

WEST SOMERSET DISTRICT COUNCIL

Meeting to be held on Wednesday 24 October 2012 at 4.30 pm

Council Chamber, Williton

AGENDA

1. Apologies for Absence

2. Minutes

Minutes of the Meeting of Council held on 19 September 2012 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. Somerset Local Nature Partnership

To consider Report No. WSC 132/12, to be presented by Councillor C Morgan, Lead Member for Environment – **SEE ATTACHED.**

The purpose of the report is to provide information about the new Somerset Local Nature Partnership (SLNP) and how West Somerset Council will be able to get involved.

7. Pooling of Business Rate Retention Monies

To consider Report No. WSC 121/12, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to provide background to the government's proposals in the Local Government Finance Bill, which will allow authorities to

retain a proportion of the business rates revenue, generated in a local area. In particular the report concentrates on the provision within the Bill that enables local authorities to form a pooling arrangement and thus maximise the retention of business rates generated locally.

8. Annual Treasury Management Report 2011/12

To consider Report No. WSC 141/12, 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 for the 2011-2012 financial year as prescribed by the revised CIPFA Code of Practice and in accordance with the Council's Treasury Management Strategy Statement, Minimum Revenue Provision Strategy and Annual Investment Strategy.

9. Localism Act 2011 – Community Right to Challenge and Assets of Community Value

To consider Report No. WSC 133/12, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support and Councillor D Westcott, Lead Member for Community and Customer – **SEE ATTACHED.**

The purpose of the report is to update Council on Community Rights to Challenge and bids relating to Assets of Community Value that have recently come into force arising out of the Localism Act 2011, and to ensure that the appropriate processes are in place to enable the authority to fulfil its duties under the Act.

10. Police and Crime Panel for Avon and Somerset

To consider Report No. WSC 131/12, to be presented by Councillor T Taylor, Leader of Council – **SEE ATTACHED.**

The purpose of the report is for the Leader to recommend that Councillor G S Dowding be appointed as the West Somerset Council representative on the Police and Crime Panel for Avon and Somerset.

11. Agreement for a County-wide Community Safety Partnership Merger

To consider Report No. WSC 140/12, to be presented by Councillor D J Westcott, Lead Member for Community and Customer – **SEE ATTACHED.**

The purpose of the report is to seek Council approval for West Somerset Council to join a proposed county-wide merger of the Community Safety Partnerships encompassing the East and West of the County.

12. Standards Advisory Committee

To adopt the minutes of the Standards Advisory Committee held on 25 September 2012 – **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 Exmoor Panel held on 4 September 2012
<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Exmoor-Area-Panel/Exmoor-Area-Panel---4-September-2012.aspx>
- Draft notes of the Minehead Area Panel held on 12 September 2012
<http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Minehead-Area-Panel/Minehead-Area-Panel---12-September-2012.aspx>
- Draft notes of the Watchet, Williton and Quantocks Area Panel held on 18 September 2012 <http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Watchet,-Williton-and-Quantock-Area-Panel/Watchet,-Williton---Quantocks-Area-Panel---25-Sept.aspx>

14. Exclusion of the Press and Public

To consider excluding the press and public during consideration of Item 15 on the grounds that, if the press and public were present during that item, there would be likely to be a disclosure to them of exempt information of the class specified in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended as follows:

Item 15 contains information that could release confidential information relating to the financial or business affairs of any particular person (including the authority holding that information). It is therefore proposed that after consideration of all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

15. Sale of Land, Seaward Way, Minehead

To consider Report No. WSC 139/12, to be presented by Councillor K Turner, Lead Member for Housing, Environmental Health and Licensing – **TO FOLLOW.**

The purpose of the report is to seek Council approval for contracts to be exchanged with David Wilson Homes (DWH) regarding the sale of land at Seaward Way, Minehead. The report also provides an update of the latest position concerning negotiations with Crown and Passmore Trust regarding the release from restrictive covenants attached to the land.

COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS

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 19 September 2012 at 4.30 pm

in the Council Chamber, Williton

Present:

Councillor D D Ross Chairman
Councillor G S Dowding Vice-Chairman

Councillor A M Chick
Councillor H J W Davies
Councillor S Y Goss
Councillor B Heywood
Councillor K V Kravis
Councillor E May
Councillor C Morgan
Councillor S J Pugsley
Councillor M A Smith
Councillor A H Trollope-Bellew

Councillor M J Chilcott
Councillor M O A Dewdney
Councillor P N Grierson
Councillor A F Knight
Councillor R P Lillis
Councillor I R Melhuish
Councillor P H Murphy
Councillor D J Sanders
Councillor T Taylor
Councillor D J Westcott

Officers in Attendance:

Chief Executive (A Dyer)
Corporate Director (B Lang)
Group Manager, Housing and Economy (I Timms)
Group Manger, Environment & Community (S Watts)
Planning Manager (A Goodchild) – Urgent item only
Legal Advisor (R Pinney, Mendip DC)
Meeting Administrator (H Dobson)

At the start of the meeting the Chairman wished to remind everyone present that Councillors had a duty to treat their fellow Councillors, officers and members of the public with courtesy and respect. This particularly applied to the way in which they spoke to and about members, officers and anyone else attending Council meetings, and was enshrined in the Code of Conduct. He felt sure that all Councillors would support this and behave accordingly.

C40 Apologies for Absence

Apologies for absence were received from Councillors J Freeman, A P Hadley, K M Mills, K J Ross and K H Turner.

C41 Minutes

(Minutes of the Meeting of Council held on 8 August 2012, circulated with the Agenda.)

RESOLVED that the Minutes of the Meeting of Council held on 8 August 2012 be confirmed as a correct record.

C42 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 S Y Goss	All	Stogursey	Spoke and voted
Cllr P N Grierson	All	Minehead	Spoke and voted
Cllr C Morgan	All	Stogursey	Spoke and voted
Cllr P H Murphy	All	Watchet	Spoke and voted
Cllr A H Trollope-Bellew	All	Somerset County	Spoke and voted
Cllr K H Turner	All	Brendon Hills	Spoke and voted
Cllr D J Westcott	All	Watchet	Spoke and voted

C43 Public Participation

The Corporate Director advised that with regard to the urgent item, to be proposed for discussion after Chairman's Announcements, Ian Liddell-Grainger, MP, was in attendance and at the discretion of the Chairman would be happy to speak to provide clarification.

C44 Chairman's Announcements

The Chairman expressed his thanks to all Councillors who had stayed behind at the end of the last Council meeting held on 8 August 2012, to watch the DVD presentation by Homestart. Further, he thanked those Councillors who had attended the Minehead Area Panel meeting on 12 September 2012.

18 September 2012	Attended West Somerset Health Forum with Cllr Chilcott.
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The Vice Chairman announced that he had attended a Burma Star memorial service on 12 August 2012; Taunton Deane civic service on 18 September; an NFU meeting at Cheddar on 13 September; and Watchet Sea Scouts Admiralty recognition parade on 14 September.

C45 Issues Arising from the Parliamentary Speech on Community Funding Concerning Infrastructure Projects

The Chairman invited Ian Liddell-Grainger, MP, to speak on the issues arising from his parliamentary speech given on Tuesday 18 September, in particular business rates relating to Hinkley Point C.

The MP advised that his speech referred to business rates. It was agreed under the last government that there should be mitigation through the business rates only and that there had never been clarification from government how this was going to be dealt with and administered. During discussions with Ministers there was never an indication that all the

business rates would be kept exclusively by any one body. With regard to Section 106 funding he believed that West Somerset did not get as much as perhaps it could have done and wanted to ensure that West Somerset received a fair share. He believed that no government would allow West Somerset to keep all the business rates and certainly did not want to see any of the monies taken off the support grant. He confirmed that the Minister, John Hayes, had agreed to visit the area to talk about how it could be dealt with and administered. He was determined that West Somerset would be treated fairly and was grateful to the Council for all their hard work and apologised to anyone who felt slighted as that had not been his intention. He confirmed that he would be happy to address any concerns that members may have.

The Chairman addressed the members and asked if they wished to raise any concerns.

Members felt strongly that the Council had worked hard with regard to the Section 106 negotiations that would help to mitigate the risks associated with the proposed construction of Hinkley Point C. The outcome was that West Somerset Council had been very successful in securing monies that would assist the local communities and the three local authorities through the proposed construction phase.

West Somerset was a very rural area with little capacity for large business growth. Hinkley C was likely to be the only opportunity that could benefit the Council. Great concern was expressed that the speech may have referred to the sharing of business rates that would be retained by the Council once Hinkley C was generating electricity and after ground works had been completed and with no further disruption to be mitigated. Therefore, clarification was sought as to whether the MP's speech referred to Section 106 funding, general business rates or the proposed new community benefit fund.

In response to concerns raised, the MP recognised that the business rates for the district were not good. With regard to Section 106 monies he personally felt that West Somerset Community College should have received more and that Sedgemoor District Council had profited too well out of the Section 106 negotiations and wanted to ensure that West Somerset would not be forgotten. He believed that government would not allow West Somerset Council to keep all the business rates, and wanted West Somerset to receive a fair share. He represented both districts equally and had never put one before the other. He confirmed that his speech referred to both the retention of the business rates of the Hinkley C power site when it would start generating electricity and 'stand alone' for local people for local use. He was delighted to have been invited to this meeting to speak and wanted very much to set a precedent now and ensure that everyone involved would be able to leave a legacy to be proud of.

The Leader had asked the MP to do all he could to champion West Somerset's case for community benefit and thanked him for putting the

cause firmly back in the national and public domain and for gaining a positive response from the Minister, John Hayes. He advised that once Hinkley C started to generate electricity there would be huge business rate growth. Community benefit was different and would be extra and would go to the communities that host these projects and probably not the Council. Business rate growth from the government funding formula would go to the Council. He highlighted that there had been no discussions regarding this debate between members or with other authorities. The Council was aware of working fairly and fully supported the need for all local authorities to continue working together.

The Lead Member for Resources and Central Support proposed the following:

- that the MP be thanked for his pledge to continue to work on behalf of West Somerset,
- that the Council welcomed his confirmation that the reference in his speech to sharing did not refer to the retention of the sharing of general business rate scheme but only to any additional community business rate benefit scheme,
- that the beneficiaries of the additional community benefit scheme should be the affected local communities, and
- Council fully supports the principle of working in full, open and transparent partnership with neighbouring local authorities, EDF and any other relevant partners.

The proposed recommendations were seconded by Councillor M Chilcott.

A debate ensued regarding the definition of the word communities and Councillor D Ross proposed an amendment to the third recommendation to read '...should be the affected local communities in West Somerset and Sedgemoor' which was duly seconded by Councillor E May.

On being put to the vote the amendment was CARRIED, and it was

RESOLVED (1) that that the MP be thanked for his pledge to continue to work on behalf of West Somerset.

RESOLVED (2) that the Council welcomed the MP's confirmation that the reference in his speech to sharing did not refer to the retention of the sharing of general business rate scheme but only to any additional community business rate benefit scheme.

RESOLVED (3) that the beneficiaries of the additional community benefit scheme should be the affected local communities in West Somerset and Sedgemoor.

RESOLVED (4) that Council fully supports the principle of working in full, open and transparent partnership with the neighbouring local authorities, EDF and any other relevant partners.

The Chairman thanked Ian Liddell-Grainger, MP, for his time in attending the meeting and Councillor John Osman, Leader for Somerset County Council, for also attending the meeting.

NOTE: Having regard to the special circumstances pertaining in relation to this item - namely the need for the Council to consider whether to make a formal response to the speech as soon as possible – the Chairman was of the opinion that, despite its non inclusion on the agenda, this item should be considered at this meeting as a matter of urgency.

C46 **Localism Act 2011 – Implementation of the New Ethical Standards Regime**

(Report No. WSC 123/12, circulated with the Agenda.)

The purpose of the report was to enable the Council to appoint an Independent Person as required by the Localism Act and to note the appointment of an additional independent member and parish/town council member to complete the full complement of the west Somerset Standards Advisory Committee.

The Lead Member for Executive Support and Democracy presented the report and drew the members attention to the opportunity to appoint a reserve Independent Person, Mike Hillman from Mendip, who would be able to stand in for the Independent Person should a situation arise where there was a conflict of interest. Mr Hillman would only receive reasonable expenses if his services should be required.

The Lead Member proposed the recommendations which were seconded by Councillor P Murphy.

RESOLVED (1) that Louise Somerville Williams be appointed as the Council's Independent Person for an initial period until 30 September 2013 with an initial allowance of £552 per annum (based on the current annual allowance for an independent member and parish/town council member of the Standards Advisory Committee) and Mike Hillman be appointed as a reserve Independent Person until 30 September 2013. These appointments to be reviewed as part of the initial annual review of the new Ethical Standards Regime.

RESOLVED (2) that the Council note the appointment of John Gamlin as an independent member of the Standards Advisory Committee for an initial four year period and the appointment of Councillor John Fulwell of Withycombe Parish Council as a parish/town council representative on the Standards Advisory Committee for an initial period until the May 2015 parish council elections.

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

C47 Independent Local Government Debate

(Report No WSC 122/12, circulated with the Agenda.)

The purpose of the report was to advise Council of the current consultation process being undertaken by the Political and Constitutional Reform Committee regarding independent local government and provide the Council with the opportunity of making a response.

The Lead Member for Executive Support and Democracy presented the report and highlighted Appendix A to the report.

The Corporate Director confirmed that the consultation had been presented to the Corporate Policy Advisory Group. This was the first stage of the consultation process with responses to be submitted by 5 October 2012. The detailed wording of the code was likely to be the subject of a great deal of debate at national and local government.

The Lead Member proposed the recommendations of the report which were seconded by Councillor M Dewdney.

