



To: All Councillors

Our Ref CS/KK  
Contact Krystyna Kowalewska kkowalewska@westsomerset.gov.uk  
Date 17 February 2015

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Dear Councillor

I hereby give you notice to attend the following meeting:

**COUNCIL MEETING**

**Date: Wednesday 25 February 2015**  
**Time: 4.30 pm**  
**Venue: Council Chamber, Council Offices, Williton**

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

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

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

Yours sincerely

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

**BRUCE LANG**  
Proper Officer

## RISK SCORING MATRIX

Report writers score risks in reports uses the scoring matrix below

**Risk Scoring Matrix**

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

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

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

## WEST SOMERSET DISTRICT COUNCIL

Meeting to be held on Wednesday 25 February 2015 at 4.30 pm

Council Chamber, Williton

### AGENDA

1. Apologies for Absence

2. 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.

3. 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.

4. Chairman's Announcements

5. Annual Budget and Council Tax Setting 2015/16

- 5.i To consider Report No. WSC 41/15, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to provide Members with all information required for Full Council to approve the proposed revenue budget for 2015/16, and to approve its proposed Council Tax rate for 2015/16. The proposed 2015/16 Capital Programme, the revenue implications of which are taken into account within the revenue budget, is included as a separate report for this Full Council meeting.

- 5.ii To consider Report No. WSC 45/15, proposing an alternative budget, to be presented by Councillor I R Melhuish, Leader of the Democratic Alliance Group – **SEE ATTACHED.**

The Democratic Alliance Councillors wish to present two small but important amendments to the Cabinet's budget proposal as presented to Full Council for approval.

6. Capital Programme 2015/16

To consider Report No. WSC 42/15, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is for Full Council to approve the recommended Capital Programme for 2015/16.

**7. Council Tax Resolution 2015/16**

To consider Report No. WSC 43/15, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED**.

The purpose of the report is to enable the Council to calculate and set the Council Tax for 2015/16.

**8. Corporate Plan 2015/16**

To consider Report No. WSC 26/15, to be presented by Councillor T Taylor, Leader of Council – **SEE ATTACHED**.

The purpose of the report is to seek approval for the refreshed WSC Corporate Plan for the 2015/16 financial year.

**9. Proposed Shared Legal Service**

To consider Report No. WSC 25/15, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED**.

The purpose of the report is for Council to endorse the draft business case approved by Scrutiny Committee and Cabinet for establishing a shared legal service between Mendip District Council, Taunton Deane Borough Council and West Somerset District Council, and to approve an inter-authority agreement under which the shared service will operate with effect from 1 April 2015.

**10. Pay Policy Statement 2015/16**

To consider Report No. WSC 44/15, to be presented by Councillor K V Kravis, Lead Member for Resources and Central Support – **SEE ATTACHED**.

The purpose of the report is seek approval from Council for the 2015/16 Pay Policy Statement.

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

**The Council's Vision:**

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

**The Council's Corporate Priorities:**

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

**The Council's Core Values:**

- Integrity
- Fairness
- Respect
- Trust

*Report Number:* WSC 41/15  
*Presented by:* Cllr. Kate Kravis, Lead Member for Resources & Central Services  
*Author of the Report:* Paul Fitzgerald, Assistant Director Resources  
*Contact Details:*  
*Tel. No. (Direct Line)* 01823 358680  
*Email:* p.fitzgerald@tauntondeane.gov.uk

*Report to a Meeting of:* Full Council  
*To be Held on:* 25<sup>th</sup> February 2015  
*Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:* Not applicable

## **ANNUAL BUDGET & COUNCIL TAX SETTING 2015/16**

### **1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to provide Members with all information required for Full Council to approve the proposed revenue budget for 2015/16, and to approve its proposed Council Tax rate for 2015/16. The proposed 2015/16 Capital Programme, the revenue implications of which are taken into account within the revenue budget, is included as a separate report for this Full Council meeting.

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

- 2.1 Achieving financial sustainability is a fundamental priority for this Council. This report sets out to demonstrate the effective approach to the development of a robust financial strategy that achieves this priority, including the delivery of a balanced budget for 2015/16.

### **3 RECOMMENDATIONS**

- 3.1 That Full Council notes the forecast Medium Term Financial Plan, and the Council's forecast reserves position.
- 3.2 That Full Council notes the S151 Officer's Robustness Statement as set out in Appendix A of this report.
- 3.3 That Full Council approves a 2015/16 Council Tax increase of 1.99%.
- 3.4 That Full Council approves the 2015/16 Revenue Budget.

## 4 **RISK ASSESSMENT**

**Risk Matrix**

Description	Likelihood	Impact	Overall
Risk – the Council is unable to balance the budget in response to ongoing funding reductions and cost pressures	Likely (4)	Catastrophic (5)	Very High (20)
<i>Mitigation – a robust financial strategy is implemented including the delivery of savings and generation of income</i>	Rare (1)	Catastrophic (5)	Low (5)

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

## 5 **INTRODUCTION BY THE LEAD MEMBER**

- 5.1 Members will have a good understanding of the financial pressures faced by this Council both historically and in future. The Council has a clear priority to manage its resources effectively and to achieve ongoing financial sustainability, and this has been an important driver for the work undertaken to prepare the proposed budget for next year.
- 5.2 All Members agree that some difficult decisions are required to set a balanced budget for next year. The proposed budget within this report achieves this aim – the budget is balanced without the need to use some of our general reserves. This is a significant achievement – and matching our costs with our funding is an important step for financial sustainability.
- 5.3 This report rightly shows the changes to our funding and spending from 2014/15 to 2015/16 – which is important for transparency in the budget process. I would also like to highlight that whilst there are inevitably spending reductions in some areas, a key aim has also been to protect frontline services and this has been achieved through efficiency savings, limited budget reductions, reviewing fees and charges, and a small increase of 5 pence for week for average council tax charge for our services.
- 5.4 It is also recognised that there is more to do to address the financial challenge beyond 2015/16.

## 6 **BACKGROUND INFORMATION**

- 6.1 The General Fund Revenue Account is the Council's main fund and shows the income and expenditure relating to the provision of services for residents, visitors and businesses including planning, environmental services, car parks, certain housing functions, community services and corporate services.
- 6.2 The Council directly charges individual consumers for some of its services through fees and charges. The expenditure that remains is mainly funded through a combination of local taxation (including Council Tax and a proportion of business rates) and through grant funding from Central Government (including Revenue Support Grant, New Homes Bonus and other non-ringfenced and specific grants/subsidy).

- 6.3 Each year the Council sets an annual budget which details the resources needed to meet operational requirements. The annual budget is prepared within the context of priorities identified by Members which are embedded in the Council's Corporate Plan.
- 6.4 It has been well reported that the Council faces significant and ongoing financial challenges, with a continuation of the annual reductions in Government funding for local council services as the Government seeks to reduce the national deficit.
- 6.5 The Director of Operations presented a report to Scrutiny Committee on 10 July 2014 – "Towards a Financially Fit Future". That report shared updated forecasts and assumptions for the Council's Medium Term Financial Plan, confirming that the Council continues to face significant financial challenges and uncertainty, and needs to adopt a robust Budget Strategy to deal with the tightening funding conditions, and unprecedented levels of financial risk now "localised" by the Government. Subsequently the Council has implemented a strategic approach to budget setting, including the development of 'corporate budget principles' (approved by Cabinet 1 October 2014) to help provide a framework for identifying and considering various budget options.
- 6.6 In this context, 'Initial Savings Options' were been prepared to provide Members with options to close the Budget Gap thus aiming to meet the ambition to achieve financial sustainability. The options were reported to and noted by Scrutiny Committee on 1 December 2014, and were recommended by Cabinet on 4 February 2015 for inclusion in the 2015/16 Budget. Further, the Council has reviewed its fees and charges for services, and approved a number of updated and new charges for 2015/16 at its meeting on 17 December 2014 and 21 January 2015.
- 6.7 In a new initiative for this year, a "Budget Consultation Pack" has been provided to all Members (issued on 23 December 2014), aiming to share details of draft budget proposals and the Provisional Settlement Funding Assessment from Government.
- 6.8 The Final Settlement Funding Assessment was announced on 4 February, with no changes identified to the information provided within the Provisional Assessment.
- 6.9 This report provides the proposed budget to enable Full Council to approve the savings proposals, spending options and Council Tax setting.

### **Scrutiny Comments**

- 6.10 The Scrutiny Committee reviewed the Financial Standing and MTFP Update Report on 15 January 2015, which included details of the draft budget position for 2015/16 and MTFP forecast to 2019/20. The following key comments were made, and were included in the budget report to Cabinet on 4 February 2015:
- a) Business Rates Retention: Members sought to clarify the position with regard to the net amount of funding the Council retains from business rates collected, and clarification around growth assumptions. Additional information has also been requested in respect of the balances held in reserve as contingency for business rates funding.

The Assistant Director Resources agreed to review the presentation of information in respect of retained business rates funding to make this clearer for Members and

the public. The Assistant Director Resources also clarified that there are a range of assumptions included within the business rates forecast, which takes into account projected growth, reductions, appeals and refunds. This is a complex area, with significant uncertainty inherent in the process, for example the outcome of appeals to the Valuation Office, however the assumptions made are considered to be sound for budget setting purposes. Information in respect of the business rates smoothing reserve and provision for appeals has been included in this report.

- b) Savings: There was some debate about the proposals to implement savings in the context of the emerging budget position, and the tentative proposal to transfer an amount to the New Homes Bonus Reserve. A question was raised whether there would be some flexibility in respect of implementing the savings proposals in 2015/16.

In response to these points, the following comments were highlighted at the meeting, or having been added within this report, including:

- i. There were some areas of the budget to be finalised at the time of the Scrutiny meeting, for example the potential requirement to allocate revenue funds to support essential capital programme spend (this position is addressed within this report and separate capital programme report to Cabinet);
- ii. There is work underway to review the asset management and maintenance requirements, which could bring forward additional costs in future;
- iii. Looking forward, the Council's Medium Term Financial Plan also indicates the projected significant financial challenge ahead to balance the budget beyond 2015/16;
- iv. The Council will need resources to invest in future services transformation, and in "invest to save" initiatives that help to provide ongoing revenue income/savings;
- v. There is always a risk that supplementary estimates will be required during the year for unplanned costs. The Council has allocated a significant proportion of general reserves within the 2014/15 budget, and through approved supplementary estimates;
- vi. Support for the progress made to balance the budget for 2015/16, which is a very important in achieving ongoing financial sustainability.

