39	0.42	0.46	0.56	0.84	1.05	1.45	2.03
Minimum	0.50	0.30	0.35	0.40	0.44	0.51	0.75	0.55	0.62	0.87
Average	0.50	0.40	0.41	0.41	0.45	0.53	0.78	0.81	1.08	1.63
Maximum	0.50	0.50	0.50	0.45	0.53	0.65	0.84	1.05	1.47	2.17
Spread	--	0.20	0.15	0.05	0.09	0.14	0.09	0.5	0.85	1.29

Table 2: PWLB Borrowing Rates - Fixed Rate, Maturity Loans (Standard Rate)

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
02/04/2013	125/13	1.11	1.74	2.83	3.87	4.18	4.25	4.22
30/04/2013	166/13	1.16	1.72	2.72	3.74	4.06	4.13	4.08
31/05/2013	208/13	1.26	1.97	3.03	3.99	4.29	4.36	4.33
30/06/2013	248/13	1.22	2.34	3.49	4.30	4.52	4.56	4.54
31/07/2013	293/13	1.21	2.22	3.43	4.29	4.50	4.52	4.50
31/08/2013	335/13	1.28	2.53	3.74	4.43	4.54	4.54	4.53
30/09/2013	377/13	1.30	2.50	3.66	4.36	4.49	4.50	4.48
31/10/2013	423/13	1.29	2.43	3.55	4.27	4.42	4.42	4.40
30/11/2013	465/13	1.34	2.60	3.78	4.47	4.57	4.55	4.53
31/12/2013	503/13	1.38	2.96	4.08	4.60	4.64	4.61	4.59
31/01/2014	044/14	1.36	2.75	3.77	4.39	4.49	4.45	4.43
28/02/2014	084/14	1.37	2.76	3.78	4.39	4.49	4.47	4.45
31/03/2014	126/14	1.46	2.87	3.84	4.43	4.53	4.51	4.49
	Low	1.11	1.70	2.71	3.71	4.02	4.08	4.04
	Average	1.30	2.46	3.58	4.32	4.48	4.49	4.46
	High	1.46	3.00	4.11	4.63	4.71	4.72	4.71