During the course of the debate the following main points included:

- Concern that the word 'redistribution' relating to council tax and business rates in a key element of the draft code, was not likely to be fair to West Somerset.
- A suggestion that detailed comments in the future could be made through the policy advisory groups.
- Article Two was welcomed in which council's would be accountable to local citizens.

RESOLVED that the Council welcomes the initiative and would wish to explore with other local authorities and central government the possibility of codifying the relationship between central and local government.

C48 New Regulations Regarding Meetings of the Executive and Access to Information

(Report No. WSC 124/12, circulated with the Agenda.)

The purpose of the report was to brief the Council of the key issues emerging from the introduction of the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012.

The Corporate Director advised that the new regulations were made on 10 August 2012 and came into force on 10 September 2012. There had been no direct consultation with local authorities. He outlined the main points of the new regulations and advised that clarification on various issues was being sought including the level of executive decisions to be recorded.

Councillor E May proposed the recommendations, which were seconded by Councillor T Taylor.

In response to questions the Corporate Director confirmed that the 'call-in' procedure appeared not to have changed. Further, he expressed concern that the new regulations could potentially use more resources, however, the Council must continue to be transparent.

RESOLVED that the main issues arising from the new regulations, as set out in the briefing note appended as Appendix A to the report, be noted and that updates be requested on the way forward as matters are clarified.

C49 **Future Provision of Services Currently Delivered under a Contract with Veolia**

(Report No. WSC 120/12, circulated with the Agenda.)

The purpose of the report was to provide the necessary information for members to decide upon the future provision of the Council's cleansing services following the conclusion, on 30 September 2012, of the existing contract with Veolia.

The Lead Member for Environment presented the report and advised that the three year Service Level Agreement (SLA) was flexible and provided future opportunity to revisit and 'fine-tune' elements of the contract. With regard to recommendation 2.5. he proposed to replace the word 'likely' with the word 'potentially'.

Further, the Lead Member proposed the recommendations, subject to the proposed amendment to recommendation 2.5, which was duly seconded by Councillor R Lillis.

During the course of the debate the main points included:

- More consideration should be given to the length of road that was swept.
- It was important that towns and parishes were informed of progress and advised that there was no decision yet about the future of other toilets that were not mentioned.
- Some Town and Parish Councils had already worked hard with the Council regarding the future of their public conveniences.
- It was suggested members could work with communities/local traders to investigate solutions to keeping other local public conveniences open.
- It was confirmed that alternative uses to public convenience buildings would be considered and had been considered previously with successful results.
- It was proposed that a stakeholder meeting be held to discuss the issues and other potential approaches.
- Members expressed their thanks to the Scrutiny Committee, parish and town councils and officers for negotiating the contract and Veolia who had been helpful. It was further recognised that on numerous

occasions Veolia had worked above and beyond what was expected of them.

In response to questions the Chief Executive confirmed that the Council were being asked to agree to the principle of closing the public conveniences in recommendation 2.4. He advised that some consultation had already begun as it was important to capture the views and thoughts of as many visitors to the area as possible. Further, he confirmed that it was vital for the Council to undertake thorough equality impact assessment/s for the proposed permanent closure of public conveniences. A report would be presented later in the year detailing those views and the transfer of any public convenience/s and would enable members to make informed decisions and consider mitigation measures.

The Lead Member confirmed that the consultation and discussions regarding the future of public conveniences had taken time but that was necessary in order to reach the correct decision. He noted that there could be a domino effect once one Town/Parish Council took over the running of a public convenience and that this could be a model for keeping other conveniences open.

RESOLVED (1) that Council also extend their gratitude and thanks to the Scrutiny Task & Finish Group for their invaluable contribution in identifying a preferred way forward for procuring the future delivery of the street cleansing service, which forms an integral part of the existing contract with Veolia.

RESOLVED (2) that the principle of entering into a three-year SLA with Veolia, commencing on 1st October 2012 to provide the services referred to in paragraph 4.2. of the report, attached to the agenda, be approved.

RESOLVED (3) that Chief Executive, in consultation with the Lead Member for Environment, be granted delegated powers to agree the final draft terms and conditions of the SLA prior to its signing.

RESOLVED (4) that following the winter closure on 1st November 2012 of Public Conveniences those located in Blenheim Gardens Minehead (gents and ladies), Carousel, Minehead (excl. disabled), Church Street Dunster, Porlock Central and one yet to be identified in Watchet, the principle of them remaining closed permanently be approved. (See note below).

RESOLVED (5) that consultation be undertaken with the relevant Parish & Town Councils and other potentially interested bodies to determine whether they wished to take over ownership and maintenance of the public conveniences scheduled for permanent closure. That more widespread public consultation be undertaken in order to fully understand the impact of the proposed permanent closures on our communities. Finally, that a report be presented to Cabinet and Council regarding a final decision concerning the permanent closure or transfer of the public toilet facilities referred to in resolution 4 above.

Administrator's Note: Subsequently, at the meeting of Cabinet held on 3 October 2012 it was agreed that potential winter closures shall also be the subject of consultation and further member consideration before these matters were acted upon.

C50 **Health and Wellbeing Strategy for Somerset**

(Report No. WSC 119/12, circulated with the Agenda.)

The purpose of the report was to advise members of the changes in Health and Wellbeing structures within Somerset, and to ensure members are aware of the Health and Wellbeing Strategy and its role in future delivery of priorities relating to this area of work.

The Leader of Council presented the report and highlighted the priorities of the strategy. Bearing in mind the demographic make up of the population of West Somerset priority three was of particular importance: 'Somerset people are able to live independently for as long as possible'. The Strategy provided an opportunity to help communities and people work together for social benefit and inclusion. The Leader proposed the recommendations of the report which were seconded by Councillor D Ross.

RESOLVED (1) that the forthcoming changes to the way that Health and Wellbeing services will be delivered from 1st April 2013 be noted.

RESOLVED (2) that the content of the Health and Wellbeing Strategy and the proposed priorities, be noted.

RESOLVED (3) that the proposal that the Council's representative on the Health and Wellbeing Board is Councillor Keith Turner replacing Councillor Tim Taylor be approved.

At this point in the meeting, the Chairman invited the Chief Executive to provide an update on the vacant position of the Council's Section 151 Officer post.

The Chief Executive reported that as a temporary measure Sharon Campbell would be seconded from Somerset County Council to start work at West Somerset Council from Monday 24 September, for two days per week, and at no cost to West Somerset Council. He expressed his gratitude to Somerset County Council for their assistance in this matter.

Further, the Chairman wished to pass on his thanks, also, to Somerset County Council.

C51 **Treasury Management Update – 31 March 2012**

(Report No. WSC 125/12, circulated with the Agenda.)

The purpose of the report was to update the Council on the Treasury Management position as at 31 March 2012.

The Lead Member for Resources and Central Support presented the report and advised of the missing figures relating to Appendix 1 of the report attached to the agenda. The Lead Member proposed the recommendations, which were duly seconded by Councillor M Dewdney.

RESOLVED that the Treasury Management position as at 31 March 2012 be noted.

C52 **Minutes and Notes for Information**

(Notes and minutes relating to this item, circulated via the Council's website.)

RESOLVED that the draft notes of the Dunster Area Panel held on 23 July 2012, be noted.

The meeting closed at 6.58 pm.

REPORT NUMBER WSC 132/12
 PRESENTED BY CLLR CHRIS MORGAN, LEAD MEMBER FOR ENVIRONMENT
 DATE 24TH OCTOBER 2012

SOMERSET LOCAL NATURE PARTNERSHIP

1. PURPOSE OF REPORT

- 1.1. To provide information regarding the new Somerset Local Nature Partnership (SLNP) that is due to commence in January 2013 and the involvement of West Somerset Council.

2. RECOMMENDATIONS

- 2.1. Council are recommended to:

- (a) Endorse the proposal for the formation of the Somerset Local Nature Partnership from January 2013.
- (b) Support the involvement of West Somerset Council and to receive further reports as the scheme develops.

3. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
The SLNP does not meet WSC needs	2	3	6
<i>Ensure Members understand the proposed structure and management of the SLNP and feedback on how WSC would like to be involved in with the Partnership.</i>	2	2	4

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

4. BACKGROUND INFORMATION

- 4.1 The new Government agenda has removed the Regional Agencies and replaced them with locally initiated groups. A new Local Enterprise Partnership (LEP) is addressing the economy, and a Health and Well Being Board will be looking at some of the social issues. A healthy natural environment is the place where all this happens and is essential to the future of Somerset. Somerset Wildlife Trust (SWT) worked with a wide range of organisations to look at how a Local Nature Partnership in Somerset might operate and how it could make a difference.

Local Nature Partnerships (LNPs) were proposed in the governments 2011 Natural Environment White Paper for England, which states that LNPs should organise together at

a local level to create a vision and plan of action of how the natural environment can be taken into account in decision making.

Defra intends LNPs to work alongside LEPs and Health & Well Being Boards, championing the value of nature through local society, and developing innovative ways of engaging more people and organisations in work to benefit nature and local communities.

4.2 Defra define Local Nature Partnerships (LNPs):

"The ambition for LNPs is that they will help their local area to manage the natural environment as a system and to embed its value in local decisions for the benefit of nature, people and the economy. To do this effectively they will need to be self-sustaining strategic partnerships of a broad range of local organisations, businesses and people with the credibility to work with and influence other local strategic decision makers.

The overall purpose of an LNP is to:

- *Drive positive change in the local natural environment, taking a strategic view of the challenges and opportunities involved and identifying ways to manage it as a system for the benefit of nature, people and the economy.*
- *Contribute to achieving the Government's national environmental objectives locally, including the identification of local ecological networks, alongside addressing local priorities.*
- *Become local champions influencing decision-making relating to the natural environment and its value to social and economic outcomes, in particular, through working closely with local authorities, Local Enterprise Partnerships (LEPs) and Health and Well-being Boards.*

At the heart of our ambition for LNPs is that each area finds its own way to make the LNP role real and meaningful locally. Within the framework of the overall LNP role, it is for each LNP to decide what their priorities are and how they work in the way that best suits the needs and challenges of their local area."

4.3 What has happened to date in Somerset?

On behalf of the steering group partner organisations, the Somerset Wildlife Trust (SWT) successfully gained development funding from Defra earlier this year to begin a process of evolving a LNP for Somerset. Consultants were engaged in February to facilitate this process and to prepare a 'State of the Environment' report for the county.

The results of this process were used by SWT to apply to Defra, on behalf of the wider partnership, for formal recognition as a LNP.

Somerset was one of the first 41 LNPs to be recognised by Defra in July 2012:
<http://www.defra.gov.uk/environment/natural/whitepaper/local-nature-partnerships/>

Working group is now developing themes identified at the stakeholder workshops. These themes include strategic land management, strategic marine management, environment and economy, supporting the local agenda, health, learning and well-being and data and information. The working group are also developing a structure, which is likely to include a high level board that will champion the LNP, an executive group and a wider forum of stakeholders. This structure will clearly indicate how WSC can be involved within the partnership. There is a South West LNP Co-ordinator who is working with all the local LNPs. The Somerset LNP will be launched in January 2013.

It is anticipated that Dr Mark Robins, Senior Policy Officer, RSPB, will be present at the meeting to provide further information and to answer any specific questions that may arise.

5. FINANCIAL/RESOURCE IMPLICATIONS

- 5.1. Cost implications for WSC covered under present agreements with SCC and Somerset Environment Records Centre (SERC). Other expense includes a small amount of officer time.

6. SECTION 151 OFFICER COMMENTS

- 6.1. Recheck what Sharon has already added.

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1. None in respect of this report.

8. CRIME AND DISORDER IMPLICATIONS

- 8.1. None in respect of this report.

9. CONSULTATION IMPLICATIONS

- 9.1. The partner organisations were consulted across the whole county of Somerset about this new partnership via mail and workshops.

10. ASSET MANAGEMENT IMPLICATIONS

- 10.1. None in respect of this report.

11. ENVIRONMENTAL IMPACT IMPLICATIONS

- 11.1. The Environmental Impact implications are considered to be of a positive nature. The members of the Environmental Policy Advisory Group were made aware of the scheme at the meeting held on 18th April 2012.

12. LEGAL IMPLICATIONS

- 12.1. None in respect of this report.

REPORT TO A MEETING OF COUNCIL TO BE HELD ON 24TH OCTOBER 2012

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REPORT NUMBER WSC 121/12
 PRESENTED BY CLLR. K KRAVIS
 DATE 24TH OCTOBER 2012

POOLING OF BUSINESS RATE RETENTION MONIES

1. PURPOSE OF REPORT

This report provides background to the government's proposals in the Local Government Finance Bill, which will allow authorities to retain a proportion of the business rates revenue, generated in a local area. In particular the report concentrates on the provision within the Bill that enables local authorities to form a pooling arrangement and thus maximise the retention of business rates generated locally.

2. RECOMMENDATIONS

Council is recommended to approve -

- 2.1 That the Council should continue to form a pool comprising the five Somerset District Councils together with the County Council for the collection of business rates for the financial year 2013/14 (with effect from 1 April 2013).
- 2.5 That agreement of the detailed governance and operating arrangements is delegated to the Chief Executive, in conjunction with the S151 Officer and in consultation with the Leader of Council and the Lead Member for Resources and Finance.
- 2.3 That the County Council continues to act as the lead authority and coordinator for the pool.
- 2.4 That the Chief Executive and S151 officer are granted delegated authority on behalf of the Council to request Department of Communities and Local Government (DCLG) to designate the Somerset Pool, in line with DCLG timescales, together with approval of the detailed governance arrangements.
- 2.5 That if on receipt of the provisional settlement figures or if we cannot agree satisfactory arrangements for governance and sharing that the decision to leave the pool is delegated to the Chief Executive, in conjunction with the S151 Officer and in consultation with the Leader of Council and the Lead Member for Resources and Finance.

3. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
There is a small financial risk that there is negative economic growth in some authorities in the Pool, other than WSC, that cannot be financially compensated for from the pool resulting in the Councils sharing the excess cost of compensation.	Rare (1)	Major (4)	Minor (4)
<i>This risk cannot be fully mitigated as to a large extent the contraction of economic growth is outside of the Councils control. Growth can however be monitored to provide an early warning.</i>	Rare (1)	Major (4)	Minor (4)

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

4. BACKGROUND INFORMATION

4.1. Introduction

One of the features of the Local Government Finance Bill, currently going through Parliament, is the retention of a proportion of the business rates revenue generated in a local area by the relevant local authorities.

Business rates retention is intended to provide incentives for local authorities to drive economic growth, as the authorities will be able to retain a share of the growth that is generated in business rates revenue in their areas, as opposed to the current system where all business rates revenues are held centrally. The government has announced that the share to be paid to central government from business rates collected will be 50%. Therefore 50% of business rates will be retained locally (40% District, 9% County Council, 1% Fire & Rescue).

The new system will preserve the existing Spending Review 2010 settlements for individual authorities in 2013/14 through a system of tariffs and top ups. For each council, a baseline position is set, based on their 2012 funding settlement and their average business rates yield over the last 5 years.

In two-tier areas 80% of the local share of business rates will be retained by the district council, which equates to 40% of the total. One of the consequences of this is that county councils will be “top up” councils, as their business rates income will fall a long way short of their funding needs. Districts in two tier areas will usually be subject to paying a tariff as their business rates income greatly exceeds their funding requirement. Future growth in business rates income will be subject to levies, which are applied to tariff authorities only. This ensures that an authority that increases its business rates by 1% only receives a 1% increase in its spending power. In reality this means that even if it grows its business rate base the Council will only benefit from a small proportion of that growth and the remainder will be returned to central government as a levy

The Local Government Finance Bill also allows local authorities to form pools for the purposes of business rates retention. It is expected that pooling could offer local authorities an opportunity to retain more of the rates generated in their local areas and could allow them to use that additional revenue more effectively to drive future economic growth, which in turn should increase future business rates yield. Modelling done so far on what details of the scheme are known suggests that pooling by all Districts and the County Council will be beneficial and provide additional funding for Somerset Councils to spend. The table in **Appendix A** illustrates the possible benefits of pooling should councils in Somerset achieve varying degrees of Business Rate growth.

When authorities decide to enter into a pooling arrangement, a single funding baseline and single business rates baseline will be calculated for the whole pool. This has the effect of offsetting the District tariffs with the County’s top-up, meaning that a combined tariff and levy is applied to the pool’s business rates revenue as opposed to this being applied to each individual authority. This can deliver significant collective benefits for those involved in the pool.

If a pool were dissolved then all member authorities would revert to their individual baselines, tariffs and levies.

Over the last few years, local authorities have increasingly been working together in different ways: delivering services; sharing back office functions to deliver efficiency savings; and collaborating on issues that affect their wider area as part of Local Enterprise Partnerships. Government supports such joint working between local authorities and wants to encourage it.

As such, the rates retention scheme provides local authorities with the opportunity to come together where they wish to do so to pool business rates and build growth across a wider area.

Pooling business rates:

- a) Provides a new tool to deliver what is needed to promote growth and jobs, allowing investment decisions to support economic priorities
- b) Encourages collaborative working across local authorities, rather than constraining activity within administrative boundaries
- c) Allows the benefit from investment in economic growth to be shared across the wider area – potentially providing a growth dividend to pool partners
- d) Helps local authorities manage volatility in income by sharing fluctuations across the pool

4.2. **Options considered**

Individual authorities have the option to join a pool with any other authority or remain separate. The S151 Officers within the six local authorities in Somerset have considered the advantages and disadvantages of both and believe the case for a countywide pooled approach is overwhelming.

4.3. **Proposals**

The DCLG required authorities considering the formation of a pool to lodge a non-binding expression of interest by 27 July 2012. Following discussions between the S151 Officers of the County and five Somerset District Councils the intention to form a Somerset Pool was communicated to DCLG.

Ultimately final approval of pool membership together with details of governance arrangements require sign-off by each authority's Chief Executive and S151 Officer and must be delivered to the DCLG by 9th November 2012.

The DCLG subsequently set an interim deadline (10 September 2012) for the delivery of further information to assist in a consultation exercise and to confirm that the pooling proposals were continuing to be developed. A meeting of the Somerset Finance Officers (S151 Officers) and additional senior officers on 4 September 2012 further considered the implications of a Somerset Pool together with scrutinising financial modelling of different growth scenarios. The overwhelming consensus was that the formation of a Somerset Pool could provide significant local benefit and reduced financial risk. However, it may also increase certain financial risks and the impact and share of this will need to be agreed. Accordingly it was agreed that further development work be undertaken and that DCLG should be informed of the continued intention to form a local pool.

The development of a Somerset Pool was to be based on the following assumptions: -

- The significant additional funding retained in Somerset comes from the countywide Somerset Pool having a significantly lower levy rate than individual Districts. This means that less of the growth in business rates is paid over to central government and remains in Somerset.

- The intention is that no authority would be worse off inside the pool, than if they had elected not to pool.
- The distribution methodology of any 'bonus' arising (after meeting any financial implications of the above bullet) should consider the creation of a Somerset Safety Net to manage financial risk and hardship, recognise economic growth rates of individual authorities and support additional economic development projects.
- That the risk of pool losses and their likelihood as well as a methodology for dealing with those losses is clear within the governance framework.

It should be noted that any authority could only be a member of one pool.

DCLG will announce the draft Local Government Finance Settlement in mid December, which will set the starting point for the new business rates and this will confirm the tariffs, top up and levy rates for each council, together with their spending baselines and should confirm the benefits arising through this pooling arrangement.

Councils have the opportunity, during the financial settlement consultation period of 28 days, to decide to withdraw from a pooling arrangement if they decide that it does not offer the benefits they had thought. If this happens, then the DCLG legislation requires the pool to be immediately dissolved for 2013/14 and the affected councils would have to restart the process of applying to create a new pool in the following year.

The authority must have signed up to the pool by the 9th November 2012 for our proposals to pool to be successful. Unfortunately it is unlikely that the overall governance and sharing arrangements will be finalised by the time this report is considered. It is therefore recommended that the overall agreements and operating arrangements are considered and agreed by the Chief Executive and Section 151 Officer in consultation with the Leader of Council and the Lead Member for Resources and Finance.

It is also recommended that if on receipt of the provisional settlement figures or if we cannot agree final satisfactory arrangements for governance and sharing that the decision to leave the pool will be made by the Chief Executive in conjunction with the Section 151 Officer in consultation with the Leader of Council and the Lead Member for Resources and Finance.

5. FINANCIAL/RESOURCE IMPLICATIONS

At present the financial implications cannot be quantified with accuracy, however modelling suggests that the potential financial benefits significantly outweigh the relatively remote possibility of financial detriment. The risk arises because the pool would have a higher safety net than each individual authority so we benefit from growth but we could lose from a reduction in business rate income in Somerset to a greater level than we would individually.

The principle put forward to the pool is that WSC should be in no worse a situation than if it were to remain outside of the pool. The indications are that this would remain true in all but exceptional circumstances and being in the pool is more likely to lead to greater growth or better protection than remaining outside. The authority can still decide to leave the pool once the provisional settlement figures are announced in November. The pool has to be agreed annually.

6. SECTION 151 OFFICER COMMENTS

The retention of business rates significantly changes the landscape of local government finance.

Creating a business rates pool will ensure the maximum possible amount of business rates collected in Somerset remain in the county, and it provides opportunities for the six councils to work together to deliver enhanced economic prosperity for the county as a whole.

Pooling offers the potential to deliver benefits to Somerset as a whole and promotes closer working relationship between county and district authorities.

7. EQUALITY & DIVERSITY IMPLICATIONS

There are no direct equalities implications of the proposal to form a Somerset Pool.

8. CRIME AND DISORDER IMPLICATIONS

There are no direct crime and disorder implications of the proposal to form a Somerset Pool.

9. CONSULTATION IMPLICATIONS

Ongoing discussions have taken place between S151 Officers and internally at officer and member level within individual local authorities. Each authority will be using this standard report to brief members and secure any necessary approvals. The S151 Officers do not believe there are any wider impacts either on local businesses or partners requiring consultation.

10. ASSET MANAGEMENT IMPLICATIONS

There are no direct asset management implications of the proposal to form a Somerset Pool.

11. ENVIRONMENTAL IMPACT IMPLICATIONS

There are no direct environmental implications of the proposal to form a Somerset Pool.

12. LEGAL IMPLICATIONS

The legal framework for the formation of a business rates pool is set out in the Local Government Finance Bill.

REPORT TO A MEETING OF COUNCIL TO BE HELD ON 24TH OCTOBER 2012

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Allocations

Appendix A

	Real Terms Decline (RPI = 3%)				Default	Real Terms Growth (RPI = 3%)			
	-4%	-2%	0%	2%	(-4%)	6%	8%	10%	12%
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Somerset County Council	59.327	59.619	59.912	60.205	60.531	60.790	61.052	61.375	61.670
Mendip	2.525	2.525	2.700	2.777	2.842	2.886	2.941	2.995	3.050
Sedgemoor	2.993	3.226	3.300	3.366	3.436	3.498	3.564	3.630	3.696
South Somerset	3.189	3.367	3.501	3.571	3.643	3.711	3.782	3.852	3.922
Taunton Deane	2.353	2.518	2.570	2.621	2.683	2.724	2.775	2.826	2.878
West Somerset	1.224	1.249	1.275	1.300	1.328	1.351	1.376	1.402	1.427
Total	71.610	72.504	73.256	73.840	74.462	74.960	75.490	76.080	76.642
Pool	71.363	72.931	74.419	75.907	77.566	78.884	80.373	81.861	83.349
Gain/Loss	- 0.247	0.427	1.163	2.067	3.104	3.924	4.883	5.781	6.707

Pooling Within Somerset

	Growth Rate	Funding Baseline	Business Rates Baseline	Tariff or Top-Up	Levy Rate	2013/14 Allocation
	%	£	£	£		£
Somerset County Council		59,548,795	14,269,344	45,279,451	Top-up	60,530,585
Mendip	4.38	2,729,446	12,495,946	- 9,766,500	Tariff	2,842,046
Sedgemoor	4.14	3,235,839	13,659,843	- 10,424,004	Tariff	3,436,320
South Somerset	4.03	3,447,636	17,131,894	- 13,684,258	Tariff	3,642,510
Taunton Deane	4.41	2,488,148	15,754,404	- 13,266,256	Tariff	2,682,846
West Somerset	4.19	1,122,644	4,377,219	- 3,254,575	Tariff	1,327,962
Total	RPI = 3%					74,462,269
Pool		72,572,508	77,688,650	- 5,116,142	Tariff	77,565,795
Gain/(Loss)						3,103,526

REPORT NUMBER WSC 141/12

PRESENTED BY COUNCILLOR K V KRAVIS, LEAD MEMBER FOR RESOURCES
& CENTRAL SUPPORT

DATE 24TH OCTOBER 2012

ANNUAL TREASURY MANAGEMENT REPORT 2011/12

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is to review the Treasury Management activity for the 2011-2012 financial year as prescribed by the revised CIPFA Code of Practice and in accordance with the Council's Treasury Management Strategy Statement, Minimum Revenue Provision Strategy and Annual Investment Strategy.

2. RECOMMENDATIONS

- 2.1. Approve the actual 2011/12 Prudential and Treasury Indicators within the report.
- 2.2. To note the annual treasury management activity for the 2011/12 financial year.

3. RISK ASSESSMENT

Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to maintain an adequate system of internal control	1	4	4
<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 below.

4. BACKGROUND INFORMATION

- 4.1. It is a requirement under the Council's Treasury Management Code of Practice to report the expected treasury activity for the forthcoming financial year, a mid year review and subsequently the results of the Council's treasury management activities in that year.
- 4.2. 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”.

4.3. This report concentrates on the Treasury Management activity during 2011-2012. The detailed report is attached as **Appendix A**.

5. **FINANCIAL/RESOURCE IMPLICATIONS**

5.1. As set out in the report.

6. **SECTION 151 OFFICER COMMENTS**

6.1 As at the 31 March 2012 and throughout 2011-2012, the Council

- Held external borrowing of £3.50m and was charged a rate of 1.51% on this amount. This meant that each Band ‘D’ equivalent property in the district was charged interest of £3.58 per year.
- Held average investments of £2.892m which generated an average return of 0.53%.
- Spent £1.123m on capital projects.

7. **EQUALITY & DIVERSITY IMPLICATIONS**

7.1. None in respect of this report.

8. **CRIME AND DISORDER IMPLICATIONS**

8.1. None in respect of this report.

9. **CONSULTATION IMPLICATIONS**

9.1. None in respect of this report.

10. **ASSET MANAGEMENT IMPLICATIONS**

10.1. None in respect of this report.

11. **ENVIRONMENTAL IMPACT IMPLICATIONS**

11.1. None in respect of this report.

12. **LEGAL IMPLICATIONS**

12.1. None in respect of this report.

REPORT TO THE FULL COUNCIL MEETING TO BE HELD ON 24 OCTOBER 2012.

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Annual Treasury Management Review 2011/12

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Annual Treasury Management Review 2011/12

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2011/12. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2011/12 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 23rd March 2011)
- a mid year (minimum) treasury update report (Council 25th January 2012)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

Recent changes in the regulatory environment place a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit Committee before they were reported to the full Council.