- c) Reserves: Clarification was sought about the up to date reserves position.

The reserves forecast has been updated.

- d) Capital: There were various comments in respect of the capital bids that were shared within the Scrutiny report. Details of these are included in the separate Capital Programme report on this agenda. In the context of the revenue budget, it was highlighted at Scrutiny that there are likely to be essential capital schemes for 2015/16 and that revenue funding may be needed to support this, as is now proposed in the updated Draft Budget.

## **7 ROBUSTNESS OF THE BUDGET PROCESS**

- 7.1 The Local Government Act 2003 requires a report on the adequacy of the Council's financial reserves and for the S151 Officer to report on the robustness of the budget



plans. This is included in Appendix A to this report, and is applicable to both the Revenue Budget and the Capital Programme which follows this item on the agenda for this meeting.

## 8 REVENUE FUNDING POSITION

### Final Settlement Funding Assessment - Summary

- 8.1 The funding settlement for the past three years (to 2014/15) has seen the Council's main general funding reduce significantly. Following the Local Government Resource Review, changes to the main method of general funding for local authorities was introduced from April 2013 with the implementation of Business Rates Retention. The 'core' sources of general funding is therefore now Revenue Support Grant and Retained Business Rates.
- 8.2 A number of previously separate grants were 'rolled in' to the funding base including the Council Tax Freeze Grant, Homelessness Prevention Grant, and Council Tax Support Funding.
- 8.3 The Council also receives New Homes Bonus which is based on housing growth in the district. Nationally, the Government will fund increases in New Homes Bonus through a reduction in the 'pot' for Revenue Support Grant.
- 8.4 Details of the Final Settlement Funding Assessment were issued by Government on 4 February 2015, which confirmed the details provided within the Provisional Settlement with no changes. This settlement information has been used for the recommended budget included in this report. In summary, the headlines are:
- The net Settlement Funding cut by 14.1% in 2015/16. This comprises Revenue Support Grant (RSG) and Business Rates (BR) Baseline.
  - RSG reduced by £344k (28.1%) compared to 2014/15, from £1,224k to £880k. This incorporates the 2014/15 Council Tax Freeze grant of £20k which has been rolled in to the baseline.
  - BR Baseline has increased by 1.9% (RPI capped), from £1,071k to £1,092k.
  - New Homes Bonus (provisional) grant increased by £127k, to £571k
  - Council Tax Freeze Grant of £21k available for 2015/16 tax setting. This grant if taken, will be rolled into the RSG baseline for 2016/17 and therefore be included in future settlement beyond 2015/16 (subject to future Spending Reviews and Settlement Funding Assessments).
- 8.5 The following table summarises the updated funding baseline:

**Table 1 – Final Settlement Funding Assessment headline figures**

	2013/14	2014/15	Change		2015/16	Change	
	£k	£k	£k	%	£k	£k	%
Updated RSG Baseline	1,579	1,225	-354	-22.4%	880	-345	-28.1%
Business Rates Baseline	1,050	1,071	21	2.0%	1,092	21	1.9%
Total Funding Baseline	2,629	2,296	-333	-12.7%	1,972	-324	14.1%

- 8.6 The reduction in our funding baseline is £324k next year, in addition to the £333k reduction seen in 2014/15. This represents a general funding reduction of **£657k** or **25%** in cash terms over the 2 year period. The reduction is **29% in real terms**, and

extends the trend of funding reductions since the Government's austerity measures started to hit local government funding in 201/12.

### **Revenue Support Grant (RSG)**

- 8.7 The Final Settlement confirmed our RSG for 2015/16 will be £880,491. This is a reduction of £344,247 or -28.1% compared to 2014/15. The previously separate 2014/15 Council Tax Freeze Grant (CTFG) of £20,547 has been 'rolled in' to the RSG. The total reduction in RSG ignoring the rolled in CTFG is £364,794 or -29.3%. Whilst this is a very large reduction, it is not reduced by as much as previous forecast, mainly due to an increase in funding to rural authorities including West Somerset. The RSG Final Settlement is £42,428 above previous MTFP estimates, including the rolled in CTFG.
- 8.8 As previously reported, it is anticipated that RSG will be the main area of funding the Government will target to achieve the reduction in national spending on local government. In addition to the above figures in Table 1, we are forecasting that RSG will be subject to further reductions in future years. Our projections in the MTFP currently assume that RSG will reduce to nil by 2020 and there is a risk that this source of funding could decline more sharply than current projections. However, details beyond 2015/16 will be subject to future periodic Spending Reviews and annual Funding Assessments and are not known at this stage.

### **Retained Business Rates**

- 8.9 The Final Settlement confirmed our Business Rates Baseline for 2015/16 will be £1,091,598, an increase of £20,468 or 1.9%. The Baseline is due to increase by RPI each year – the September 2014 RPI is 2.3% – however the Government have decided to 'cap' the RPI increase for a second year in 2015/16 thus reducing the impact on the rate payer (see 8.14 below).
- 8.10 Our budget figures for business rates will be based on local estimates of business rates income through the Business Rates Retention Scheme, which are different from the Government's Baseline figures shown above.
- 8.11 The estimates included within the recommended Budget in this report result in a net Retained Business Rates sum of £1,554,776. This represents 13% of the projected total net collectible business rates income of £11,613,687. Table 2 below summarises the estimates:

**Table 2 – Business Rates Funding Estimates**

	2014/15 £	2015/16 £
40% Standard Share of Business Rates Yield	-4,720,092	-4,607,581
Rates yield from renewable energy schemes	0	-10,000
S31 Grant Income – Reliefs and RPI cap	0	-408,425
Less: Tariff payable to Government	2,979,434	3,036,366
Less: Levy payable to Government (see Table 3 below)	334,764	434,864
Safety Net Payment Due from Government	0	0
<b>Total Business Rates Retained Income</b>	<b>-1,405,894</b>	<b>-1,554,776</b>

- 8.12 As the projected business rates retention amount is higher than the Baseline within the Settlement Funding Assessment the Council is required to pay a levy to Government in arriving at our net retained income as shown in Table 2. Table 3 below sets out the calculation of the estimated levy for 2015/16.

**Table 3 – Levy Contributions calculations**

	2014/15 £	2015/16 £k
40% Standard Share of Business Rates Yield (per NNDR1)	-4,720,092	-4,607,581
Add back Reliefs funded by S31 Grant (per NNDR1)	0	-390,110
Less: Tariff payable to Government (set by Government)	2,979,434	3,036,366
Less: Business Rates Funding Baseline (set by Government)	1,071,130	1,091,598
<b>Retained Business Rates above baseline</b>	<b>669,528</b>	<b>869,727</b>
Levy payable to Government – 50% of Retained Business Rates above baseline	334,764	434,864
WSC 50% share of Retained Business Rates above baseline	334,764	434,863

- 8.13 The indicative budget forecast for retained business rates income has increased by £149k in 2015/16 compared to the previous year.
- 8.14 In the Autumn Statement 2014 the Government announced a range of measures to support businesses, including limiting the RPI factor for business rates to a maximum of 2% (actual cap is 1.91%) for 2015/16, a further extension to the enhancement of Small Business Rate Relief and additional retail reliefs. These measures will impact on the amount of business rates income received in 2015/16, however the Government has stated that local authorities will be fully refunded for the loss in revenue resulting from these changes through Section 31 Grant.
- 8.15 The potential loss of funding through appeals and refunds remains a material risk. As at 31 December 2014 the Gross Rateable Value applicable to outstanding appeals is £14.105m. The financial risks to this Council reflect the possible reduction in ongoing rates income plus the requirement to pay backdated refunds.

**Business Rates Smoothing Reserve**

- 8.16 In order to mitigate the risk identified in 8.15, a financial provision is made annually, and the current balance held in this provision is £1,849,500 (WSC's share of this provision at 40% is £739,800). The Council has also set aside additional funds in the Business Rates Smoothing Reserve to provide further financial protection if our provision proves to be insufficient (as well as smooth out timing differences in respect of Collection Fund balances). The movement on this reserve is shown below.

<b>Business Rates Smoothing Reserve:</b>	£
Balance as at 1 April 2014	269,663
Transfer in as part of 2014/15 Original Budget	219,823
Transfer in 2014/15 per Q1 Financial Performance report	192,345
Transfer in 2014/15 per Q2 Financial Performance report	49,985
Estimated Balance as at 31 March 2015	731,816
Transfer in 2015/16 to offset Collection Fund Deficit	-149,928

Estimated Balance as at 31 March 2016

581,888***New Homes Bonus Grant (NHB)***

- 8.17 The New Homes Bonus (NHB) Grant has been in place since 2011/12. It is funding allocated by Government, separate to Revenue Support Grant and Business Rates, which incentivises or rewards housing growth. The NHB grant is non-ringfenced which means the Council is free to decide how to use it.
- 8.18 The scheme design sets out that each year's Grant allocation will be payable for six years. Assuming this funding mechanism remains consistent in future, the Council should receive six years' grant allocations in each financial year from 2016/17 onwards.
- 8.19 The confirmed NHB Grant allocation for 2015/16 is £571,015, an increase of £127,371 (28.7%) compared to the grant for 2014/15 (and £651 more than earlier estimates). The following table summarises the grant income (rounded figures) to date and future estimates currently included in the MTFP.

***Table 4 – New Homes Bonus Grant Funding***

	11/12 £k	12/13 £k	13/14 £k	14/15 £k	15/16 £k	16/17 £k	17/18 £k	18/19 £k	19/20 £k	Cumulative £k
2011/12 Grant	91	91	91	91	91	91				546
2012/13 Grant		147	147	147	147	147	147			882
2013/14 Grant			145	145	145	145	145	145		870
2014/15 Grant				60	60	60	60	60	60	360
2015/16 Grant					128	128	128	128	128	640
<b>Subtotal</b>	<b>91</b>	<b>238</b>	<b>383</b>	<b>443</b>	<b>571</b>	<b>571</b>	<b>480</b>	<b>333</b>	<b>188</b>	<b>3,298</b>
2016/17 Estimate						139	139	139	139	556
2017/18 Estimate							139	139	139	417
2018/19 Estimate								58	58	116
2019/20 Estimate									50	50
<b>Total</b>	<b>91</b>	<b>238</b>	<b>383</b>	<b>443</b>	<b>571</b>	<b>710</b>	<b>758</b>	<b>669</b>	<b>574</b>	<b>4,437</b>

***Housing Benefit & Council Tax Admin Grant***

- 8.20 The Council receives separate grants towards the administration of housing benefit and Council Tax rebate. The provisional grant allocations for 2015/16 has recently been announced at £219,064. This represents a reduction of £29,240 (-11.8%) compared to the grant for 2014/15. The confirmed grant is £4,422 lower than our initial estimates.