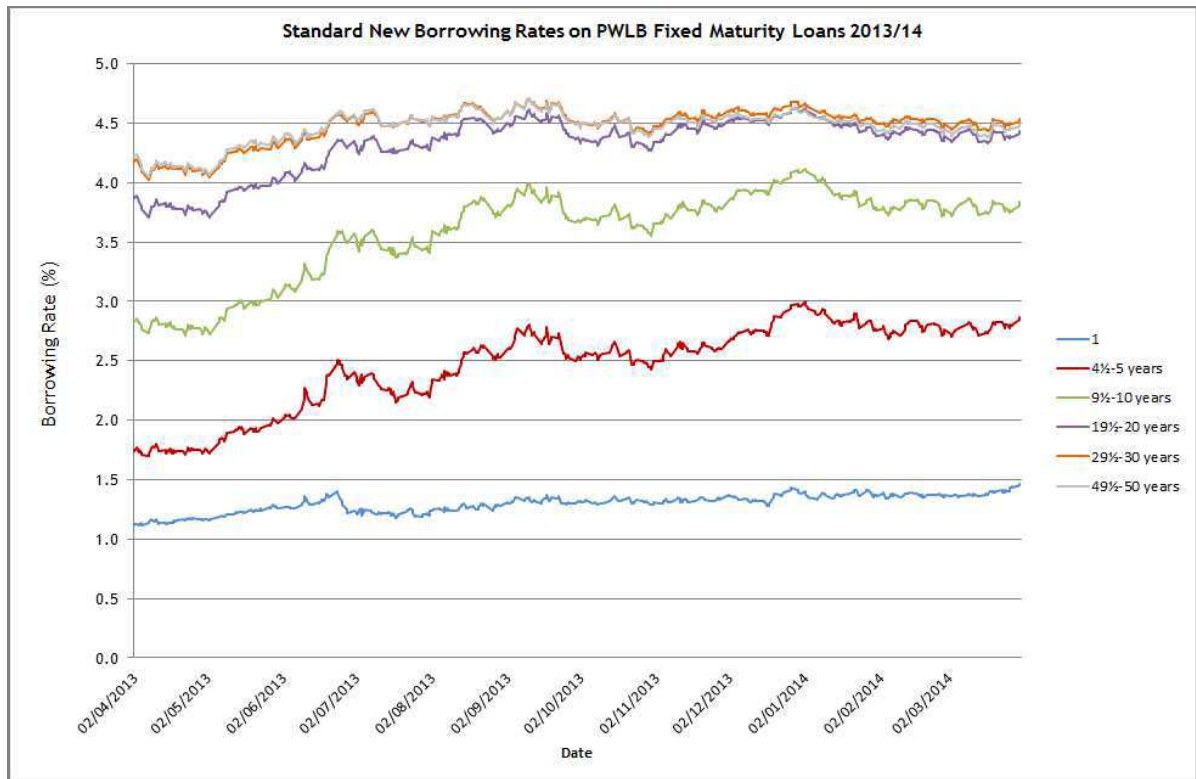


Table 3: PWLB Repayment Rates - Fixed Rate, Maturity Loans

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
02/04/2013	125/13	0.02	0.51	1.62	2.72	3.05	3.13	3.09
30/04/2013	166/13	0.04	0.49	1.52	2.59	2.94	3.01	2.96
31/05/2013	208/13	0.14	0.73	1.82	2.84	3.16	3.24	3.21
30/06/2013	248/13	0.10	1.07	2.29	3.16	3.39	3.44	3.42
31/07/2013	293/12	0.09	0.95	2.22	3.16	3.37	3.40	3.38
31/08/2013	335/12	0.16	1.25	2.53	3.30	3.42	3.42	3.41
30/09/2013	377/12	0.18	1.23	2.46	3.23	3.37	3.38	3.36
31/10/2013	423/13	0.17	1.16	2.36	3.14	3.30	3.30	3.28
30/11/2013	465/13	0.22	1.31	2.58	3.34	3.45	3.43	3.41
31/12/2013	503/13	0.26	1.67	2.89	3.47	3.52	3.49	3.47
31/01/2014	044/13	0.24	1.47	2.58	3.26	3.37	3.33	3.31
28/02/2014	084/14	0.25	1.49	2.60	3.26	3.37	3.35	3.33
31/03/2014	126/13	0.34	1.60	2.65	3.29	3.41	3.39	3.37
	Low	0.02	0.48	1.51	2.56	2.89	2.96	2.92
	Average	0.18	1.19	2.38	3.18	3.35	3.36	3.34
	High	0.34	1.70	2.92	3.50	3.59	3.60	3.59

Table 4: PWLB Borrowing Rates - Fixed Rate, EIP Loans (Standard Rate)

Change Date	Notice No	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
02/04/2013	125/13	1.30	1.80	2.87	3.52	3.88	4.08
30/04/2013	166/13	1.31	1.77	2.76	3.39	3.75	3.96
31/05/2013	208/13	1.49	2.02	3.07	3.67	4.00	4.19
30/06/2013	248/13	1.66	2.41	3.53	4.05	4.30	4.45
31/07/2013	293/13	1.58	2.29	3.47	4.04	4.30	4.44
31/08/2013	335/13	1.78	2.61	3.77	4.26	4.44	4.51
30/09/2013	377/13	1.79	2.58	3.69	4.17	4.37	4.45
31/10/2013	423/13	1.74	2.51	3.59	4.07	4.28	4.38
30/11/2013	465/13	1.84	2.67	3.81	4.29	4.48	4.55
31/12/2013	503/13	2.10	3.04	4.11	4.48	4.60	4.64
31/01/2014	044/14	1.98	2.82	3.80	4.21	4.40	4.47
28/02/2014	084/14	2.00	2.84	3.81	4.21	4.40	4.47
31/03/2014	126/14	2.11	2.94	3.87	4.26	4.43	4.51
	Low	1.29	1.76	2.75	3.37	3.72	3.91
	Average	1.77	2.53	3.61	4.10	4.32	4.43
	High	2.13	3.08	4.14	4.51	4.63	4.69