Executive Summary

During 2011/12, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury Indicators	2010/2011 Actual £000	2011/2012 Actual £000
Capital Expenditure	1,421	1,123
Capital Financing Requirement		
- Non HRA	7,368	7,658
Net Borrowing	2,663	2,782
External Debt	3,500	3,500
Investments		
- Longer Than 1 year	0	0
- Under 1 year	837	718
Total	837	718

Other prudential and treasury indicators are to be found in the main body of this report. The Director of Finance also confirms that no borrowing took place during 2011/12.

The financial year 2011/12 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk.

Recommendations

The Council is recommended to:

1. Approve the actual 2011/12 prudential and treasury indicators in this report
2. Note the annual treasury management report for 2011/12

Introduction and Background

This report summarises:

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- Reporting of the required prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

1. The Council's Capital Expenditure and Financing 2011/12

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£m General Fund	2010/2011		2011/2012	
	Actual	£000	Actual	£000
Capital Expenditure		2,928		1,118
Financed in year		2,928		828
Unfinanced capital expenditure		0		290

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2011/12 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure, which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.

Reducing the Capital Financing Requirement – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements, which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2011/12 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2011/12 on 23rd March 2011.

The Council's CFR for the year is shown below, and represents a key prudential indicator.

CFR: General Fund	31 March 2011	31 March 2012
	Actual	Actual
	£000	£000
Opening Balance	13,435	7,368
Capital Expenditure	2,928	1,118
Capital Receipts	-8,283	-217
Grants / Contributions	-691	-611
Less MRP	-21	0
Closing Balance	7,368	7,658

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Net borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term the Council's external borrowing, net of investments, must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2011/12 plus the expected changes to the CFR over 2012/13 and 2013/14 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2011/12. The table below highlights the Council's net borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2011	31 March 2012
	Actual	Actual
	£000	£000
Net Borrowing Position	2,663	2,782
CFR	7,368	7,658

The authorised limit - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. The table below demonstrates that during 2011/12 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2011/12
	£000
Authorised limit	15,000
Maximum gross borrowing position	3,500
Operational boundary	10,500
Average gross borrowing position	3,500
Financing costs as a proportion of net revenue stream	0.64%

3. Treasury Position as at 31 March 2012

The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2011/12 the Council's treasury position was as follows:

TABLE 1	31 March 2011 Principal	Rate / Return	Average Life Years	31 March 2012 Principal	Rate / Return	Average Life Years
Fixed rate funding:						
-PWLB	3,500	1.51%	2.89	3,500	1.51%	1.89
Total Debt	3,500	1.51%	2.89	3,500	1.51%	1.89
CFR	7,368			7,658		
Over / (Under) borrowing	(3868)			(4158)		
Investments:						
-in house	837			718		
Total investments	837			718		

The maturity structure of the debt portfolio was as follows:

Debt	31 March 2011 Actual £000	31 March 2012 Actual £000
Under 12 months	0	0
12 months and within 24 months	0	3,500
24 months and within 5 years	3,500	0
5 years and within 10 years	0	0
10 years and above	0	0

The maturity structure of the investment portfolio was as follows:

	2010/11 Actual	2011/12 Actual
Investments	£000	£000
-Longer than 1 year	0	0
-Under 1 year	837	718
Total	837	718

The exposure to fixed and variable rates was as follows:

	31 March 2011	31 March 2012
	Actual	Actual
Fixed Rate (principal)	2,663	2,782

4. The Strategy for 2011/12

The expectation for interest rates within the strategy for 2011/12 anticipated low but rising Bank Rate (starting in quarter 4 of 2011) with similar gradual rises in medium and longer term fixed borrowing rates over 2011/12. Variable or short-term rates were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

The actual movement in gilt yields meant that PWLB rates fell sharply during the year and to historically very low levels. This was caused by a flight to quality into UK gilts from EU sovereign debt and from shares as investors became concerned about the potential for a Lehmans type crisis of financial markets if the Greek debt crisis were to develop into a precipitous default and exit from the Euro.

5. The Economy and Interest Rates

The original expectation for 2011/12 was that Bank Rate would start gently rising from quarter 4 2011. However, economic growth (GDP) in the UK was disappointing during the year due to the UK austerity programme, a lack of rebalancing of the UK economy to exporting and weak growth in our biggest export market - the European Union (EU). The EU sovereign debt crisis grew in intensity during the year until February when a refinancing package was eventually agreed for Greece. This weak UK growth resulted in the Monetary Policy Committee increasing quantitative easing by £75bn in October and another £50bn in February. Bank Rate therefore ended the year unchanged at 0.5% while CPI inflation peaked in September at 5.2%, finishing at 3.5% in March, with further falls expected to below 2% over the next two years.

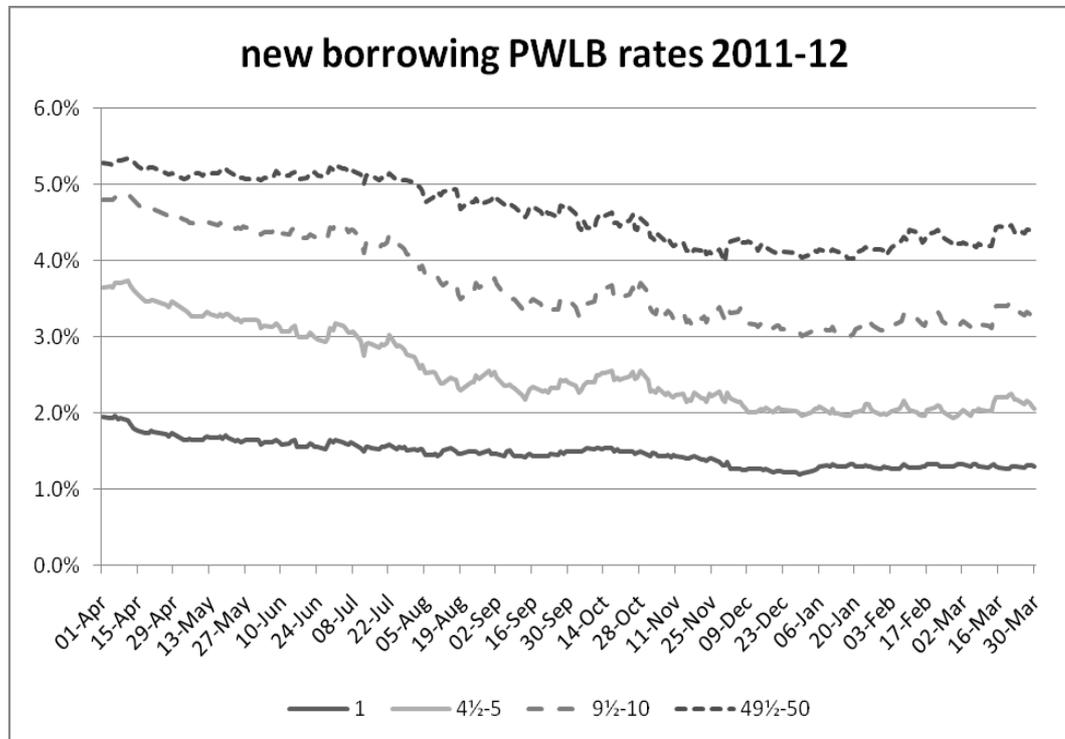
Gilt yields fell for much of the year, until February, as concerns continued building over the EU debt crisis. This resulted in safe haven flows into UK gilts which, together with the two UK packages of QE during the year, combined to depress PWLB rates to historically low levels.

Risk premiums were also a constant factor in raising money market deposit rates for periods longer than 1 month. Widespread and multiple downgrades of the credit ratings of many banks and sovereigns, continued Euro zone concerns, and the significant funding issues still faced by many financial institutions, meant that investors remained cautious of longer-term commitment.

The UK coalition Government maintained its tight fiscal policy stance against a background of warnings from two credit rating agencies that the UK could lose its AAA credit rating. Key to retaining this rating will be a return to strong economic growth in order to reduce the national debt burden to a sustainable level, within the austerity plan timeframe. The USA and France lost their AAA ratings from one rating agency during the year.

6. Borrowing Rates in 2011/12

PWLB borrowing rates - the graphs and table for PWLB maturity rates below show, for a selection of maturity periods, the high and low points in rates, the average rates, spreads and individual rates at the start and the end of the financial year.



7. Borrowing Outturn for 2011/12

Treasury Borrowing

Due to investment concerns, both counterparty risk and low investment returns, no borrowing was undertaken during the year.

Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Repayments

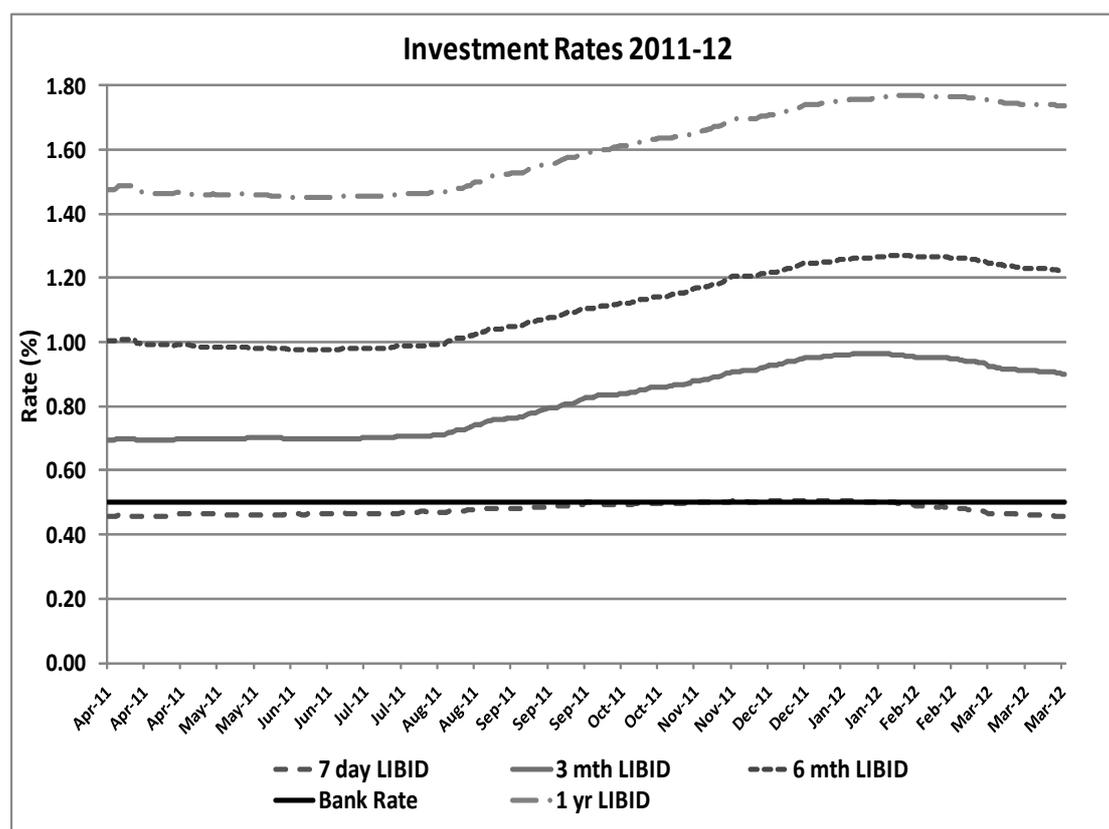
No repayment of debt took place during 2011/12.

Summary of debt transactions – management of the debt portfolio resulted in an average interest rate of 1.51%.

8. Investment Rates in 2011/12

The tight monetary conditions following the 2008 financial crisis continued through 2011/12 with little material movement in the shorter-term deposit rates. However, one month and longer rates rose significantly in the second half of the year as the Eurozone crisis grew. The European Central Bank's actions to provide nearly €1 trn of 1% 3-year finance to EU banks eased liquidity pressures in the European Union and investment rates eased back somewhat in the quarter 1 of 2012. This action has also given EU banks time to strengthen their balance sheets and liquidity positions on a more permanent basis. Bank Rate remained at its historic low of 0.5% throughout the year while market expectations of the imminence of the start of monetary tightening was gradually pushed further and further back during the year to the second half of 2013 at the earliest.

Overlaying the relatively poor investment returns were the continued counterparty concerns, most evident in the Euro zone sovereign debt crisis which resulted in a second rescue package for Greece in quarter 1 2012. Concerns extended to the potential fallout on the European banking industry if the crisis could have ended with Greece leaving the Euro and defaulting.



9. Investment Outturn for 2011/12

Investment Policy – the Council's investment policy is governed by CLG guidance, which was been implemented in the annual investment strategy approved by the Council on 23 March 2011. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

Balance Sheet Resources	31 March 2011 £000	31 March 2012 £000
Balances	931	934
Earmarked reserves	1,067	1,278
Provisions	253	6
Usable capital receipts	1,452	1,511
Total	3,703	3,729

Investments held by the Council - the Council maintained an average balance of £2.892m of internally managed funds. The internally managed funds earned an average rate of return of 0.53%. The comparable performance indicator is the average 7-day LIBID rate, which was 0.47%.

10. Other Issues

Hinkley Point - The large planning obligation settlement will significantly increase the level of cash balances managed by this Authority in-house. A further report will be brought to Members, which will set out a revised Investment Strategy to deal with this arrangement as and when it takes place.