**COUNCIL TAX**

- 9.1 The current annual basic tax rate towards the cost of West Somerset Council services, for the average Band D property, is £137.82. The **Cabinet recommends a Council Tax increase of 1.99% in 2015/16**. For the average Band D property this will set a basic council tax rate of £140.56 per year; an increase of £2.74 per year or 5 pence per week.

- 9.2 Using the Council Tax Base for 2015/16 the draft budget estimate for Council Tax income is therefore  $13,414.8 \times \pounds 140.56 = \pounds 1,885,584$  (excluding parish precepts). This represents a total increase in budgeted income of  $\pounds 62,363$ , as shown below:

	£
Council Tax Income Budget 2014/15	1,823,221
Increase due to change in Tax Base (Band D equivalents)	25,606
Increase due to proposed 1.99% increase in Tax Rate	<u>36,757</u>
Estimated Balance as at 31 March 2016	<u>1,885,584</u>

- 9.3 In 2014/15 the Council approved a Council Tax freeze, and as such was allocated a Council Tax Freeze Grant by Government. A similar grant is available in respect of 2015/16 with Government indicating a Council Tax Freeze in 2015/16 will attract a grant of  $\pounds 21,604$ . This is broadly equivalent to a 1% tax increase (adjusted to exclude CTR impact). Applying a tax freeze would reduce our tax income estimate by  $\pounds 36,757$  which would be partly offset by the Grant (net impact on Budget Gap would be  $\pounds 36,757 - \pounds 21,604 = \pounds 15,153$ ).
- 9.4 Ministers have agreed that the funding for the 2015/16 freeze grant scheme will be in the spending review baseline for future years, so there will not be a “cliff edge” effect on council finances. However, Members are advised that the outcome of future Spending Reviews cannot be predicted with certainty.
- 9.5 The Government’s trigger for a referendum for “excessive Council Tax increases” is set at 2% - so any increase of 2% or more will require a referendum of local taxpayers.

### ***Council Tax Rebate (CTR) Grant and Funding for Parishes***

- 9.6 The Government included funding for the Council’s share of the cost of CTR within the unringfenced baselines for Revenue Support Grant and retained Business Rates in 2013/14. Since 2014/15 it is not transparent as to how much funding is included for CTR – however as the baseline has drastically reduced it is logical to assume that CTR funding has also reduced.
- 9.7 At the Full Council meeting on 19 November 2014 it was approved that no grant would be paid to Parish / Town Councils in respect of the 2015/16 financial year towards the impact of CTR on local tax bases.

## **10 ADDRESSING THE BUDGET GAP**

- 10.1 In line with the agreed approach to budget setting, Cabinet has considered a number of options to address the Budget Gap. In addition, financial estimates have been reviewed and updated through the budget process and the Budget Gap updated accordingly.
- 10.2 Various changes to the budget gap have been reported through the budget process, both in terms of changes to cost and income estimates through detailed budget work, and as a result of proposed and approved changes by Members. The final proposed budget addresses the budget gap in full through a combination of savings, fees and charges and updated forecasts for council tax income, including increase to the tax base and the proposal tax rate for 2015/16.

- 10.3 In addressing the gap Members have considered capital pressures alongside the consideration of the revenue budget. The council currently has limited capital resources and is planning to allocate some revenue budget to help fund the capital programme. Work is ongoing to fully identify the funding requirements in respect of the council's assets. It is likely that additional funding requirements will be identified during the next 6-12 months, and it is important to take account of this risk when considering the adequacy of revenue and capital reserves.
- 10.4 Table 5 below summarises the changes to draft budget estimates since November 2014 and includes the changes proposed by Cabinet in order to set a balanced budget for 2015/16.

**Table 5 – 2015/16 Budget Gap Movements**

	See para	£	£
<b>2015/16 Budget Gap November 2014</b>			<b>244,707</b>
Cease Parish CTR Grants	10.2	-80,359	
Initial Savings Proposals	10.3	-64,354	
Fees and charges – various services proposals	10.4	-13,650	
Fees and charges – car parking (provisional estimate)	10.5	-35,000	
<b>2015/16 Budget Gap Estimate – 1 December 2014</b>			<b>51,344</b>
Revision of car parking income estimates (to £25,000)	10.5	10,000	61,344
JMASS final staff structures – on target	10.6	Nil	61,344
JMASS non-staff target delivery – on target	10.6	Nil	61,344
HB & CTR Admin Grant confirmed	8.22	4,422	65,766
Council Tax Base (£25,606 per 8.3 plus 1.99%)	9.3	-26,116	39,650
Council Tax Collection Fund Surplus / Deficit	10.7	-70,200	-30,550
Somerset Rivers Authority - Contribution	10.8	5,000	-25,550
Revenue Support Grant – Provisional Settlement	10.8	-42,428	-67,978
Adjust for 2014/15 Ctax Freeze Grant rolled into RSG	8.8	20,547	-47,431
Increase in NHB – Provisional Settlement	8.21	-651	-48,082
Revenue funding for 2015/16 Capital Programme	10.9	76,633	28,551
Contribution to Corporate Counter-Fraud Match Funding	10.10	5,000	33,551
Increase in Business Rates Retained Income (NNDR1)	8.15	-33,551	0
<b>Budget Gap Estimate</b>			<b>NIL</b>

- 10.5 CTR Parish Grants: At the Full Council meeting on 19 November 2014 it was approved that no grant would be paid to Parish / Town Councils in respect of the 2015/16 financial year and therefore this decision reduces the budget gap by approximately £80K.
- 10.6 Savings Proposals: Savings Proposals are summarised in Appendix B. If these are all implemented this will provide ongoing savings of approximately £64K in 2015/16. These options were presented to and noted by Scrutiny on 1 December 2014 and recommended for approval by Cabinet at its meeting on 4 February 2015.
- 10.7 Fees & Charges - General: Following consultation with Members at Corporate Policy Advisory Group, Fees and Charges were considered by Cabinet on 3 December 2014 prior to approval by Full Council 17 December 2014. It is anticipated that changes to

Fees and Charges will contribute an additional £13,650 to income budget estimates for 2015/16.

- 10.8 Fees & Charges – Parking: Initial proposals for car parking fees were shared for consultation with Members at Corporate Policy Advisory Group (CPAG) on 27 November 2014, and have subsequently been finalised and recently approved by Full Council on 21 January 2015. The initial estimates projected a net income increase of £35,000. Taking into account the final proposals with an implementation date of June 2015 the final 2015/16 estimates were revised downwards by £10,000, to a net income of £25,000, rising to £30,000 for the full-year effect in 2016/17. Formal consultation on the fees, following approval in principle by the Council, will now be undertaken in line Traffic Regulations, prior to implementation in the summer.
- 10.9 JMASS: The 2015/16 budget assumes the business case is on track and therefore it is set to meet the budget target, delivering estimated ongoing savings of £307,000 for this Council.
- 10.10 Collection Fund Surplus: The final forecast for the Collection Fund balance at the end of this financial year is a surplus of £520k (no change from provisional estimates). The WSC share of this estimated balance is £70,200, which will be received as a one-off credit in 2015/16.
- 10.11 Somerset Rivers Authority: At the December Cabinet meeting it was resolved that £5,000 be contributed towards the interim funding required by the Somerset Rivers Authority (SRA) and that longer term funding and operation on the SRA (beyond any interim funding period) is subject to further development and agreement between local partners and Government.
- 10.12 Revenue Contribution to Capital Outlay (RCCO): There are a number of capital bids proposed in a separate report to Cabinet which will require additional funding in order to deliver. The current budget position for 2015/16 indicates that it will be possible to set aside £76,633 to help support 2015/16 Capital Programme. This is an appropriate and prudent use of these one-off “surplus” funds which helps mitigate the risk of not being able to fund essential capital works.
- 10.13 Corporate Counter-Fraud: a bid for Government Grant to support the implementation of a collaborative approach to the Council’s counter fraud work, together with Taunton Deane Borough and South Somerset District Councils, was recently confirmed to be successful. The bid identified a commitment by the Councils to provide a total of £40,000 match funding in 2015/16. It is proposed that West Somerset provides £5,000 towards this match funding with the balance provided by the other two councils.
- 10.14 It is notable that as measures have been identified to fully address the Budget Gap, it would be possible to reduce reliance on the New Homes Bonus Grant to support the base budget – in line with the approved corporate budget principles. The figures for 2015/16 as detailed above show that under more favourable circumstances £76k could remain within the New Homes Bonus Reserve (which was identified as a potential option in the budget report to Scrutiny on 15 January 2015). With the pressures relating to capital spend however, as detailed in the separate Capital Programme Report, it is a more cost effective solution for 2015/16 to use this balance for one-off capital purposes.

## 11 PROPOSED GENERAL FUND BUDGET SUMMARY 2015/16

11.1 The following table compares the Proposed Budget with the original budget for the current year.

**Table 6 – Proposed 2015/16 Revenue Budget**

	<b>Original Budget 2014/15 £</b>	<b>Proposed Budget 2015/16 £</b>
Total Spending on WSC Services	4,875,191	4,640,133
Parish CTS Grants	87,530	0
Revenue Contribution to Capital	0	76,633
Interest payable	42,850	35,000
Capital Debt Repayment Provision (MRP)	200,400	225,300
Interest Income	-15,000	-15,000
Transfers to/from Earmarked Reserves	227,662	-149,928
Transfer from General Reserves	-321,108	0
<b>AUTHORITY EXPENDITURE</b>	<b>5,097,525</b>	<b>4,812,138</b>
Less: New Homes Bonus	-443,644	-571,015
Less: Revenue Support Grant	-1,224,738	-880,491
Less: Retained Business Rates	-1,405,893	-1,554,776
Less: New Burdens – Welfare Reform Grant	-59,659	0
Less: Council Tax Freeze Grant	-20,547	0
Surplus(-)/Deficit on Collection Fund – Council Tax	0	-70,200
Surplus(-)/Deficit on Collection Fund – Business Rates	-119,823	149,928
<b>Expenditure to be financed by District Council Tax</b>	<b>1,823,221</b>	<b>1,885,584</b>
Divided by Council Tax Base	13,229.0	13,414.8
<b>Council Tax @ Band D</b>	<b>137.82</b>	<b>140.56</b>
<b>Cost per week per Band D equivalent</b>	<b>2.65</b>	<b>2.70</b>

## 12 MEDIUM TERM FINANCIAL PLAN FORECAST

12.1 The Council prepares its annual budget within the context of the Medium Term Financial Plan. This provides estimates of the budget requirement and budget gap in future years. The following table provides a summary of the current indicative MTFP based on the Draft Budget for 2015/16 and assumptions regarding costs, income and funding trend in future years.