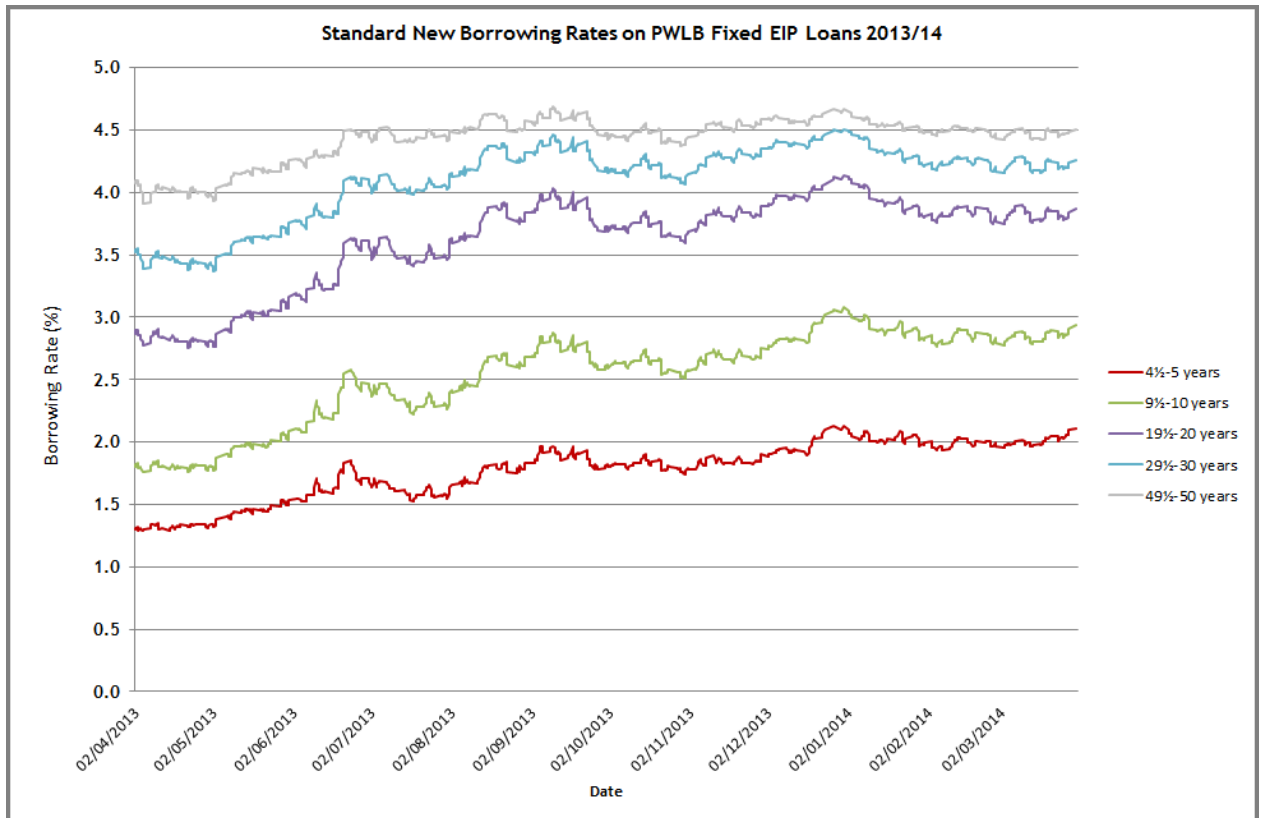


Table 5: PWLB Repayment Rates - Fixed Rate, EIP Loans

Change Date	Notice No	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
02/04/2013	125/13	0.14	0.62	1.71	2.38	2.75	2.95
30/04/2013	166/13	0.16	0.60	1.60	2.25	2.62	2.83
31/05/2013	208/13	0.33	0.85	1.91	2.53	2.87	3.06
30/06/2013	248/13	0.47	1.22	2.37	2.91	3.18	3.32
31/07/2013	293/13	0.39	1.10	2.31	2.90	3.17	3.31
31/08/2013	335/13	0.58	1.41	2.62	3.12	3.31	3.39
30/09/2013	377/13	0.59	1.38	2.54	3.04	3.24	3.33
31/10/2013	423/13	0.55	1.31	2.43	2.94	3.15	3.26
30/11/2013	465/13	0.64	1.48	2.66	3.15	3.35	3.43
31/12/2013	503/13	0.87	1.84	2.96	3.35	3.48	3.52
31/01/2014	044/14	0.77	1.63	2.65	3.08	3.27	3.35
28/02/2014	084/14	0.78	1.64	2.66	3.08	3.27	3.35
31/03/2014	126/14	0.90	1.75	2.72	3.12	3.31	3.39
	Low	0.13	0.58	1.59	2.23	2.59	2.79
	Average	0.58	1.34	2.46	2.97	3.20	3.31
	High	0.90	1.88	2.99	3.38	3.51	3.56

Table 6: PWLB Variable Rates

	1-M Rate	3-M Rate	6-M Rate	1-M Rate	3-M Rate	6-M Rate
	Pre-CSR			Post-CSR (Standard Rate)		
02/04/2013	0.5700	0.5600	0.5500	1.4700	1.4600	1.4500
28/06/2013	0.5600	0.5600	0.5600	1.4600	1.4600	1.4600
30/09/2013	0.5700	0.5700	0.5700	1.4700	1.4700	1.4700
31/12/2013	0.5700	0.5700	0.5700	1.4700	1.4700	1.4700
31/03/2014	0.5500	0.5600	0.5700	1.4500	1.4600	1.4700
	Low	0.5500	0.5400	1.4500	1.4500	1.4400
	Average	0.5653	0.5630	1.4653	1.4641	1.4630
	High	0.5800	0.5800	1.4700	1.4700	1.4800

57

**Member Reporting on Membership of Outside Body –
Councillor A Trollope-Bellew**

Report on Somerset Passenger (Public) Transport Forum

I attended the meeting on 18 July 2013.

SCC has to save £100m over 4 years so starting with a blank sheet of paper. Question , what can be done ?