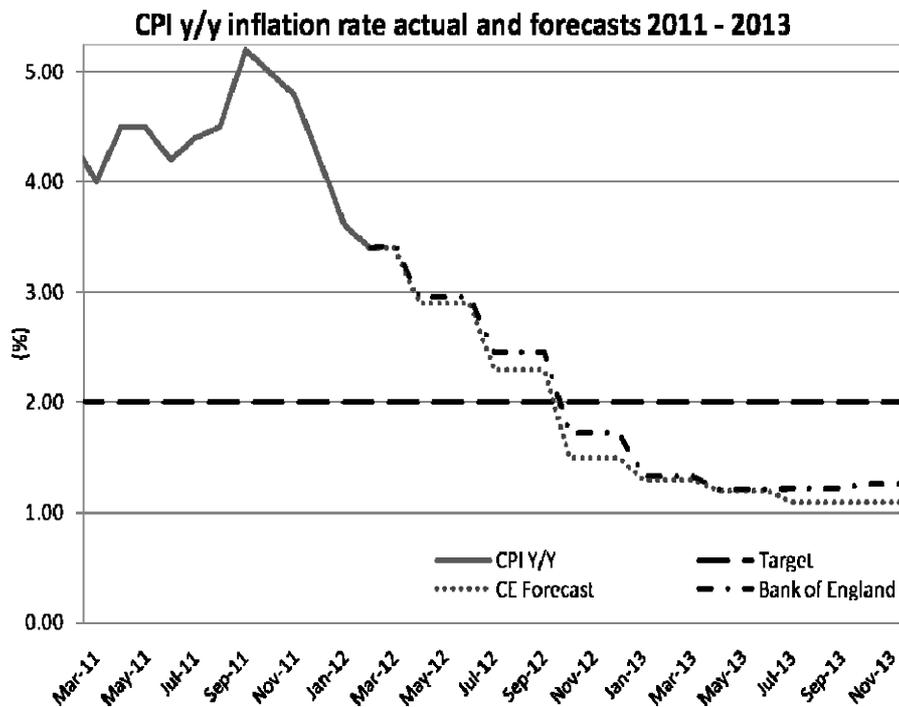
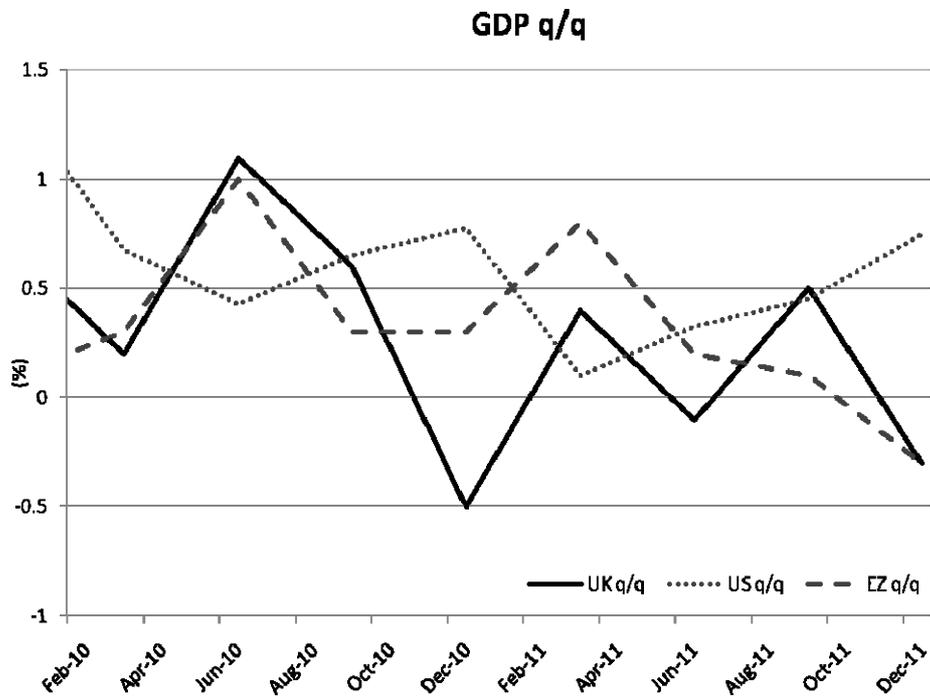
Appendix 1: Prudential and treasury indicators

PRUDENTIAL INDICATORS	2010-2011	2011-2012	2011-2012
Extract From Budget Setting Report	Actual	Estimate	Actual
	£'000	£'000	£'000
Capital Expenditure			
Non - HRA	1,421	463	1,123
TOTAL	1,421	463	1,123
Ratio of financing costs to net revenue stream			
Non - HRA	2.40%	1.68%	0.64%
Net borrowing requirement			
Brought Forward 1 April	12,500	3,500	3,500
Carried Forward 31 March	3,500	3,500	3,500
In Year Borrowing Requirement	- 9,000	-	-
Capital Financing Requirement as at 31 March			
Non - HRA	7,368	3,182	7,658
TOTAL	7,368	3,182	7,658
Annual Change In Capital Financing Requirement			
Non - HRA	- 6,067	- 4,186	290
TOTAL	- 6,067	- 4,186	290
Incremental impact of capital investment decisions	£ p	£ p	£ p
Increase in council tax (band D) per annum	0.00	0.00	0.00

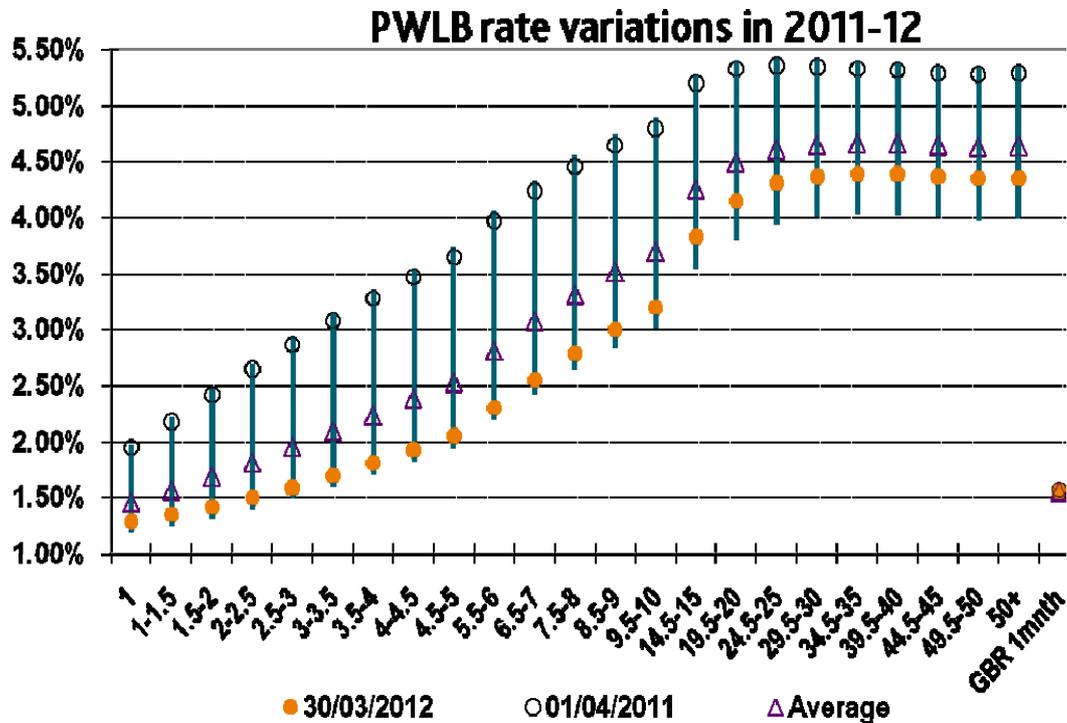
TREASURY MANAGEMENT INDICATORS	2010-2011 Actual	2011-2012 Estimate	2011-2012 Actual
	£'000	£'000	£'000
Authorised Limit for external debt			
Borrowing	15,000	15,000	15,000
Other Long Term Liabilities			
TOTAL	15,000	15,000	15,000
Operational Boundary for external debt			
Borrowing	10,500	10,500	10,500
Other Long Term Liabilities			
TOTAL	10,500	10,500	10,500
Actual external debt			
Upper limit for fixed interest rate exposure			
Net principal re fixed rate borrowing / investments	100%	100%	100%
Upper limit for variable interest rate exposure			
Net principal re variable rate borrowing / investments	100%	100%	100%
Upper limit for total principal sums invested for over 364 days (per maturity date)	Nil	Nil	Nil

Maturity Structure of fixed rate borrowing during 2011/12	Upper Limit	Lower Limit
	Under 12 months	100%
12 months and within 24 months	100%	0%
24 months and within 3 years	100%	0%
3 years and within 4 years	80%	0%
4 years and within 5 years	70%	0%
5 years and within 10 years	50%	0%
10 years and within 20 years	50%	0%
20 years and within 30 years	50%	0%
30 years and within 40 years	50%	0%
40 years and within 50 years	50%	0%
50 years and above	50%	0%

Appendix 2: Graphs



Appendix 3: Borrowing and investment rates



PWLB BORROWING RATES 2011/12 for 1 to 50 years									
	1	1.5-2	2.5-3	3.5-4	4.5-5	9.5-10	24.5-25	49.5-50	1 month variable
01/04/2011	1.950%	2.420%	2.870%	3.280%	3.650%	4.800%	5.360%	5.280%	1.570%
31/03/2012	1.290%	1.420%	1.590%	1.810%	2.050%	3.200%	4.310%	4.350%	1.560%
HIGH	1.970%	2.470%	2.930%	3.350%	3.730%	4.890%	5.430%	5.340%	1.590%
LOW	1.190%	1.320%	1.500%	1.710%	1.940%	3.010%	3.940%	3.980%	1.560%
Average	1.466%	1.693%	1.958%	2.243%	2.533%	3.702%	4.610%	4.635%	1.561%
Spread	0.780%	1.150%	1.430%	1.640%	1.790%	1.880%	1.490%	1.360%	0.030%
High date	06/04/2011	06/04/2011	06/04/2011	06/04/2011	11/04/2011	11/04/2011	11/04/2011	11/04/2011	05/04/2011
Low date	29/12/2011	30/12/2011	30/12/2011	27/02/2012	27/02/2012	30/12/2011	18/01/2012	30/11/2011	15/04/2011

Money market investment rates 2011/12						
	Overnight	7 Day	1 Month	3 Month	6 Month	1 Year
01/04/2011	0.43688	0.45625	0.49563	0.69563	1.00313	1.47750
31/03/2012	0.43188	0.45719	0.57100	0.90188	1.22063	1.73806
High	0.54625	0.50531	0.65288	0.96456	1.27063	1.77175
Low	0.43000	0.45625	0.49563	0.69438	0.97625	1.45000
Average	0.44868	0.48009	0.56246	0.81756	1.11025	1.59673
Spread	0.11625	0.04906	0.15725	0.27018	0.29438	0.32175
Date	30/06/2011	30/12/2011	11/01/2012	12/01/2012	25/01/2012	25/01/2012
Date	14/03/2012	01/04/2011	01/04/2011	12/04/2011	11/06/2011	22/06/2011

REPORT NUMBER WSC 133/12

PRESENTED BY COUNCILLOR K V KRAVIS, LEAD MEMBER FOR RESOURCES & CENTRAL SUPPORT AND COUNCILLOR D WESTCOTT, LEAD MEMBER FOR COMMUNITY & CUSTOMER

DATE 24 OCTOBER 2012

LOCALISM ACT 2011 – COMMUNITY RIGHT TO CHALLENGE AND ASSETS OF COMMUNITY VALUE

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is to update Council on Community Rights to Challenge and bids relating to Assets of Community Value that have recently come into force arising out of the Localism Act 2011, and to ensure that the appropriate processes are in place to enable the authority to fulfil its duties under the Act.

2. RECOMMENDATIONS

- 2.1. That Council note the coming into force of Community Rights to Challenge to bid for running Council services and to bid for Assets of Community Value arising from the Localism Act 2011.
- 2.2. That the following processes be endorsed to ensure that the Council fulfils its duties under the Localism Act 2011 in respect of the provisions referred to in recommendation one above: -
- Community Right to Challenge, as set out in Appendix A to this report
 - Nominating an asset of Community Value, as set out in Appendix B to this report
 - Notification of sale of Asset of Community Value, as set out in Appendix C to this report
 - Process for claiming compensation for losses/expenses incurred in complying with the Assets of Community Value scheme, as set out in Appendix D to this report.

3. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to meet its obligations in respect of the community right to challenge and community right to bid under the Localism Act 2011	Possible (3)	Major (4)	Medium (12)
<i>To approve the appropriate processes to ensure that the Council fulfils its obligations in respect of these provisions arising from the Localism Act 2011</i>	Rare (1)	Major (4)	Low (4)

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

4. BACKGROUND INFORMATION

4.1. The Community Right to Challenge

- 4.1.1. The Community Right to Challenge, as set out in part 5 of the Localism Act 2011, came into force 27 June 2012, and enables charities, social enterprises, a trust which is established for charitable purposes, a parish council or, in relation to a local authority, two or more employees of that authority, and other groups to express an interest in running a service that is either being provided by or on behalf of the local authority.
- 4.1.2. Information relating to this new right has been published on the Council's website and a draft process has been developed which Corporate Management Team considered fit for purpose for the Council to consider adopting, as set out in Appendix A to this report.
- 4.1.3. The government did provide guidance for local authorities in this respect which was deliberately 'light touch'. This does allow for scope for locally responsive interpretation; nevertheless, such a lack of prescription does increase the risk that local authorities will face legal challenges from those unhappy with the outcome of the local process.
- 4.1.4. At the time of writing this report there are several issues which officers are attempting to clarify on points of detail. It is, however, recognised that it is still important for the Council to have an approved process in place to provide some clarity and guidance for local communities given that this right is already in force. It may be necessary to amend any 'approved' process in the light of further clarification.
- 4.1.5. In terms of the detail set out in Appendix A, the timescales and steps set out in the process are prescribed whereas the 'decision makers' set out on the far right-hand side of the document are a matter of local discretion. It can be noted that the process, as drafted, is suggesting that officers process any expression of interest and prepare a report for Cabinet to make a final decision on.
- 4.1.6. Where an expression of interest is accepted by the Council then a procurement exercise will be run which will be open to any firm to tender/bid for.
- 4.1.7. This right can apply to services that are currently contracted or supplied by private or voluntary providers as well as those still provided directly by the Council.
- 4.1.8. Services that are currently under contract will be affected by the terms of the agreement in place, therefore it will only be possible to run a procurement exercise in these instances when the contract is coming to an end.
- 4.1.9. In addition to publishing any 'approved' process, which will include the required information to submit an expression of interest, the Council also plan to publish their register of current contracts, which will include the contract end dates.
- 4.1.10. It is proposed that expressions of interest can be made to the Council between 1 March and 30 April 2013 and then at the same time each year thereafter. This proposal of providing an annual window of opportunity is seen to be the most practical way of providing the Community Right to Challenge opportunities.