**Table 7 – MTFP Forecast**

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Forecast Net Expenditure	4,962,066	5,097,898	5,249,362	5,437,460	5,627,228
Earmarked Reserve Transfers	-149,928	0	0	0	0
General Reserve Transfers	0	0	0	0	0
<b>WSC NET BUDGET</b>	<b>4,812,138</b>	<b>5,097,898</b>	<b>5,249,362</b>	<b>5,437,460</b>	<b>5,627,228</b>
Parish precepts	870,603	870,603	870,603	870,603	870,603
<b>TOTAL NET BUDGET</b>	<b>5,682,741</b>	<b>5,968,501</b>	<b>6,119,965</b>	<b>6,308,063</b>	<b>6,497,831</b>
Retained Business Rates	-1,554,776	-1,589,767	-1,625,466	-1,661,879	-1,699,022
Collection Fund Bal – BR	149,928	0	0	0	0
Revenue Support Grant	-880,491	-572,319	-314,775	-141,649	-49,577
New Homes Bonus	-571,015	-710,068	-757,831	-668,940	-573,539
Other General Grants	0	0	0	0	0
Council Tax – WSC	-1,885,584	-1,928,774	-1,973,027	-2,018,203	-2,064,443
Collection Fund Bal – CTax	-70,200	0	0	0	0
Council Tax – Parishes	-870,603	-870,603	-870,603	-870,603	-870,603
<b>FUNDING AVAILABLE</b>	<b>-5,682,741</b>	<b>-5,671,531</b>	<b>-5,541,702</b>	<b>-5,361,274</b>	<b>-5,257,184</b>
Budget Gap – In Year	0	296,971	281,292	368,526	293,858
Budget Gap – Cumulative	0	296,971	578,263	946,790	1,240,648

12.2 Beyond 2015/16, the MTFP includes anticipated inflationary pressures related to staffing pay awards, price inflation on services and major contracts, as well as the estimated funding position over the next five years. In addition, the efficiency savings that will be delivered through the implementation of Joint Management and Shared Services between Taunton Deane and West Somerset Councils have been included in 2015/16 estimates.

### **13 GENERAL RESERVES**

13.1 The Council considers its reserves position as part of the overall financial framework that underpins the Budget Strategy. This framework includes an acceptable minimum reserves position of £0.5m. The current Draft Budget for 2015/16 will maintain reserves above this minimum. From a financial strategy perspective it will be sensible to take advantage of any opportunities to increase reserves, to increase flexibility and resilience to the challenges ahead.

13.2 In addition, the S151 Officer has reviewed the acceptable minimum reserves. A recommendation to maintain the current minimum balance is included in her “Robustness of Budget” statement – see Appendix A.

13.3 The General Fund Reserves position as at 1 April 2014 was £0.992m. Taking into account the 2014/15 Original Budget, and approved changes during the year, the projected balance as at 31 March 2015 is £0.783m. Following the completion of the Townsend Farm asset disposal on 24 December 2014 it is no longer expected that the Broadband capital scheme funding will need to be part-underwritten from revenue reserves, thus increasing previously reported reserve balance by £131,000. In addition, following the Council’s decision in December to remove the Blue Anchor Coastal Protection scheme from the current Capital Programme it is forecast that the

£25,000 allocated from revenue reserves to this scheme is no longer required. The following table provides a reconciliation of the current balance on General Reserves and projected balance at the start of 2015/16.

**Table 8 – General Reserves**

	£
Balance Brought Forward 1 April 2014	991,866
Original Budget 2014/15	-321,108
<i>Supplementary Budget Allocations:</i>	-115,250
Sand Clearance (£10k), Blenheim Gardens (£5.5k), Blue Anchor Coastal Protection (£25k), Local Plan (£74.8k)	
Return of uncommitted balances from Earmarked Reserves	107,581
Return of in year savings to general balances	95,158
<b>Current approved Balance</b>	<b>758,247</b>
<i>Forecast:</i>	
Blue Anchor Coastal Protection allocation no longer required	25,000
2014/15 Outturn	TBC
<b>Projected Balance Carried Forward 31 March 2015</b>	<b>783,247</b>

- 13.4 Overall the projected reserves balance provides some short-term financial resilience for the Council. This is really important in the context of the approved Budget Strategy for 2015/16 and the tough financial challenges ahead. The S151 Officer's current recommended minimum reserves balance is £500,000, therefore the projected balance leaves modest "headroom" of approximately £283,000 for future years. It is advisable to aim to balance the 2015/16 budget without the need to use general reserves, and even increase reserves if possible, as the Council will undoubtedly need up front funding to implement measures to secure financial sustainability including a future service transformation programme and potential 'invest to save' initiatives.

## **14 FINANCIAL/RESOURCE IMPLICATIONS**

- 14.1 The financial and resource implications are set out in the main body of this report.

## **15 COMMENTS ON BEHALF OF THE SECTION 151 OFFICER**

- 15.1 The Proposed Budget presents a "balanced budget" for 2015/16 without the need to draw on reserves. This is a significant achievement and will be an important step towards achieving financial sustainability. However the financial challenge remains serious and Members are encouraged to consider the medium and longer term financial implications when making decisions in respect of the 2015/16 budget.

## **16 EQUALITY & DIVERSITY IMPLICATIONS**

- 16.1 Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process. The three aims the authority must have due regard for are:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

16.2 The Savings Options have been examined to assess what impact it may have on equality and diversity. Relevant full Impact Assessments are included in Appendix C.

## **17 CRIME AND DISORDER IMPLICATIONS**

17.1 There are no direct implications connected to the recommendations in this report.

## **18 CONSULTATION IMPLICATIONS**

18.1 Proposals in respect of relevant options have been shared with external organisations including Town and Parish Councils and voluntary/charitable groups. The Draft Budget has also been shared for consultation with the Minehead Trade Chamber, as a representative of business rate payers. The main areas of feedback to Members from the Trade Chamber centred on:

- What support the council can provide for businesses to encourage economic growth in the area?
- Challenges to the level of business rates support that is provided to charities; particularly those that are trading and providing competition to the commercial retail sector.
- Encourage consideration for public sector usage of the old Minehead Hospital site.

## **19 ASSET MANAGEMENT IMPLICATIONS**

19.1 There are limited asset management implications in respect of the budget options under consideration for this budget. The Property Services team is in the process of reviewing and updating information held about the council's assets, which will help to inform the development of an updated Asset Management Plan and identify future asset maintenance requirements. There is a risk that the lack of capital resources limits the Council's ability to invest in significant capital maintenance in the short term, which also presents a risk for the revenue budget. Maintaining adequate general reserves provides some mitigation for this risk.

## **20 ENVIRONMENTAL IMPACT IMPLICATIONS**

20.1 Each option must be examined to assess what impact it may have on the environment – no significant implications have been identified in respect of the Savings Options under consideration.

## **21 HEALTH & WELLBEING**

21.1 Demonstrate that the authority has given due regard for:

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

21.2 Health and wellbeing implications have been considered in respect of Initial Savings Options, with a summary of impact set out in Appendix B.

## **22 LEGAL IMPLICATIONS**

- 22.1 S.32 of the Local Government Finance Act 1992 sets out in detail how the Council must calculate its budget by estimating gross revenue expenditure, net income, and the Council Tax needed to balance the budget; S.25 of the Local Government Act 2003 requires the Chief Finance Officer (S151 Officer for this Council) to report on the robustness of the budget-setting estimates and the adequacy of the proposed financial reserves (see Appendix A).
- 22.2 The District Council is required to set the Council Tax for the financial year starting 1 April 2015 by no later than 11th March each year (3 weeks before the new financial year). West Somerset is the billing authority for the district area and must, therefore, set and collect the Tax on behalf of Somerset County Council, Avon and Somerset Police Authority and Devon and Somerset Fire and Rescue. As well as its own expenditure on the provision of services, it must also take account of local precepts issued by the parishes and towns in the District.
- 22.3 Once the Council Tax has been set the process of billing taxpayers can begin. The tax set meeting is arranged for 25 February 2015, by which time all the precepts should have been received. Any precepts not received will be assumed at 2014/15 figures. Parish precepts will be advised to Council on 25 February 2015.

### **Supporting Appendices:**

- Appendix A Robustness of Budget and Reserves Position
- Appendix B Savings proposals
- Appendix C Equalities Impact Assessments
- Appendix D Cost Centre Analysis
- Appendix E Earmarked Reserves

## APPENDIX A

### ROBUSTNESS OF BUDGET ESTIMATES AND THE ADEQUACY OF THE COUNCIL'S RESERVES

#### STATEMENT BY S151 OFFICER (CHIEF FINANCE OFFICER)

– Shirlene Adam, Director - Operations

#### 1.0 Introduction

1.1 The purpose of this appendix is to outline and meet the statutory requirements contained in the Local Government Finance Act 2003 which requires the Council's Section 151 Officer to report to Members on:

- The robustness of budget estimates; and
- The adequacy of proposed reserves.

1.2 The conclusion of my review is set out at the end of this appendix. The remainder of this appendix provides detailed evidence of my assessments.

#### 2. Background

2.1 The financial history of the Council has been well documented and is widely understood. It is also recognised that the Council has made good progress over recent years, and importantly Councillors recognise and understand that more has to be done as the financial challenges ahead are considerable.

2.2 My report "Towards a Financially Fit Future" (Scrutiny July 2014) provided Councillors with the latest financial forecasts and suggested an approach to budget setting for 2015/16 and beyond. Although the delivery of the JMASS Business Case brings significant savings for West Somerset Council, there is a lot still to do to achieve the ambition of a financially sustainable future.

2.3 The "transformation" agenda is emerging and be a key focus for delivering future savings. This will no doubt require significant investment, and the Council needs to bear this in mind in setting its budget for next year.

2.4 From my perspective as your s151 Officer, through this budget, the Council is:-

- Taking steps to reduce the reliance on New Homes Bonus funding to support day to day service delivery; and
- Ensuring capital and revenue budgets are aligned and affordable, and the treasury implications of these are transparent; and

- Significantly, deliver a budget that does not rely on the use of General Fund Reserves to support ongoing spending.
- Making prudent provision for repayment of debt.