The location of the Taunton bus station was raised again but there is not much chance of moving and certainly not to the railway station as there is a lack of pavement space to pick up.

The problem of time tabling was raised, as 2 buses together, but no solution brought forward.

Government funding for buses is urban biased.

Transport is not receiving S106 funding it needs.

Cllrs Dewdney and Murphy attended the other meeting in the last year.

Member Reporting on Membership of Outside Body – Councillor G S Dowding

Report on Quantock Hills Joint Advisory Committee (JAC)

The Quantock Hills Advisory Committee (JAC) has met on 4 occasions in year 13 / 14.

The issue of greatest concern is the proposed withdrawal of funding from SCC and indeed the possibility of other LA's following suit.

The £550000 from EDF for the AONB to administer over 5 to 7 years is a major boost to the AONB and will be used in two tranches.

1. £400k For Landscape improvements such as habitat corridors and heath land improvements
2. £150k For Landscape fund to include hedge laying, traditional orchards, small woodland management, dry stone walling, native tree planting and pond regeneration

Permitted Development on the AONB has also raised concern as some applications take the word *Barn* and *Equestrian* to new and outer reaches of the English language!

The Management Plan is constantly under review given the current financial circumstances.

Rebekah West joined AONB service in Feb 14 as the new Ranger after Tim Russell's retirement but we still rely heavily on volunteers to carry out much of the AONB Services work.