4.2. Community Right to Bid – Assets of Community Value

- 4.2.1. Part 5 of the Localism Act 2011 also includes the Community Right to Bid in respect of assets of community value which allows parish and community councils and local voluntary and community organisations to nominate local land or buildings (for example, town halls, village shops, pubs) to be included in the list of community assets maintained by local authorities. This particular right came into force on 21 September 2012 and once again

officers have prepared a draft process which the Corporate Management Team have agreed should be put forward for consideration for endorsement by Council.

- 4.2.2. There are several phases to this process. The first phase relates to the receipt of a completed nomination form from an appropriate group so Council will be required to make a decision on whether or not to list the asset in question within eight weeks. This process is set out in Appendix B to the report. It can be seen that it is proposed that officers process the request to enable Cabinet to make the appropriate decision within the timescale of eight weeks. There is then a further right of appeal by the owner of the asset in question, which also needs to be processed within eight weeks. As with the Community Right to Challenge, there are still areas of uncertainty including, for example who should be the external tribunal to consider any such appeals and clarification is still being sought on this matter.
- 4.2.3. If an asset is accepted to be of community value it will be placed on a list that will need to be maintained on the Council's website. Once listed, if at some point in the future the owner decides to dispose of it, then the community is notified and has a six week period in which to decide whether to submit to purchase and run the asset. If the community decides not to submit a bid, then the asset owner is free to dispose of it on the open market. If the community confirms that it does wish to submit a bid it then has a six month moratorium in which to develop its bid to the asset owner. Unless it is to the community group, the asset cannot be disposed of during this period. If a bid is not received or accepted within the six month period then the asset owner is free to dispose of the asset on the open market for a further period of twelve months, at the end of which time (if no sale has been achieved) the whole process begins again. This element of the process is set out in Appendix B to the report.
- 4.2.4. A final stage of the process relates to the possibility that an owner of a community asset may seek compensation from the local authority if they consider that they have suffered a financial loss as a result of the process. A diagram representing this element is set out at Appendix C to this report.

(Alternative paragraph: A further part of the process may be required to clarify how the potential issue of compensation will be dealt with. The act does provide for the owner of the community asset to apply for compensation from the local authority if it is considered that financial loss has been incurred by virtue of this Community Right to Bid process. It may therefore be necessary to develop a specific process to provide clarity on how such matters will be considered.)

- 4.2.5. Councillors are requested to note that the Community Right to Challenge and Community Right to Bid (assets of community value) provisions have now come into force. In addition Councillors are requested to approve processes set out in Appendices A – D, with or without amendments to ensure that the Council fulfils its obligations in this regard, on the understanding that certain amendments may need to be subsequently made in the light of experience and/or further clarification from HM Government in relation to certain outstanding matters of detail.

5. FINANCIAL/RESOURCE IMPLICATIONS

- 5.1. As can be seen from the detailed processes, undertaking the proper administration of these new provisions will involve considerable staff time. Furthermore, it will be difficult to anticipate exactly how many challenges and/or bids will be made and the expectations of the community will be that the Council will deal with all requests efficiently and effectively.
- 5.2. It is proposed that the administration of the processes which lead to decisions on these matters will be dealt with from staff in the Corporate Services group with any direct assistance with the community groups making a challenge/bid will be provided staff from the Environment Customer and Community group.

- 5.3. The impact on staff capacity could be quite wide spread in so far as in addition to the initial expression of interest/bidding process depending on how far matters progress there are likely to be implications for staff in procurement matters relating to the Right to Challenge for services including legal input and planning considerations regarding any change of use issues in respect of listed community assets.
- 5.4. In terms of direct financial implications, then there is the obvious unknown but considerable potential risk of the owners of assets listed of community value making successful claims for compensation against the local authority under the Localism Act 2011. At this stage it is not possible to be specific in terms of the likely amounts that could be potentially involved.

6. SECTION 151 OFFICER COMMENTS

- 6.1. The Council has an obligation to fulfil its duties under these particular provisions of the Localism Act 2011. Potential significant staff capacity implications could well have an impact on the provision of other services. There is also an obvious financial risk of successful claims for compensation being made and some provision will need to be made in the Medium Term Financial Plan to reflect this risk.

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1. No significant impact on any equality group has been identified with these policies.
- 7.2. The Community Right to Challenge policy objectives encourages a greater diversity of service provider as it provides for the ability for voluntary and community sector bodies to compete to run services.
- 7.3. The Assets of Community Value policy offers greater opportunities for community involvement in the consideration of community assets, potentially leading to increased community benefit. The policy has the potential to achieve greater community well being and cohesion where communities come together to designate and bid to take over an asset.
- 7.4. The Council will help support groups and communities who need the most assistance to take advantage of the new community rights.

8. CRIME AND DISORDER IMPLICATIONS

- 8.1. None in respect of this report.

9. CONSULTATION IMPLICATIONS

- 9.1. None in respect of this report: once processes have been agreed information will be provided on the website to assist the community to understand the processes and staff at the Council will help with any groups that wish to pursue matters under either the Community Right to Challenge or Community Right to Bid.

10. ASSET MANAGEMENT IMPLICATIONS

- 10.1. None directly in respect of this report although implementation of the Community Right to Bid provisions do provide for bids to be made for Council owned assets to be included on the approved list of Assets of Community Value. This could have implications for any future proposals to dispose and/or redevelop current Council assets.

11. ENVIRONMENTAL IMPACT IMPLICATIONS

11.1. None in respect of this report.

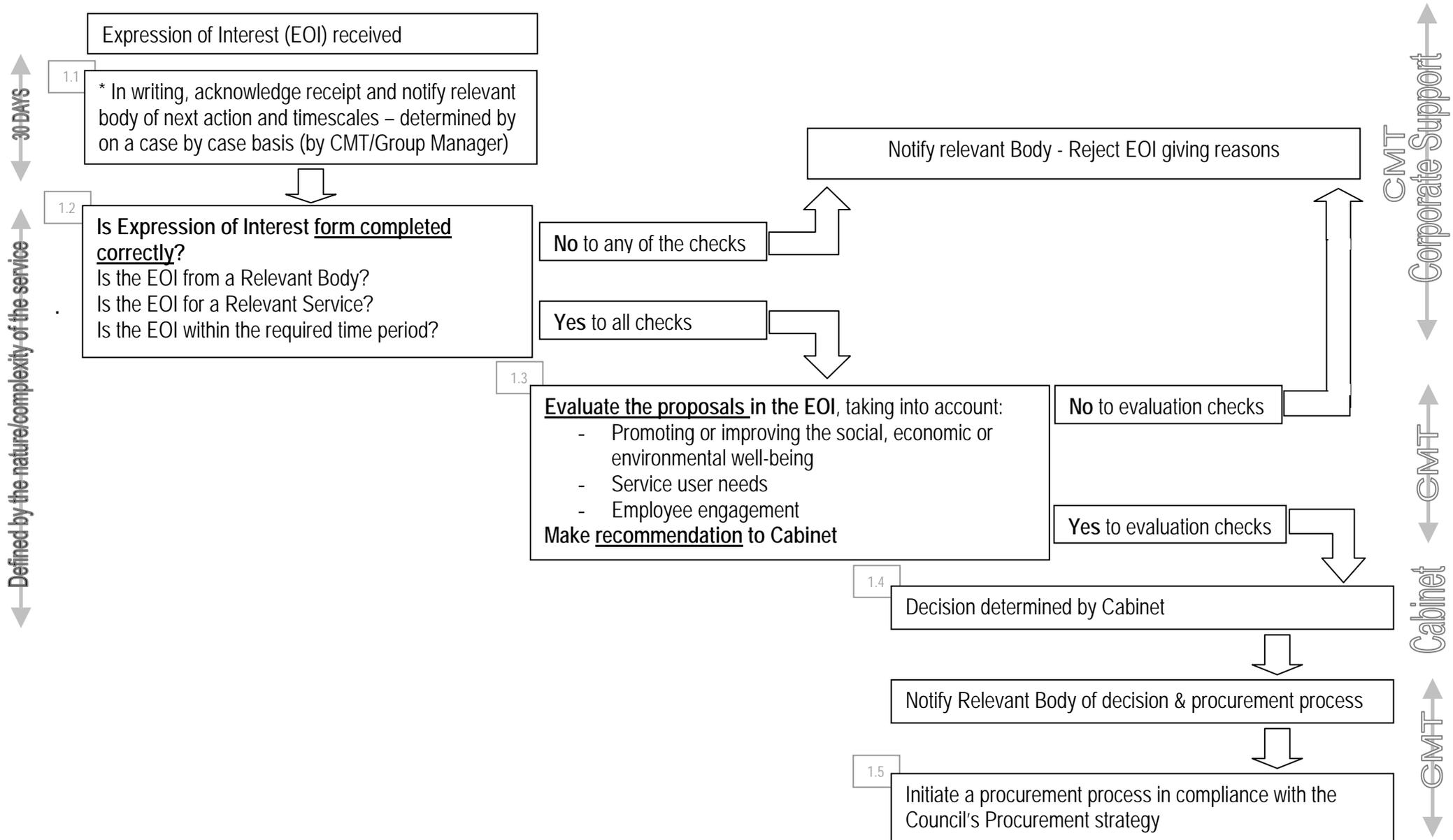
12. LEGAL IMPLICATIONS

12.1. This report arises from the Council needing to put in place processes to ensure that it fulfils its obligations under the provisions of the Localism Act 2011.