All are important and have contributed considerably to my review conclusions.

### **3. ROBUSTNESS OF BUDGET ESTIMATES**

- 3.1 The proposed budget for 2015/16 (and the forecast position for future years) is the financial interpretation of the Council's priorities and, as such, has implications for every citizen of West Somerset together with all other stakeholders.
- 3.2 In commenting on the robustness of the budget and level of reserves and balances, the following factors have been taken into consideration and are considered in the remainder of this appendix:

Section 4	Government funding
Section 5	Capital programme funding & HRA changes
Section 6	Inflation and other key assumptions
Section 7	Delivery of savings
Section 8	Risks and opportunities with partnerships
Section 9	Financial standing of the Council (level of borrowing, debt outstanding)
Section 10	Track record in budget management
Section 11	Virement and control procedures
Section 12	Risk management procedures
Section 13	Key risk issues in 2015/16 budget
Section 14	Adequacy of Reserves
Section 15	Conclusions

### **4. Government Funding**

- 4.1 The "new" system of funding for local government services (Business Rates Retention Scheme) came into effect in 2013/14. Although we are becoming more familiar with the new regime, and more guidance on the accounting arrangements has been issued, the risks flagged to Members previously around growth, appeals, and collection remain. We have used best endeavours (as all authorities have) to ensure the forecasts are robust and the Assistant Director has set out the detail on this in this report.
- 4.2 The provisional settlement was published in December 2014, which has since been confirmed without amendment in the Final Settlement announced on 4 February. The Settlement sets out the funding position for 2015/16 only. There will no doubt be a Spending Review later this year setting out the Government's intentions re public sector reductions for future years.

- 4.3 The headline cash reduction in West Somerset Council's government funding is 14.1% for 2015/16. This is a further significant reduction in financial support and means the messages given to Members in earlier MTFP reports are more relevant than ever. Included in the overall settlement is additional funding allocated by the government to rural authorities – representing an additional £15k for West Somerset Council.
- 4.4 Despite this, the apparent disparities of funding between urban and rural authorities is still an issue.
- 4.5 The Government has announced the referendum trigger level for 2015/16 at 2%. Councils increasing tax by 2% or above will be required to hold a local referendum. Parish Councils have not been subject to the referendum limit previously and are not for 2015/16.
- 4.6 Local authorities freezing or lowering their council tax level in 2015/16 will receive a Council Tax Freeze Grant equivalent to a 1% increase in council tax.
- 4.7 The Cabinet's draft budget proposes a tax increase of 1.99% - the maximum level possible without triggering a referendum.

## **5 Capital Programme Funding**

- 5.1 The Cabinet's draft budget proposals for the capital programme are set out in a separate agenda item at this meeting.
- 5.2 To support the spending plans, Councils are required to publish and monitor a set of Prudential Indicators. These will be listed in full in the Treasury Management Strategy Statement which will be shared in March for approval.
- 5.3 The Cabinet's draft capital programme follows the principles of the Prudential Code, and I am satisfied that the treasury implications are clear and within affordable limits.

## **6 Inflation and Other Key Budget Assumptions**

- 6.1 I have reviewed the budget proposals and confirm the following key assumptions:-

<b>Area of Budget</b>	<b>How is this addressed within the WSC budget process?</b>
Inflation assumptions	<p>General – inflation has <u>not</u> been applied to budgets unless there is direct justification ie as a contract condition.</p> <p>Salaries – 2% for 2015/16, then 2% thereafter.</p> <p>Utilities - based upon estimated contract increases</p> <p>Pension Contributions – We will pay a lump sum of £260k in 15/16 in respect of the historic WSC pension deficit. In addition, we will pay the current employer pension contribution of 13.5% on West Somerset Councils share of staffing costs.</p> <p>Major Contracts – as per the legal documents supporting the contracts</p>
Income Levels	Income projections are based on <u>realistic</u> assumptions on usage, and the most recent Government guidance on fee levels when appropriate. They also take into account historic trends and current year variations against budget.
Economic assumptions	Investment interest assumptions are based on independent economic forecasts and include the impact of Treasury Management decisions made in earlier years.
Salaries Budgets	<p>As one of the largest areas of spend, the salaries budgets have been reviewed in detail. They have been built up by costing each individual post and cross-checked to the JMASS proposals.</p> <p>The cost sharing arrangement in place to ensure both Taunton Deane Borough Council and West Somerset Council are picking up their fair share of costs will be further reviewed and tested during 15/16 to ensure continued robustness.</p>
Growth in service requirements	The MTFP identifies service growth areas eg refuse collection. This is then



	<p>firmed up by detailed discussions with Managers during the budget process. Growth assumptions for future years in the Council Tax base have been held at 1.40% per year on a prudent estimate of the net effect of local growth, council tax support and other discounts.</p>
Efficiency Initiatives	<p>Where initiatives are sufficiently well developed, they are included in savings plans.</p>
Significant Budget areas which are subject to change during the year	<p>The high risk/high value budgets of the Council are rigorously examined and only prudent increases built into them. In addition when forecasting, the performance in both previous and current years is taken into account.</p>
Member engagement in budget development	<p>Scrutiny has been updated on the MTFP position during the budget setting process. The savings proposals were also shared for discussion and all Members were issued with a Budget Consultation Pack just before Christmas. All Councillors have had the opportunity to be briefed on the proposals during their Group Meetings in January 15.</p>
Changes in Legislation	<p>Legislative changes are analysed by officers and their effect built into the MTFP and budget.</p>
Sustainability	<p>The proposed budget takes into account the future financial pressures faced by the Council. Effective financial planning for the medium term is in place, although there is some risk around the speed of reduction in Government funding. I am comfortable that best estimates have been used, but accept we will need to update our MTFP and develop a Financial Strategy in the summer to reflect any shifts in Government or local policy.</p> <p>Proposals to mitigate the medium term gap are focussed on the transformation agenda and this will need to progress at pace to align with the financial challenge</p>

	<p>facing the Council.</p> <p>Any delay in delivering the savings proposals included in the 2015/16 budget will impact on the robustness of our financial plans. This will be monitored closely during the year.</p>
Sensitivity Analysis	<p>The financial planning model allows the Council to predict the likely outcomes of changes to key data ie inflation, council tax, government funding etc.</p> <p>This is helpful in sharing “what if...” scenarios internally and with partners and members.</p> <p>The Budget Consultation Packs issued to Members also provides data on tax choices – showing the impact on the Council of this important decision.</p>
The impact of the Capital Programme on the Revenue Budget	<p>The MTFP identifies changes to the base budget as a result of the capital programme.</p>

## **7. Delivery of Savings**

- 7.1 The savings proposals presented in this budget proposal have been reviewed for robustness, and are realistic and deliverable in terms of the level of saving and the timing. The major element of the savings for 2015/16 are those resulting from the delivery of the JMASS Business Case.
- 7.2 Delivery of the other proposals, if approved, will be the responsibility of the Management Team and progress on this will be monitored during the year. Should there be any risk to the delivery of the identified savings, this will be reported to Members via the budget monitoring regime.

## **8. Partnership Risks & Opportunities**

- 8.1 The Council has now almost completed the implementation of the Business Case for Joint Management and Shared Services with Taunton Deane Borough Council. Robust governance arrangements have ensured the headline targets have been met, and the Joint Partnership Advisory Group (JPAG) has been fully informed and engaged in progress throughout the year. The focus will now be to develop and engage a programme of transformation that can deliver further savings – essential to this future financial sustainability of West Somerset Council.

8.2 The Council has several other key partnership arrangements in place to support our ambitions and deliver key services. These are supported by contractual arrangements. The most significant is our Somerset Waste Partnership which is monitored via the Somerset Waste Board and supporting officer monitoring groups.

8.3 The Waste Partnerships business plan shows the likely impact on waste collection costs should we “do nothing” to shift current arrangements. This could place further financial pressure on an already difficult position. The Waste Board recognise the impact on all authorities and will progress plans to look at the choices available to partners.

## 9 Financial Standing of the Council

9.1 The Council fully complies with the Prudential Code.

9.2 The Council has an up to date Treasury Management Policy and Strategy in place and is operating within the agreed parameters. The Council currently has £3.50m of outstanding external debt, which will be repaid over the next 2 years from capital receipts. In addition there is £3.9m of outstanding internal debt for which prudent repayment plans are in place. The Council currently has nearly £14m of investments placed in the markets in accordance with our policies. This will fluctuate during the year and we continue to monitor our cash-flows carefully.

9.3 The Council’s Treasury Management Practices are prudent and robust, ensuring the Council is not exposed to unnecessary risk in terms of its investment policies. This does mean lower interest rates, but the first priority must be to protect the capital invested.

9.4 The adequacy of the Council’s reserves is discussed later in the appendix.

## 10 Track Record in Budget Management

10.1 The Council has a good track record in budget management. The most recent years have resulted in the following outturn positions:-

<b>Year</b>	<b>£Variance</b>	<b>%Variance of Approved Net Budget</b>
2010/11	(£0.131m)	(2.42%)
2011/12	(£0.297m)	(6.08%)
2012/13	(£0.558m)	(11.30%)
2013/14	(£0.102m)	(1.90%)

10.2 In the context of gross expenditure of over £23m, the above variances are reasonable, but effort will continue to improve and enhance our in year forecasting arrangements.

- 10.3 Members are currently provided with regular in-year updates on key budget variances (Scrutiny and Cabinet).

## 11 Virement & Control Procedures

- 11.1 The Financial Regulations contain formal rules governing financial processes and approvals (virements are simply transfers of budget between departments). The Financial Regulations and Financial Procedure Notes will be reviewed and updated during 2015/16.

## 12 Risk Management

- 12.1 I am satisfied that the Council has adequate insurance arrangements in place, and that the cover is structured appropriately to protect the Council.
- 12.2 The Council has a Risk Management Policy in place which defines how risk is managed at different levels in the organisation. It defines roles, responsibilities, processes and procedures to ensure we are managing risk effectively.
- 12.3 Equalities Impact Assessments (EIA) Reviews – where appropriate – are included for Members to review.