Member Reporting on Membership of Outside Body – Councillor K Mills

Exmoor Tourism Partnership Activity over the past year

- Exmoor Sustainable Tourism Strategy 2013-18 completed and first 6-monthly review of actions being carried out now.
- Application to Visit England to join the Destination Management Forum has been submitted. All criteria have now been met and waiting for the outcome. This process will see the ETP becoming an 'official' DMO (Destination Management Organisation) in the eyes of Visit England, which means that Exmoor will have a seat at the National table and can be involved in national funding opportunities. Currently both Exmoor and Somerset do not have DMO status and are not able to attend Forum meetings.
- Working jointly with Somerset and Devon tourism bodies, work was done to lobby the LEP in order to raise awareness of tourism, and address why it has not been included in strategic thinking.
- A new ETP policy on quality was discussed, developed and produced
- The annual ETP conference took place in Lynmouth in November 2013, having been held at Halsway Manor in the Quantock Hills in 2012. The next one is pencilled in for Thursday 6 November at the Beach Hotel in Minehead.
- Over the past year ETP partners, WSC and ENPA, have committed approximately £50k of funding towards marketing activity for 2013/14. This funding has come from the EU funded COOL Tourism Project and Exmoor National Park Partnership Fund. Activity has included:
 - £15k TV advertising Campaign – April/May 2014
 - A new £6k PR contract tendered and won by A Head for PR
 - £4k towards attendance at Group Travel Shows, an initiative run by the Exmoor Tourist Association
 - £10k for a new website: a tender process was won by Evosite Ltd and the contract signed on 6 June 2014. An Autumn launch is planned.
 - A regional campaign will be carried out this summer followed by a supplement campaign in the Autumn.
- Meetings of the partnership are held every quarter. The ETP Marketing sub-group also meets on a quarterly basis prior to the wider partnership meetings. 7 of the 11 members of the marketing group are from the local industry.
- Evelyn Stacey, Chief Exec of South West Lakes Trust, has been the chair for the past 3 years, but now wishes to step down when a new person has been found.

Member Reporting on Membership of Outside Body – Councillor K Mills

Local Action for Rural Communities (LARC)

The previous LARC funding programme ran from 2009-2013

The next Bid from LARC which will become LEADER will run from 2015 – 2020

Consultation has now been commenced which will feed into the next Local Development Strategy, to form the basis of the next bid for funding to run from 2015 – 2020. This document will be submitted to Defra in early September 2014 and, if successful, a new programme will be in place from January 2015.

The key areas of opportunity for economic growth have emerged as:

- Business – enterprise, support and networking
- Food and Drink
- Creative Industries
- Tourism
- Young People
- Heritage
- Natural Environment

Into Somerset (Inward Investment)

The group deal with initial enquiries from Businesses who wish to relocate and it is there job on behalf of all Stakeholders to promote Somerset as the natural choice for Business and Lifestyle.

Below an extract from the team themselves.

The 2013/14 year received 97 enquiries in total, with 13 investments and 87 jobs being established in the county, or secured. Of interest, is the number of enquiries being received by foreign owned potential investors. In the past four months Eiffage, Daher, Alstrom, Areva and Kiljstra have all made contact and are receiving various levels of support. The majority of these enquiries are Hinkley C related and I am pleased to see the correlation between the Hinkley Supply Chain team and Into Somerset in being able to support these enquiries. Land and premises, recruitment and supply chain support feature in the list of requirements for these businesses.

Going forward the contract with Into Somerset expires next year so watch this space!

Taunton Deane Borough Council

Council – 22 July 2014

West Somerset Council

Report No. WSC 109/14

Council – 23 July 2014

APPROVAL OF REDUNDANCIES

Report of the Retained HR Manager

This matter is the responsibility of the Leader of the Council, Councillor John Williams and Cllr Vivienne Stock-Williams, Portfolio Holder for Resources for TDBC and the Leader of Council, Councillor Tim Taylor and the Cllr Kate Kravis, Lead Member for Resources for WSC.

1 Executive Summary

This report is requesting Council to approve the redundancies of the Revenues, Benefits and Debt Recovery Manager (WSC) with effect from 31 July 2014 and the Planning Policy Lead (TDBC) with effect from 28 February 2015. The necessary financial approvals are already in place via the Business Case for Joint Management and Shared Services. This request for Full Council approval is a separate requirement of the Council's HR policies.