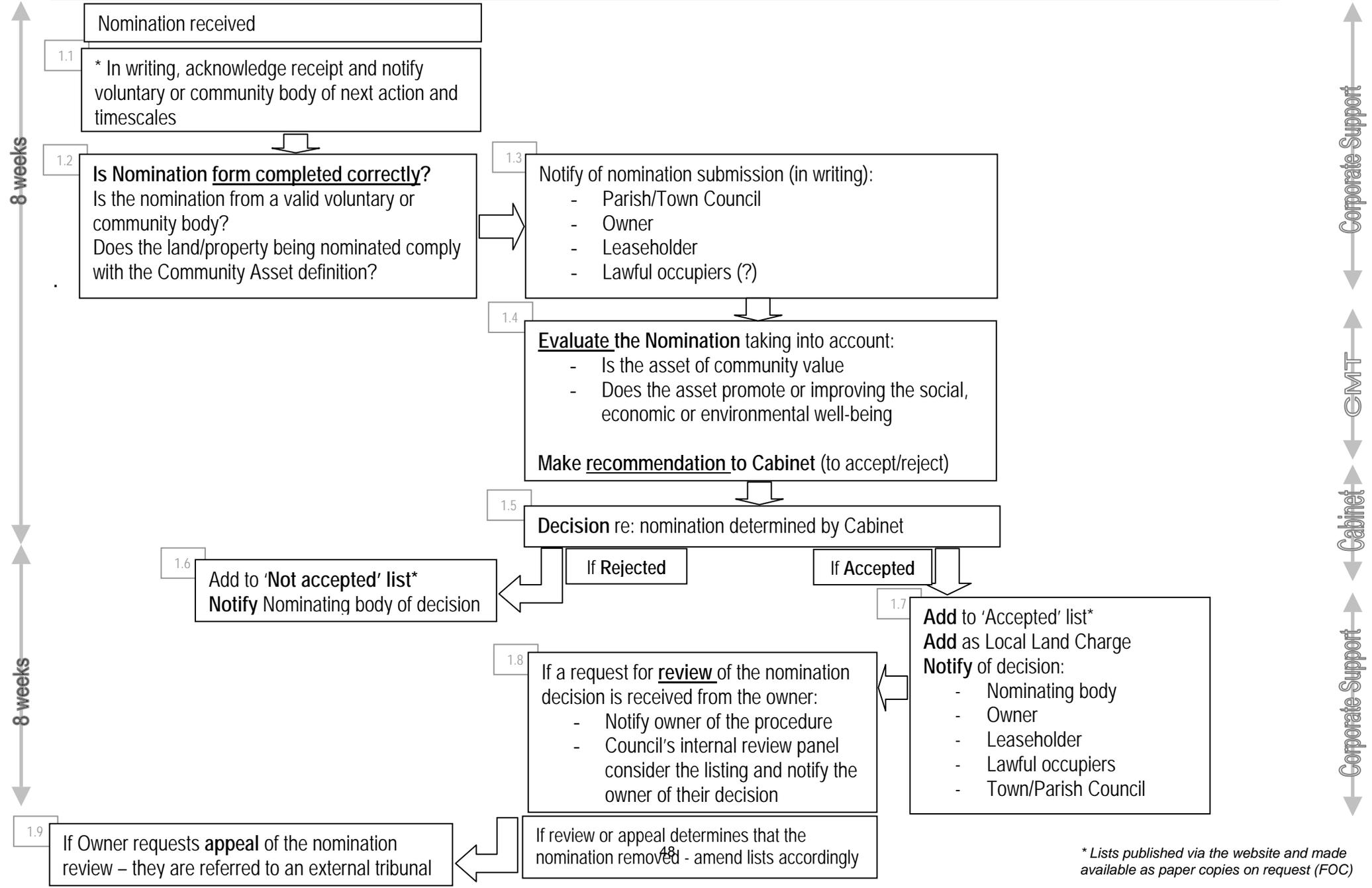
REPORT TO A MEETING OF FULL COUNCIL TO BE HELD ON 24 OCTOBER 2012

CONTACT OFFICER: BRUCE LANG
TEL. NO.DIRECT LINE: 01984 635200
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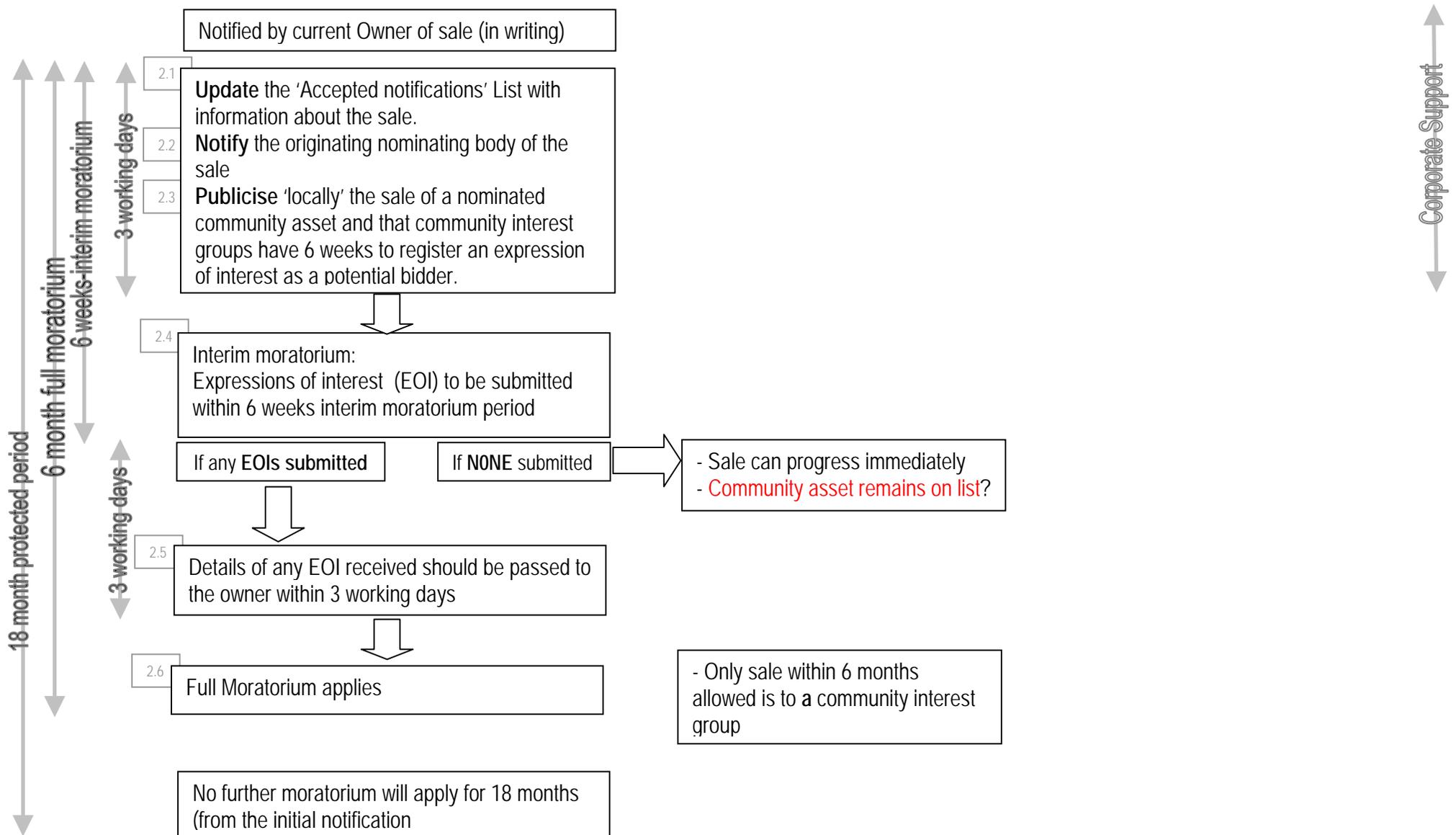
COMMUNITY RIGHT TO CHALLENGE Process



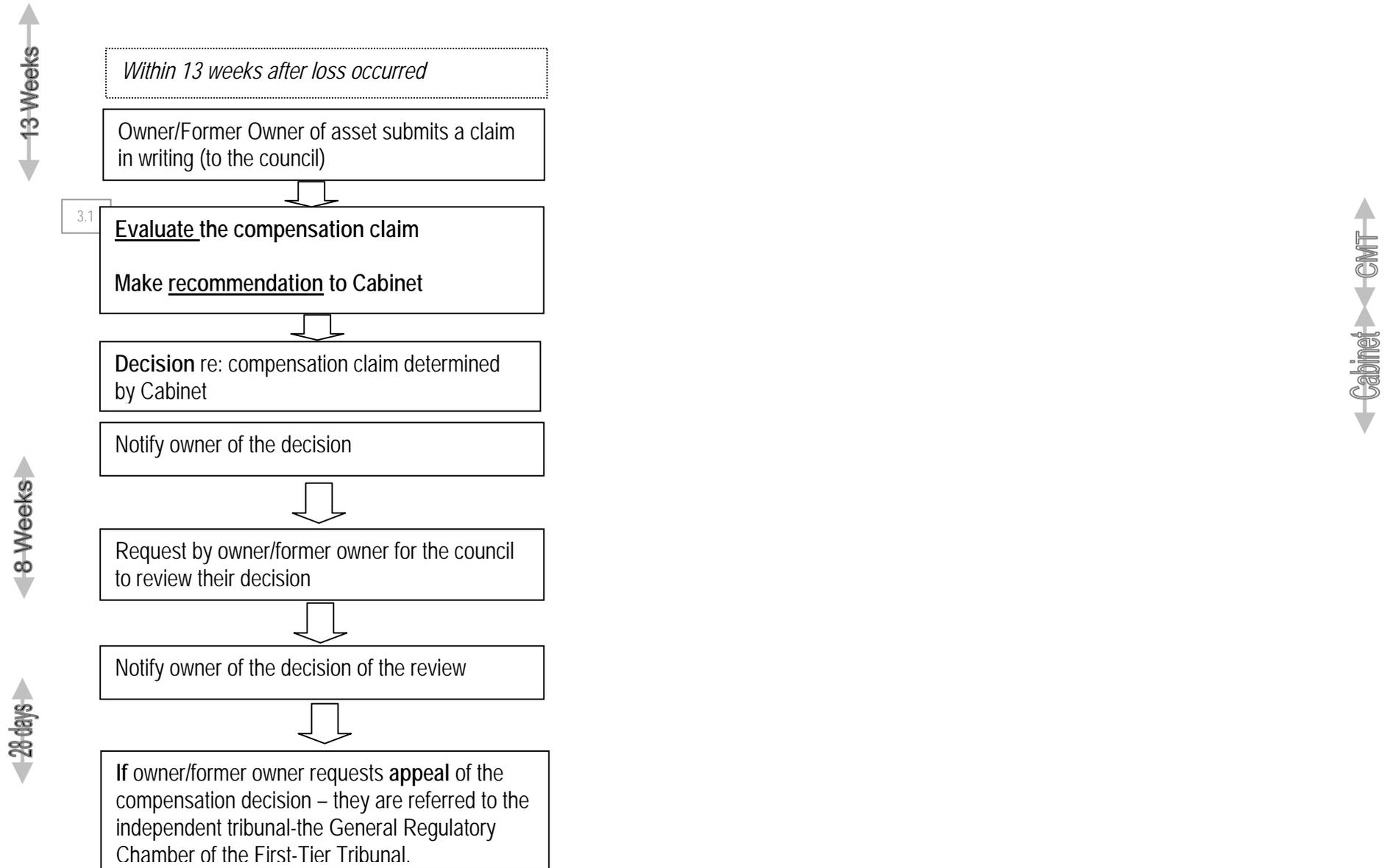
ASSETS OF COMMUNITY VALUE – 1. Nominating an Asset Process



ASSETS OF COMMUNITY VALUE – 2. Notification of Sale



ASSETS OF COMMUNITY VALUE – 3. Compensation Process



REPORT NUMBER WSC 131/12
 PRESENTED BY COUNCILLOR T TAYLOR, LEADER OF COUNCIL
 DATE 24 OCTOBER 2012

POLICE AND CRIME PANEL FOR AVON AND SOMERSET

PURPOSE OF REPORT

- 1.1. The purpose of the report is for the Leader to recommend that Councillor G S Dowding be appointed as the West Somerset Council representative on the Police and Crime Panel for Avon and Somerset.

RECOMMENDATIONS

- 2.1. That Councillor G S Dowding be appointed as the West Somerset Council representative on the Police and Crime Panel for Avon and Somerset; with the Leader acting as deputy to ensure West Somerset Council representation at Panel meetings.

RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
Lack of regular attendance at Panel meetings will result in West Somerset Council not exercising fully its right of influence	Possible (3)	Major (4)	Medium (12)
<i>The mitigation of this risk is identifying a representative who should have the opportunity to attend relevant training/meetings</i>	Unlikely (2)	Major (4)	Medium (8)

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

BACKGROUND INFORMATION

- 4.1. A report to Full Council held on 25 January 2011 set out the background for the requirement to establish a Police and Crime Panel for the Avon and Somerset police area arising out of the Police Reform and Social Responsibility Act 2011.
- 4.2. The Panel is a scrutiny body with responsibility for supporting and scrutinising the Police and Crime Commissioner for Avon and Somerset after the elections in November 2012 and promoting openness in the transaction of police business in the police force area.
- 4.3. The Council has the right to appoint a member on to the Panel and at the Annual Meeting of Council held in May 2012 it was confirmed that the Leader of the Council would be the Council's representative in this respect with the Deputy Leader acting as a substitute when necessary.

- 4.4. The establishment of the Panel has involved a lot of detailed work and coordination between the local authorities in Avon and Somerset and as such the Leaders of the ten local authorities have worked closely together to ensure a smooth transition and therefore the appointment of the Leader to serve on the Panel for the initial few months was quite logical.
- 4.5. As members of the Scrutiny Committee will be aware from a detailed report made by the Leader to its meeting held on 20 August 2012 all the various procedures for the operation of the Panel are now in place and it is now expected for the process to move onto the next phase of detailed training and preparation for the election of the first Commissioner in November.
- 4.6. This will require the members of the Panel to receive specific training and attend a greater number of meetings. The commitment of time and the ability to consistently attend meetings will be an important element in assisting the Panel in meetings its responsibilities. As such it would seem a sensible time to review the Council's representation on the Panel with a view to ensuring the Council is represented in the best way possible.
- 4.7. To this end it is recommended that Councillor G S Dowding be appointed as the full voting member of the Panel with immediate effect with the Leader acting as deputy only in those exceptional circumstances when Councillor Dowding is unable to attend Panel meetings. Councillor Dowding being the Vice-Chairman of the Scrutiny Committee is ideally placed to serve on the Panel who will be essentially undertaking a scrutiny role as set out above; and Councillor Dowding has indicated his willingness to make himself available to attend both the training and numerous meetings that are likely to be held.
- 4.8. Council is invited to formally agree this appointment.

5. FINANCIAL/RESOURCE IMPLICATIONS

- 5.1. The Council is expected to cover the cost of its representative attending Panel meetings and any training pending receipt of Home Office funding in October 2012 to support the activities of the Panel, and, therefore, overall, the financial implications should be minimal. There may also be some manpower implications of officer time in supporting the Council's representative.

6. SECTION 151 OFFICER COMMENTS

- 6.1. None required in respect of this report.

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1. None required in respect of this report.

8. CRIME AND DISORDER IMPLICATIONS

- 8.1. This report is a direct result of one of the functions conferred by the Police Reform and Social Responsibility Act 2011.

9. CONSULTATION IMPLICATIONS

- 9.1. None in respect of this report.

10. ASSET MANAGEMENT IMPLICATIONS

- 10.1. None in respect of this report.

11. ENVIRONMENTAL IMPACT IMPLICATIONS

11.1. None in respect of this report.

12. LEGAL IMPLICATIONS

12.1. This report relates to a legal responsibility placed on the authority to play its role under the requirements set out in the Police Reform and Social Responsibility Act 2011.

REPORT TO A MEETING OF FULL COUNCIL TO BE HELD ON 24 OCTOBER 2012

CONTACT OFFICER: BRUCE LANG
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REPORT NUMBER WSC 140/12
 PRESENTED BY CLLR. D. WESCOTT, LEAD MEMBER FOR COMMUNITY AND CUSTOMER
 DATE 24 OCTOBER 2012

AGREEMENT FOR A COUNTY WIDE COMMUNITY SAFETY PARTNERSHIP MERGER

1. PURPOSE OF REPORT

- 1.1. To seek Council approval for West Somerset Council to join a proposed county wide merger of the Community Safety Partnerships encompassing the East and West of the County.

2. RECOMMENDATIONS

- 2.1 That Council accept the recommendation of Cabinet and formally agree to the Community Safety Partnership merger.