## 13 Key Risk Issues In 2015/16 Budget

- 13.1 The figures in the proposed budget for 2015/16 are based on our best estimates. These will require intensive monitoring throughout the year, and swift corrective action taken should they vary from budget. The issues I need to bring to Members attention where there is financial risk are:-
- 13.2 **Business Rates Retention Scheme**. I am satisfied that the Council has put in place sound arrangements to monitor the flow of Business Rates income and valuation changes throughout the year. The information coming from our Revenues team is robust, and we need to continue to improve our modelling approach to ensure we are forecasting with as much accuracy as possible. We need to engage services across the Council to work with us on ensuring all chargeable premises are notified and billed, and this will be a focus of improvement during 15/16.
- 13.3 The key risks associated with Business Rates Retention for West Somerset Council are:
- 13.3.1 **Level of Appeals**. These were previously funded by the National Pool but all appeals approved post 1/4/13 (regardless of how far they go back) will be funded 50:50 (Central Govt : Local Govt). The list of outstanding 54 appeals for WSC totals some £14.1m (Gross

Rateable Value) as at December 2014 and this is clearly a high risk area for us moving forward. We have built good working relationships with the Valuation Office, but this is a huge area of uncertainty that directly impacts on our financial sustainability.

- 13.3.2 **Collection Rates.** The continuing “challenge” of collecting tax from businesses who do not have funds remains. Previously the national pool funded any reduction in collection rates. Again this will now be an issue to be funded locally. Through our monitoring it is evident that the mid-year collection rate trend is showing a decrease from the previous year. This is, however, due to the six largest payers taking up the legal option of paying over twelve months (instead of ten). Although this relates to only six payers, the initial impact is material but will “even out” over the full year. We continue to monitor this closely and work with businesses to ensure they are sighted on all the assistance available.
- 13.3.3 **Reliefs.** All mandatory reliefs were previously funded nationally by the pool. Whilst this has been taken care of in the initial funding calculations, any new mandatory reliefs introduced by the Government would have to be funded 50 : 50 (Central : Local).
- 13.3.4 **Pooling.** The other Councils in the County of Somerset, along with BANES and North Somerset will be forming a Business Rates Pool for 2015/16. Although not appropriate for West Somerset Council for 2015/16 (due to the significant risk of the outstanding appeals) we will continue to review the position for future years.
- 13.3.5 **Levy / Growth.** The “opportunity” is there for local authorities to benefit financially from growth. In simple terms, for every £1 of additional business rates generated (above the Govt set baseline) then WSC will keep £0.20.
- 13.3.6 **Accounting Arrangements:** To mitigate the risk on this large income stream the Council created a Business Rates Smoothing Reserve last year. An earmarked reserve is in place - which helps provide additional mitigation against fluctuations mid-year (which if not provided for could hit the taxpayer significantly). Should our forecasts prove to be accurate, this reserve will hold £0.582m at the end of the financial year 2015/16.
- 13.4 **Council Tax Reduction Scheme.** The new scheme (replacing the Council Tax Benefit Scheme) came into place on 1<sup>st</sup> April 2013. Councillors agreed, following consultation, to continue the current scheme for 2015/16. We are working with other authorities in Somerset on the potential to review and simplify the scheme for our communities for future years. The key risks on this item remain as last year – on the level of take-up. To date we are managing this within approved budgets, but it is something that we monitor very closely.

- 13.5 **Housing Benefits / Subsidy**. The administration grant we receive from Government to support this function has been reduced by £0.029m for 2015/16 (on top of the £0.058m reduction over the last 2 years). Subsidy budgets are always very difficult to estimate due to the fluctuating volume of claims received and the different levels of subsidy payable of types of claimant error. The challenge in 2015/16 continues to be great. The total benefit subsidy budget is approximately £14.1m – and therefore small fluctuations in this budget can have a big impact on the budget of the Council. Systems are in place to ensure this is monitored on a monthly basis. In addition assumptions on the level of subsidy payable on Local Authority overpayments are at a prudent level.
- 13.6 **Impact of Economic Changes** – the Council’s budgets reflect our best estimates of the impact of current economic conditions. This is an issue we need to continually monitor through the budget monitoring process – particularly on income streams from car parking, land charges, building control and development control, and expenditure on issues such as homelessness.
- 13.7 **Hinkley Point C** – the Council continues to work with Government and EDF on the development of Hinkley Point C. Arrangements are in place to govern all key financial decisions on this project and robust monitoring arrangements are in place. Until the final investment decision is made, the Council continues to deliver the support work using temporary staffing arrangements funded via the s106 agreement. We need to continually review and adjust our financial monitoring arrangements as the project progresses.
- 13.8 **Asset Management** – The Council has recently allocated funding to progress the delivery of a robust asset management plan. This will help clarify future maintenance and investment needs which will be built into the MTFP. The size of the potential financial liability is as yet unclear, but Members should bear this in mind when allocating resources.
- 13.9 **New Homes Bonus (NHB) Forecasts** – The Council has historically used 100% of New Homes Bonus funding to support the revenue budget. This leaves the authority vulnerable should there be any shift in Government Policy, or significant variation in the level of grant each year. Over the coming years, it may be prudent to reduce reliance on this source of funding for revenue services. The funding instead could be directed to supporting the capital ambitions of the authority.
- 13.10 **Joint Management & Shared Services** – The budget has been prepared based on the JMASS Business Case approved in 2013, and the latest information on the potential costs and savings across the two Councils, and early views on transformation plans. We continue

to develop robust cost sharing mechanisms to ensure costs are shared on a fair and reasonable and evidenced basis.

13.11 **Overall Funding & Capacity Risk** – the level of Government revenue grants has reduced again for 2015/16. The organisation has made significant savings over recent years, and made some difficult choices already to ensure the Council continues to exist and serve its community. The Council has reduced in size considerably over the last 5 years, and this brings risk in terms of capacity (to deliver new savings ideas and to deliver significant service change). The JMASS project has brought some stability to this risk in the current year and 15/16, but choices will need to be made beyond that. Investment in our “transformation” agenda will be key to ensuring this risk is further mitigated.

13.12 Finally, the Council must continue to monitor the impact of the Welfare Reform agenda on our community and the resultant demand for service and support.

#### **14. ADEQUACY OF RESERVES**

14.1 With the existing statutory and regulatory framework, it is my responsibility as s151 Officer to advise the Council about the adequacy of the Council’s reserves position.

14.2 All reserves are reviewed at least annually and my opinion updated during the budget setting process each year. The annual review considers not only the adequacy but the necessity of the reserves. Reserves are not held without a clear purpose. There has been a report on this during 2014/15 – returning a total of £0.108m from earmarked reserves to the General Fund Reserve. There will be further scrutiny of key remaining earmarked reserves over the coming months.

14.3 The Cabinet’s draft budget for 2015/16 does not rely on the use of General Fund Reserves. This is a significant step for the Council (which has relied on using over £0.3m of General Fund Reserves to support ongoing spending for the last year).

14.4 My opinion is given in the knowledge that known risks (strategic, operational and financial) are managed and mitigated appropriately in line with the Council’s policies and strategies.

14.5 The headlines of my findings on each key reserve are set out in the remainder of section 14 below. My conclusions / opinion is set out in section 15.

## General Fund Reserve

- 14.6 The predicted General Fund Reserve position is set out in section 13 of the main report. The Cabinet's proposed budget for 2015/16 does not require the use of any General Fund Reserves. The predicted balance on this reserve, having set the 2015/16 budget is £0.783m. This will increase should the predicted underspend in 2014/15 materialise. Although significantly above the minimum acceptable level of reserve, there are several significant financial risks facing the council. The level of reserve is reasonable and NOT excessive in these circumstances.
- 14.7 CIPFA make it clear that the level of reserves for each Authority cannot be decided by the application of a standard formula and each authority must assess their own reserve levels based on the specific risks and pressures which they face.
- 14.8 The **minimum** level of General Fund Reserves should be maintained, as agreed in previous years, at a minimum of £0.500m for 2015/16. This will be further reviewed in the summer, alongside the development of the new Financial Strategy.

## Earmarked Reserves

- 14.9 At 31 March 2015, the Council expects to have in the region of £1.6m in earmarked reserves. The main reserves include the following:
- Business Rates Smoothing Reserve £0.732m
  - JMASS Reserve £0.375m
  - Working Neighbourhoods Fund £0.105m
  - Council Tax Reform Implementation £0.066m
  - Planning Policy Reserve £0.056m

## 15. CONCLUSION

- 15.1 Although the budget for 2015/16 is balanced with clear savings plans in place, this Council continues to have a serious financial challenge ahead. The difficult economic conditions are forcing more of our community into circumstances where they require more support, and we simply don't have the resources to do this anymore.
- 15.2 My clear message to all Councillors in my report in the summer was that we needed to take action if we were to achieve financial sustainability. Since then, the Council has successfully delivered the Joint Management and Shared Services business case, and is keen to embrace the opportunities that transformation. This will be a huge challenge that will need investment – in terms of finance to support the change, and resource to make it happen.



15.3 The Cabinet has presented for approval a budget for 2015/16 which does not rely on reserves. The medium term financial plan shows that we have a gap of £0.297m for 2016/17 and this continues to grow thereafter. The challenge for West Somerset Council is to implement changes that will deliver a sustainable financial future. We know we can't rely entirely on the funding available for growth (NHB and Business Rates growth) so need to look more creatively at:-

- Transforming how we work
- Investing in assets and initiatives that deliver revenue income and savings
- Be really clear on what services we can afford to deliver and equally clear on what we can no longer afford.

Members are fully aware that difficult decisions lie ahead and need to work together to progress this in the best interests of our community.

15.4 The Councils level of reserves is higher than the minimum set in earlier years. Whilst this may appear high, it is sound financial practice in light of the challenges ahead. I urge Members to note the likely calls on these resources and to bear in mind the need to "invest to save" in the Councils future.

15.5 Based on all the information above, I am pleased to report that I believe the Council's reserves to be adequate, and the Cabinet's draft budget proposals for 2015/16 to be sufficiently robust.