2 Background

2.1 The purpose of this report is to request that Councils agree the redundancies of:

the Revenues, Benefits and Debt Recovery Manager (WSC) as at 31 July 2014; and

the Planning Policy Lead (TDBC) as at 28 February 2015.

2.2 There is a requirement for these redundancies to be approved by Full Council as the 2014/15 Pay Policy Statements contain the following:

‘That where severance payments for staff exceed £100,000 they will be reported to Full Council for approval and in presenting information to Full Council the components of the relevant severance package will be clearly set out. These components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.’

2.3 Under the Joint Management and Share Services (JMASS) project the post holders were placed ‘at risk’ of redundancy and expressed the preference to leave the organisation. These requests allowed other staff to be slotted into posts within the new JMASS structures and were accepted by the Assistant Director (Resources)

and Assistant Director (Planning and Environment) and the Senior Leadership Team after consideration of all the financial implications and HR implications.

2.4 The financial details are set out in Appendices A and B.

3 Resources

3.1 The Resources restructure was part of Phase 2 of the Tier 4/5 review with the new structure becoming effective from 1 August 2014. The post holder expressed an interest in taking redundancy and this request allowed other staff to be slotted in and helped to reduce the risk of challenge in setting up the new structure.

3.2 The risks associated with this decision have been considered by the Assistant Director who has been working with affected staff on transition plans. As the new structures are effective from 1 August 2014 the post holder will be paid 11 weeks in lieu of notice.

4 Planning Policy

4.1 Although Phase 1 of the Tier 4/5 restructure took effect from 1 July 2014 discussions have been held with the employee to secure their services until the 28 February 2015 to ensure sufficient capacity is available to manage the workload of the team which includes the preparation and examination of the Site Allocations and Development Management Plan

4.2 This additional period of service is being funded from the LDF reserve and does not impact on the savings required for the JMASS Project.

5 Finance Comments

5.1 Both Full Council's approved funding for JMASS project termination costs in Nov 2013 of £1,191k (WSC £293k: TDBC £898k). The total costs for both posts are £260k which is affordable within the agreed budget. An update on the JMASS project will be provided in the autumn.

5.2 The payback period for both posts is under 3 years and therefore within normal acceptable boundaries. The finance details are set out in the confidential appendices A & B.

5.3 Should these posts remain part of the organisation then the ongoing savings proposed in the new structures could be reduced by £102k for Tier 4&5.

6 Legal Comments

6.1 All relevant employment legislation and HR policy has been complied with.

6.2 The creation of the JMASS staffing structures has been delegated to the Chief Executive but, due to the requirement for all redundancies over £100,000 to be approved by Full Council, there is a need for these specific proposals to be considered by Members.

6.3 The requests for redundancy have been considered against and accord with

Council policies. Individually and together they pay back within a three year period but it should be remembered that these are part of the wider JMASS review.

- 6.4 Should either Council determine that either or both of the redundancies should not be approved then there is a risk of challenge by the affected post holders as this decision may be deemed to be discriminatory.

7 Links to Corporate Aims

- 7.1 This proposal is in response to the JMASS Project but also – in the case of the Planning Policy Lead post - ensures the continuation of ongoing current work on planning policies for adoption by Taunton Deane BC in 2015, which will support the growth agenda.

8 Environmental and Community Safety Implications

- 8.1 None associated with this report.

9 Equalities Impact

- 9.1 None associated with this report.

10 Risk Management

- 10.1 The legal comments highlight potential risks of challenge from the affected employees if Council decide not to approve the redundancies. In addition to this risk such a decision would also reduce the financial savings made as part of the T4/5 Review for both Service areas and increase the impact on front line services in Tier 6 being affected.

11 Partnership Implications

- 11.1 None for the purposes of this report.

12 Recommendations

- 12.1 That Councils approve the redundancies of the Revenues, Benefits and Debt Recovery Manager (WSC) with effect from 31 July 2014 and the Planning Policy Lead (TDBC) with effect from 28 February 2015 in accordance with the financial details set out in Appendices A and B.

Background Papers

2014/15 Pay Policy Statements

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