3. RISK ASSESSMENT (IF APPLICABLE)

Risk Matrix

Description	Likelihood	Impact	Overall
West Somerset Council do not approve the formal merger of the Somerset CSP	2	3	6
<i>Ensure that the Portfolio Holder is fully informed of the progress and opportunities within the partnership so that Council can be correctly informed.</i>			
West Somerset Council decides to reconvene the partnership operating solely in West Somerset.	2	5	10
<i>This is possible but previous partnerships will need to be re-established</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.

4. BACKGROUND INFORMATION

- 4.1. In 1988, the Crime and Disorder Act (as amended by the Police Reform Act, 2002 and the Police and Justice Act, 2006) introduced the concept of Crime and Disorder Reduction Partnerships (CDRP's) and identified a number of organisations, including local authorities, as responsible bodies. These were established at a District authority level and with a geographic area of business co-terminous with the District Council boundaries.
- 4.2. The Government also made available direct, ring-fenced, funding to support the work of the partnership and this totalled £79,497 in 2007/8. In the financial year 2008/9, the Government changed the funding arrangements and paid all monies allocated to the five Somerset partnerships direct to the County Council and removed the ring-fencing element.

- 4.3. The County Council subsequently made the decision to include this funding into their central budget in order to support SCC led initiatives such as domestic abuse and drug and alcohol related issues.
- 4.4. In 2006, the CDRP's operating in Mendip and South Somerset merged and demonstrated benefits from this joint working. In 2008, it was agreed by the then members of the West Somerset CDRP to enter into an informal working arrangement with the CDRP's operating in Sedgemoor and Taunton Deane to deliver community safety across the area.
- 4.5. This informal merged working arrangement was extended to all the CSP's operating in the County in 2010 and the term Crime and Disorder Reduction Partnership was replaced by Community Safety Partnership (CSP).
- 4.6. In November 2012, elections will be held to appoint a Police and Crime Commissioner (PCC) for the whole Avon and Somerset police force area. This person will be responsible for setting the Policing budget and for allocating funding to support Community Safety work across the two Counties (which encompasses the 4 unitary authorities for Bristol, South Gloucestershire, BANES, North Somerset together with the two tier authorities in Somerset).
- 4.7. There will be a reciprocal duty for the PCC and CSP'S to co-operate in order to deliver the statutory obligations placed upon both bodies.
- 4.8. A merged CSP across the County will provide a greater opportunity to secure funding and additional benefits with regard to collaborative delivery of the Police and Crime Plan, which the Commissioner is required to produce.
- 4.9. The Council will retain the opportunity and duty to exercise a scrutiny function of the work of a merged CSP (as detailed in the Local Government and Public Involvement in Health Act, 2007)
- 4.10 On 3rd October, West Somerset Cabinet considered this matter and resolved that Cabinet recommend that Council formally agree to the Community Safety Partnership merger.

5. FINANCIAL/RESOURCE IMPLICATIONS

- 5.1. There will not be any specific funding allocated directly to West Somerset but it is anticipated that the merged partnership will be better able to influence funding decisions made by the PCC.

6. SECTION 151 OFFICER COMMENTS

- 6.1. The amalgamation of the individual partnerships into a single countywide partnership arrangement is supported, as it will provide overall benefits in future years.
- 6.2. There is no specific funding available at the present time but, equally, it is unlikely that there will be an adverse financial impact on West Somerset Council other than existing staff time.

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1. None in respect of this report.

8. CRIME AND DISORDER IMPLICATIONS

- 8.1. The framework for CSP's to merge is established within the Crime and Disorder Act 1998 (as amended) and the approval for such a merger will rest with the PCC following their appointment in November 2012.

8.2. There is a requirement within the current legislation for all responsible bodies within a CSP to agree to such a merger. However, the legislation does provide for the Home Secretary (or PCC post November 2012) to force a merger.

9. CONSULTATION IMPLICATIONS

9.1. There are no consultation implications in the context of this report.

10. ASSET MANAGEMENT IMPLICATIONS

10.1. There are no asset management implications in the context of this report.

11. ENVIRONMENTAL IMPACT IMPLICATIONS

11.1 There are no consultation implications in the context of this report.

12. LEGAL IMPLICATIONS

12.1. The legal implications are detailed within the main body of the report.

REPORT TO A MEETING OF COUNCIL TO BE HELD ON 24 OCTOBER 2012

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Background papers: WSC 45/10 - Community Safety Partnership Merger
WSC 77/12 - Community Safety Scrutiny Review

Minutes of the Meeting of the Standards Advisory Committee held on 25 September 2012 in the Council Chamber, Williton

Present:

Mr T Evans Chairman

Mr J Gamlin
Councillor H J W Davies
Councillor J Fulwell
Councillor D J Westcott

Mr I Gunn
Councillor J Davis
Councillor P Grierson

Officers in Attendance:

Monitoring Officer (Bruce Lang)

Meeting Administrator (Elisa Day)

Also in Attendance:

Mrs L Somerville Williams – Independent Person

Tim Evans welcomed everyone to the first meeting of the Standards Advisory Committee as there were new Members present. Everyone introduced themselves.

SA1 Apologies for Absence

No apologies for absence were received.

SA2 Appointment of Chairman

RECOMMENDED that the Committee elect Mr Tim Evans as Chairman of the Committee for the ensuing municipal year.

SA3 Appointment of Vice-Chairman

RECOMMENDED that the Committee elect Mr Ivan Gunn as Vice-Chairman of the Committee for the ensuing municipal year.

SA4 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	Description of Interest	Personal or Prejudicial	Action Taken
Cllr P Grierson	All items	Minehead	Personal	Spoke and voted
Cllr D J Westcott	All items	Watchet	Personal	Spoke and voted

SA5 Public Participation

The Chairman confirmed that no member of the public had requested to speak on any agenda items.

SA6 Minutes

Minutes of the last meeting of the Standards Committee meeting held on 19 June 2012 – circulated with the agenda.

RECOMMENDED that the Minutes of the meeting held on 19 June 2012 be confirmed as a correct record.

SA7 Composition of Committee and Appointment of Independent Person

The Monitoring Officer formally updated the Committee on the new composition and confirmed that at its meeting held on 19th September, 2012, the Council had endorsed the appointments of John Gamlin as an independent member of the committee and Councillor John Fulwell as a parish council representative of the Committee. The Council also confirmed the appointment of Louise Somerville Williams as the Independent Person for West Somerset and Mike Hillman as the reserve Independent Person.

The Monitoring Officer confirmed arrangements for the payment of Independent Members, Parish Councillors and the Independent Person and advised by mileage would be paid but business use must be stated on insurance certificates and a copy of these certificates must be provided.

RECOMMENDED that the update be noted.

SA8 The Localism Act, 2011 –Implementing the New Ethical Standards Regime

(Report No. WSC126/12, circulated with the Agenda)

The purpose of the report was to advise the Committee of progress made to date in regard to implementing the new standards regime and to consider endorsing additional paperwork relating to the complaints process and comment/agree training arrangements.

The Monitoring Officer introduced the item and confirmed that the West Somerset Council had endorsed the recommendations of the Standards Committee as follows:

- To adopt a new Code of Conduct to reflect the requirements of the act and endorse that all Town and Parish Councils in West Somerset be encouraged to adopt a similar form of code, the operation of the adopted code being the subject of an annual review.
- Agreed to suggest that all councils follow a protocol requiring members to sign an undertaking to observe the Code of Conduct adopted by the Council.
- Agreed to adopt arrangements for dealing with complaints with such arrangements being the subject of an annual review.
- Agreed to appoint the Monitoring Officer as the Proper Officer to receive complaints relating to allegations of a failure to comply with the Code of Conduct with delegated powers to:-

- a) Take an initial assessment decision of no action, attempt to resolve the complaint informally, or instigate a formal investigation in consultation with the Standards Advisory Committee; and
- b) To determine the action to be taken following the receipt of the report on any investigation into an allegation of a breach of the Code of Conduct in consultation with the Standards Advisory Committee and the Independent Person
- To instruct the Monitoring Officer to prepare and maintain registers of members' interests to comply with the requirements of the Act at District, Town and Parish Council level.
- To agree the principle of approving a standing order which equates to the current Code of Conduct requirement that a member must withdraw from the meeting room during consideration of any item of business in which he/she has a disclosable pecuniary or other prejudicial/pecuniary interest unless a dispensation has been granted.
- Proceed with the recruitment process for an independent person and additional independent member to sit on the Standards Advisory Committee.
- Liaise with the Somerset Association of Local Councils in regard to recruiting a new Parish/Town Council representative to serve on the Committee.

Members of the Committee raised the following:

- Can Town/Parish Council's choose to adopt their own Code of Conduct rather than the ones from the National Association of Local Councils (NALC) and West Somerset Council(WSC)? The Monitoring Officer advised that, as long it contained the seven principles and made correct reference to disclosable pecuniary interests then, in theory, they could.
- What jurisdiction does the Standards Advisory Committee have over Town and Parish Councils for managing the adoption of the Code of Conduct? The Monitoring Officer advised that all Town and Parish Councils must adopt a Code and a system must be in place for the Standards Advisory Committee to consider complaints about Town and Parish Councils. All complaints must be looked at against the relevant Code i.e. NALC or WSC.
- Have all Town and Parish Councils in West Somerset adopted a new Code of Conduct and are they sending in their Register of Interests Forms? The Electoral Services Officer advised that, of the 36 Town and Parish Councils, 14 had advised the Council that they had adopted a new Code. She also advised that the Register of Interests forms are being returned but this was slow.
- How will the Register of Interests forms be publicised on the website? The Monitoring Officer advised that, although this had not been completely finalised, signatures would not appear on the website and there would be no differentiation between Councillors and their spouses/partners.
- Some Councillors in local Parishes have resigned because they do not agree with providing details of their spouse's interests. Do Councillors

have to provide information of their spouse's interests? The Monitoring Officer advised that Department for Communities and Local Government(DCLG) had been asked and they had advised that Councillors must provide details of their own interests and of their spouses that they are aware of.

- What do the Committee judge a complaint on if no Code of Conduct has been adopted by the relevant Town or Parish Council? The Monitoring advised that he would check this with DCLG but assumed the only thing to do would be to report the relevant Council to Government.
- Had all District Councillors signed their Register of Interests forms and Code of Conduct Forms? The Electoral Services Officer advised that she had received 16 Register of Interests forms and only 5 Code of Conduct forms.

Members were concerned that the return of Register of Interests forms and copies of the adopted Codes of Conduct were taking too long and requested that these be chased up.

The Monitoring Officer confirmed that he would contact all Town and Parish Councils with Codes of Conduct or Register or Interests forms outstanding to remind them of the requirement to adopt a Code and complete Register of Interests forms.

It was suggested that a reminder be put in 'Community Matters' re-iterating the importance of adopting the Code of Conduct and completing Register of Interests forms.

Members felt that District Councillors should be setting an example by completing and returning their Register of Interests forms promptly. The Committee requested the Monitoring Officer to chase all outstanding District Councillor Register of Interests forms.

Complaint Form and Guidance

The Monitoring Officer explained the complaint form and guidance and asked for feedback.

The Chairman suggested the form and guidance could be made simpler and therefore easier to understand and complete. He offered to provide comments/amendments to the Monitoring Officer. The Monitoring Officer was grateful for this and advised that he would email all Members of the Committee with the updated form and guidance.

Members made some amendments to the complaint form and guidance

Concerns were raised regarding how a complaint about the Leader would be dealt. The Monitoring Officer reassured the Committee and explained that the same process would be followed.

The Monitoring Officer explained the role of the Independent Person in the complaint process was an advisory role. He confirmed that the Independent Person must be consulted on complaints that have been investigated and the subject member can also contact the Independent Person.

Code of Conduct Training

Members of the Committee considered the proposed training arrangements including a draft power point presentation.

The Monitoring Officer advised the Committee that he had already been invited to attend Minehead Town Council in November to provide training on the Code of Conduct.

Members of the Committee considered what, if any training should be provided for Town and Parish Councillors and Clerks.

Members felt that a training programme should be offered in venues around the district and this should be done before Christmas if possible. It was suggested that training sessions be held initially in Dulverton and Williton as the Monitoring Officer was already providing a training in Minehead.

Members of the Committee suggested the training events be held during an evening to try to encourage a better turnout and suggested that a question and answer session would be beneficial, along with a powerpoint presentation and some scenarios/group work to encourage networking.

RECOMMENDED (1) that the Monitoring Officer to contact to all Town and Parish Councils that have not advised if they have adopted a new Code of Conduct to remind them of their responsibility to do so.

RECOMMENDED (2) that the Monitoring Officer takes action to ensure that all District Councillors complete their Register of Interests Forms as soon as possible.

RECOMMENDED (3) that the Monitoring Officer emails an updated complaints forms and guidance to all Members of the Committee for their approval incorporating comments made at the meeting together with any subsequent suggestions made by the Chairman of the Committee

RECOMMENDED (4) that the Monitoring Officer arrange training sessions on the Code of Conduct in Dulverton and Williton for Town and Parish Councillors and Clerks to take place before the end of the year.

SA9 Monitoring Officer's Update

The Monitoring Officer submitted a progress report on activities undertaken since the last meeting and confirmed that he was still receiving requests for advice on a regular basis.

RECOMMENDED that the report be noted.

SA10 Dates of Future Meetings

It was confirmed that future meetings of the Committee were scheduled to commence at 4.30pm on the following dates:

4 December 2012

5 March 2013

The Committee acknowledged that other 'meetings' of the Committee may be convened to act as consultee with the Monitoring Officer when undertaking an initial assessment in response to the receipt of any formal complaints relating to allegations of a breach of the Code of Conduct.

RECOMMENDED that the be report be noted

The meeting closed at 6.25pm

DRAFT