**Shirlene Adam**  
**Director – Operations (s151 Officer)**  
**January 2015**



Assistant Director	Corporate Budget Principles	Service Option Heading	Description of the Service Option	Category	2015/16 £	Business Case: Service Impact Explained	Risk Management	Public Impact	Operational Impact	Confidence	Environmental Implications	Community Safety Implications	Equalities Impact	Partnership Implications	Legal Considerations	Health and Wellbeing Implications
<b>TOTAL</b>					<b>64,354</b>											
Chris Hall	Service delivery - reduction in costs	Coastal Protection	Minehead Seafront lights	Budget no longer required	4,000	This budget can be reduced based on historical underspends.	The residual budget will be £4,000 which should be sufficient to maintain lights	Low	Low	High	None	None	None	None	None	None
Chris Hall	Transfer of Services	Public Conveniences	Reduction by £3,000 in Non Domestic Rates budget	Partner/ Outsource	3,000	This budget can be reduced based on the changes to the number of public toilets and the reduction in size of others.	Costs will be monitored	Low	Low	High	None	None	None	None	None	None
Chris Hall	Maximising income	Public conveniences	Increase in income for toilet charges from £700 to £4000	Income	3,300	Income has increased in the last 12 months and therefore the income budget can be increased to reflect this.	Costs will be monitored	Low	Low	High	None	None	None	None	None	None
Chris Hall	Service delivery - reduction in costs	Open Spaces	Reduction by £1,200 in disposal of green waste budget	Budget no longer required	1,200	This budget can be reduced based on historical underspends		Low	Low	High	None	None	None	None	None	None
Chris Hall	Service delivery - reduction in costs	Minehead Harbour	Reduction by £400 in Non Domestic Rates budget	Budget no longer required	400	This budget can be reduced based on historical underspends		Low	Low	High	None	None	None	None	None	None
Chris Hall	Service delivery - reduction in costs	Minehead Harbour	Reduction in water charges budget £50	Budget no longer required	50	This budget can be reduced based on historical underspends		Low	Low	High	None	None	None	None	None	None
Chris Hall	New Income	Minehead Harbour	Increased income for letting out of the Lime Kiln units £300	Income	300	This budget can be reduced as these charges are now picked up by the Lime Kiln unit operators		Low	Low	High	None	None	None	None	None	None
Chris Hall	Service delivery - reduction in costs	Street Cleaning	Reduction in fly tipping budget	Budget no longer required	500	This budget can be reduced based on historical underspends		Low	Low	High	None	None	None	None	None	None
Chris Hall	Service delivery - reduction in costs	Street Cleaning	Removal of tyre disposal budget	Budget no longer required	500	This budget can be reduced based on historical underspends		Low	Low	High	None	None	None	None	None	None
Ian Timms	Grant Expenditure	Contract	Transfer of Inward Investment costs allocated to Into Somerset Brand to HPC budgets due to integral supply chain links in WSC area (wsc)	Efficiency	3,000	Removal of cost from General fund at WSC		Medium	Medium	High	None	None	None	None	None	None
Ian Timms	Grant Expenditure	Arts Grants	Reduction in grant provided to Artlife	Service Reductions	6,245	Artlife is the key deliverer of cultural services in West Somerset. It has now developed to a point where it has a relatively sustainable business model in place. Residual grant would be £6,000.	Council will consult with Artlife regarding implications of reduced funding	Medium	Low	Medium	None	None	Impact Assessment to be completed See Appendix C	Council will consult with Artlife regarding implications of reduced funding	None	None
Kene Ibezi	Grant Expenditure	Community Assets	Removal of assets of community value budget.	Service Reductions	20,000	None.	Potential financial risk in the event of claim. A contingency is proposed to be held in earmarked reserves.	Low	Medium	Medium	None	None	None	None	None	None
Richard Sealy	Service delivery - reduction in costs	West Somerset House Wood pellets	Ceasing to use the wood pellet boiler & moving to the permanent use of gas will deliver a saving in energy costs.	Efficiency	3,000	No impact.	Low risk	Low	Low	High	None	None	None	None	None	None
Richard Sealy	Service delivery - reduction in costs	West Somerset House Boiler maintenance	Ceasing to use the wood pellet boiler will result in our no longer requiring annual maintenance	Budget no longer required	1,000	No impact.	Low risk	Low	Low	High	None	None	None	None	None	None
Richard Sealy	Service delivery - reduction in costs	West Somerset House Bird deterrent	Remove the bird deterrent budget.	Service Reductions	2,500	No impact anticipated.	Considered low risk. No deterrent implemented this year and no problems experienced	Low	Low	High	None	None	None	None	None	None
Richard Sealy	Service delivery - reduction in costs	West Somerset House Window cleaning	Move from the current quarterly cleaning to 6 monthly cleaning	Service Reductions	800	Should have no impact on service delivery	Low risk	Low	Low	High	None	None	None	None	None	None


Assistant Director	Corporate Budget Principles	Service Option Heading	Description of the Service Option	Category	2015/16 £	Business Case: Service Impact Explained	Risk Management	Public Impact	Operational Impact	Confidence	Environmental Implications	Community Safety Implications	Equalities Impact	Partnership Implications	Legal Considerations	Health and Wellbeing Implications
Simon Lewis	Grant Expenditure	Community Links - Grants	Reduction in grant provided to CLOWNS	Service Reductions	5,602	Business Case - councillors have indicated that these budgets should be reduced. An approach has taken to minimise the impact on services that support the most vulnerable people in West Somerset. Therefore budgets for Engage CVS, Home Start and WS Advice Bureau have not been cut. CLOWNS - organisation has been expecting cuts from WSC for some time. This brings funding to £3,000 in line with Engage CVS and Home Start. The cut would mean a reduction in play scheme activity days (last year 12 delivered, benefitting 214 children). Activities act as early intervention and help children with life skills.	Risk that organisations affected will no longer be viable and services will cease altogether and that the impact on the community would be detrimental. We would reduce the risk by working with the organisations to help them identify alternative funding streams which could help close the gap	Medium	High	Low	None	None	A reduction in provision of the CLOWNS service which is focussed on working with more vulnerable and isolated families could have an equalities impact. Further analysis would be needed on the families supported and whether cuts in service would have an adverse impact on any of the 7 equality domains. See Appendix C	Although our grant arrangement is not strictly a partnership it could affect a number of voluntary and community organisations and would reduce the extent of service delivery of these organisations and potentially reduce their ongoing viability	None	Under Priority 2 of the Health and Wellbeing Strategy is an action to "support families and people with low resilience". Cuts to this budget will impact on this, particularly the cuts to the CLOWNS service. However the reduction is intended to bring funding in line with that paid to other services such as Home Start
Simon Lewis	Service delivery - reduction in costs	Homelessness Admin (WSC)	The Council underspent on homelessness prevention (bonds etc) last year by around £10k and is on track for a similar level this year. Reduce the 50152 prevention budget by £1000 and Multi-Agency Assessment by £3000 (zero spend last year and zero to date this year)	Budget no longer required	4,000	Through JMASS we will review thresholds for accepting people who are under genuine threat of homelessness and will work to ensure P21 delivers in West Somerset to help reduce demand.	The worst case scenario is that landlords refuse tenants which will increase spend on the B&B budget. The introduction of Somerset HomeLet should increase supply of willing landlords and additional Hinkley monies for rent and bond schemes will also help reduce pressure on this budget.	Low	Low	Medium	None	If the budget had an impact affect on housing vulnerable people and they were not housed appropriately or were street homeless then this will increase their vulnerability to crime	Potential impact for vulnerable people with physical or mental disabilities more likely to be affected by homelessness. If the proposal was to affect our ability to support these people then it could have an equality impact on this group.	This could have some impact on our work with landlords	The Council has a number of statutory responsibilities around homelessness and housing advice	Under Priority 2 of the Health and Wellbeing Strategy is an action to "support families and people with low resilience". It is therefore important that there is no adverse impact on the service to affect this
Tim Burton	Grant Expenditure	Community Links - Grants	Implement a 50% reduction in grant provided to Quantock Hills AONB Service	Service Reductions	4,957	A proposal has been put forward to consider this, but further liaison is needed with the QHAONB to ensure that this reduced funding would still allow the partnership to produce the AONB Management Plan - a statutory requirement for WSC.		Low	Low	Medium	None	None	None	None	None	None

## APPENDIX C

## Equality Impact Assessment – Community Grant to CLOWNS

<b>Responsible person</b>	Angela Summers	<b>Job Title</b> Housing & Community Project Lead
<b>Why are you completing the Equality Impact Assessment? (Please mark as appropriate)</b>	Proposed new policy or service	
	Change to Policy or Service	
	Budget/Financial decision –	Reduction in grant aid from £8,602 to £3,000
	Part of timetable	
<b>What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)</b>	MTFP Proposal for WSC 2015/16	
<b>Section One – Scope of the assessment</b>		
What are the main purposes/aims of the policy?	Provide grant support to voluntary and community organisations in West Somerset.	
Which protected groups are targeted by the policy?	Age: Children Disability: Children	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used	Holiday Play schemes for 5-13 year olds data for 3 weeks of the year during the summer holidays and CLOWNS annual report. A total of 976 attendees, with 214 different children participating, with 11 children with specific needs attending for a total of 26 days. For every £1 received from WSC, CLOWNS attracts a further £12.37 from other funders.	
<b>Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality</b>		
The reduction in funding will directly influence the delivery of the Holiday Play Scheme and it is likely that if the funding is reduced to £3,000 the Scheme would be unable to operate in 2015/16.		

<p>Other impacts identified:</p> <ul style="list-style-type: none"> <li>➤ Definite lack of leverage for funds from external sources. Local Council Grant shows that services are clearly valued</li> <li>➤ Early intervention opportunities lost, cycle of disadvantage will continue</li> <li>➤ The rural isolation of the district can doubly disadvantage families and increase feelings of isolation and loneliness. CLOWNS may provide the only service to reach these families. The play schemes operate across the district enabling children in the more remote areas to attend</li> <li>➤ Cuts in provision of services to vulnerable families</li> <li>➤ The reduction in funding will result in a reduction in hours for paid staff. Plus reducing the volunteer opportunities for students who are recruited from the college to assist with the scheme.</li> </ul>									
<p><b>I have concluded that there is/should be:</b></p> <table border="1"> <tr> <td>No major change - no adverse equality impact identified</td> <td></td> </tr> <tr> <td>Adjust the policy</td> <td></td> </tr> <tr> <td>Continue with the policy</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Stop and remove the policy</td> <td></td> </tr> </table>		No major change - no adverse equality impact identified		Adjust the policy		Continue with the policy	✓	Stop and remove the policy	
No major change - no adverse equality impact identified									
Adjust the policy									
Continue with the policy	✓								
Stop and remove the policy									
<p>Reasons and documentation to support conclusions: At present CLOWNS receive a disproportionate larger amount of funding to other voluntary organisations which provide family support in West Somerset. The reduced funding will provide the same level of funding. Over the next year we will be working with CLOWNS to find alternative ways to deliver services, for example, investigating working with other organisations to share elements of service delivery. Exploring other ways to fund elements of the service.</p>									
<p><b>Section four – Implementation – timescale for implementation</b></p>									
<p>Ongoing - discussions with CLOWNS regarding ways of working and future funding.          Payment of reduced grant April 2015.          Meeting with CLOWNS and completion of the monitoring form October 2015.          Recommendations to Community PAG/Scrutiny November 2015.</p>									
<p><b>Section Five – Sign off</b></p> <table border="1"> <tr> <td>Responsible officer</td> <td>Management Team</td> </tr> <tr> <td></td> <td>Date</td> </tr> </table>		Responsible officer	Management Team		Date				
Responsible officer	Management Team								
	Date								

	
Date 12.12.14	
<b>Section six – Publication and monitoring</b>	
Published on 12.12.14	
Next review date 12.12.15	

### Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

<b>Actions table</b>					
<b>Service area</b>			<b>Date</b>		
<b>Identified issue drawn from your conclusions</b>	<b>Actions needed</b>	<b>Who is responsible?</b>	<b>By when?</b>	<b>How will this be monitored?</b>	<b>Expected outcomes from carrying out actions</b>
The funding reduction will have a direct impact on the ability to deliver the	Ensure further discussion about impact and possible mitigation before confirming plans to reduce funding from 2015/16	Angela Summers	November 2015	Annual monitoring form	Understanding of impacts and information used for future budget/financial decisions

summer play schemes.	On-going discussion with CLOWNS to monitor impact of funding reduction.				
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### Equality Impact Assessment – Community Grant to Artlife (To follow)

<b>Responsible person</b>	Ian Timms	<b>Job Title</b>	Assistant Director Business Development
<b>Why are you completing the Equality Impact Assessment? (Please mark as appropriate)</b>	Proposed new policy or service		
	Change to Policy or Service		
	Budget/Financial decision –		Reduction in grant aid to £6,000
	Part of timetable		
<b>What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)</b>	MTFP Proposal for WSC 2015/16		
<b>Section One – Scope of the assessment</b>			
What are the main purposes/aims of the policy?	Provide grant support to voluntary and community organisations in West Somerset.		
Which protected groups are targeted by the policy?	Disadvantaged across broad spectrum of individuals and characteristics. Rural isolation and isolated settlements.		
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used	Evidence provided by Artlife on current service provision. Knowledge from partnership work on landscape art project for Hinkley Point. Artlife report to scrutiny 2014 November.		



**Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality**

The reduction in funding will directly influence the way Artlife support and enable the arts and culture sector in West Somerset.

In 2014/15 the **Arts Service** investment of **£12,645** was spent on delivery by three professional arts partners and the local community:

**£4,266** - to Take Art, Somerset Film, Somerset Art Works

**£10,000** - in small grants (up to £1,000) to local groups to deliver arts projects/events

The budget was supplemented from Artlife reserves earned through external project management fees in previous years.

The essential running costs of the company are as lean as they can achieve and were approximately **£1,500** in 2014/15 - insurance, accountancy, website, etc – were covered by their reserves.

The Coordinator is employed 2.5 days per week and runs the company, oversees and monitors the arts service delivery and manages the EDF-funded Landscape Art programme. Her wages have been paid from the EDF funding since June 2012. This funding comes to an end in March 2015.

The cut will force a change in emphasis of this service towards a more enabling focus to assist organisations with bids and help deliver wider service.

**I have concluded that there is/should be:**

No major change - no adverse equality impact identified	
Adjust the policy	
Continue with the policy	✓
Stop and remove the policy	

Reasons and documentation to support conclusions: Whilst this is not ideal Artlife can utilise the smallest investment from WSC to raise other funds. The Partnership Agreement between Artlife and WSC gives credibility as well as leverage potential. Without it, raising funds from other sources becomes very challenging. The small level of funding will allow the maintenance of a small level of paid employment that would enable Artlife to apply to funds such as CIM.

**Section four – Implementation – timescale for implementation**

Clarify service level for 2015/16. Payment of reduced grant April 2015. Meeting with Artlife.	
<b>Section Five – Sign off</b>	
Responsible officer Ian Timms Date 27.01.15	Management Team Ian Timms Date 27.01.15
<b>Section six – Publication and monitoring</b>	
Published on 28.01.15	
Next review date 01.10.15	

**Action Planning**

The table should be completed with all actions identified to mitigate the effects concluded.

<b>Actions table</b>					
<b>Service area</b>			<b>Date</b>		
<b>Identified issue drawn from your conclusions</b>	<b>Actions needed</b>	<b>Who is responsible?</b>	<b>By when?</b>	<b>How will this be monitored?</b>	<b>Expected outcomes from carrying out actions</b>
The funding reduction will have a direct impact on the	Ensure further discussion about impact and what will be delivered in 2015/16.	Ian Timms	May 2015	Annual monitoring form	Understanding of impacts and clarity on outcomes related to delivered service

current level of service delivery	Explore other funding routes with Artlife				
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## Appendix D

**Proposed Revenue Budget 2015/16****1. Council Spending - Budget Book**

The budget is presented in Service Plan format, to provide information on the resources allocated to each of the Corporate Priorities.

**Budget Book 2015/16 - Cost Centre Level**

Budget 2014/15	Cost Centre Description	Cost Centre Number	Budget 2015/16
£46,173	Member Services	4300	£225
£134,115	Legal	4302	£118,029
£48,909	Elections	4303	£55,160
<b>-£22,794</b>	Land Charges	4304	<b>-£22,794</b>
£310,652	CDC	4305	£307,652
£271,672	Human Resources	4306	£306,700
£42,000	Postages	4307	£41,200
£74,828	Information Team	4308	£15,110
£1,370	Corporate Director	4311	£1,370
£97,282	Executive Support Team	4312	£80,230
£253,508	Finance	4359	£230,625
£58,300	Internal Audit	4360	£58,300
£228,250	Investment & Interest	4361	£245,300
£70,000	Insurance	4362	£70,000
£287,117	WSC - TDBC Project	4384	£96,245
<b>£1,901,382</b>			<b>£1,603,352</b>
£4,340	Economic Development	4322	£44,690
£47,944	Tourism	4323	£7,450
<b>-£83,850</b>	Licensing	4338	<b>-£57,380</b>
£10,000	Housing Bed & Breakfast	4339	£10,000
£18,450	Housing Temporary Accommodation	4340	£13,450
£29,500	Housing Homelessness Admin	4341	£25,500
£91,868	Planning Policy	4342	£202,620
£155,092	Housing Staff	4343	£121,380
£76,207	Food Safety	4344	£37,710
£14,700	Environmental Health	4345	£75,110
£84,913	Environmental Health Staff	4346	£5,350
£600	GM Housing & Community	4347	£600
£41,160	CT Benefits	4348	N/A
£29,585	Housing Benefit Administration	4349	£117,545
<b>-£280,683</b>	HB Rent Allowance	4350	<b>-£259,064</b>
£5,000	HB Non HRA Rent Rebate	4351	£5,000
£148,939	Benefits Staff	4352	£6,000

-£37,300	CT Collection	4353	£152,050
-£6,450	NDR Administration	4355	-£80,950
£167,280	Revenues Staff	4356	£990
£95,737	Housing Private Sector Renewal	4368	£42,905
£12,500	Housing Enabling	4379	£43,570
<b>£625,532</b>			<b>£514,526</b>
£67,500	Design and Print	4301	£99,040
£151,621	Customer Services	4309	£163,430
-£19,725	Roughmoor Depot	4313	-£19,335
£1,538	Estates - Assets	4314	-£12,922
-£62,050	Roughmoor Enterprise Centre	4315	-£61,960
£67,953	Estates	4316	£61,680
£81,086	West Somerset House	4317	£74,586
£30,900	Contact Centre	4318	£31,060
£19,200	Coast Protection	4319	£15,200
£8,500	Flood Defence	4320	£8,590
£4,700	VIIC	4321	£4,820
£69,005	Development Control	4324	-£136,540
£19,928	Building Control	4325	£25,020
-£348,375	Parking - Off Street	4326	-£410,725
£79,442	Parking Staff	4327	£91,532
£121,741	Public Conveniences	4330	£130,510
£193,419	Open Spaces	4331	£197,372
£1,045,880	Waste	4332	£1,088,880
£436,000	Street Cleansing	4333	£460,360
£640	GM Environment & Services	4334	£640
£62,321	Community Development	4335	£1,400
£57,421	Community Safety	4336	£18,854
£52,602	Community Links	4337	£47,000
£310,667	IT	4357	£308,800
£79,000	Telephones	4358	£64,000
£38,986	Brunel Way Depot	4374	£39,206
£11,902	Watchet Harbour	4375	£11,902
-£7,300	Barnsclose Units	4376	-£7,300
£2,025	Minehead Harbour	4378	£895
<b>£2,576,527</b>			<b>£2,295,995</b>
0	Chief Executive	4392	£68,860
0	Asst Chief Executive	4393	£40,070
0	Director – Operations	4394	£21,610
0	AD – Corp Services	4395	£15,110
0	AD – Resources	4396	£37,790
0	AD – Operational Delivery	4397	£15,110
0	Director – Housing and Communities	4398	£10,150

0	AD – Housing and Communities	4399	£15,130
0	Director – Growth and Development	4401	£20,310
0	AD – Planning and Environment	4402	£15,110
0	AD – Business Development	4403	£15,110
0	AD – Property Development	4404	£7,570
0	Health and Safety	4408	£8,300
0	Community Leisure	4409	£15,010
0	Housing Partnership	4410	£28,840
0	Business Support (Hsg)	4411	£3,260
0	Business Support (Growth and Dev)	4412	£54,480
0	Facilities Management	4413	£25,430
0	Corp Strategy and Performance	4418	£13,660
0	Corp Transformation Programme	4419	£12,610
0	Comm and Client Services	4420	£28,040
<b>£0</b>			<b>£471,560</b>
<b>£5,103,441</b>	<b>Total Revenue Budget (Excludes Parishes)</b>		<b>£4,885,433</b>
£87,530	Parish CTS Grants		0
0	Revenue Contribution to Capital Outlay		76,633
-£93,446	Transfers to/from Useable Reserves		-£149,928
<b>£5,097,525</b>	<b>NET BUDGET</b>		<b>£4,812,138</b>
-£1,525,716	Retained Business Rates		-£1,404,848
-£1,224,738	Revenue Support Grant		-£880,491
-£20,547	Council Tax Freeze Grant		0
-£443,644	New Homes Bonus		-£571,015
-£59,659	Other Government Grants		0
0	Collection Fund Surplus (Council Tax)		-70,200
<b>£1,823,221</b>	<b>COUNCIL TAX REQUIREMENT</b>		<b>£1,885,584</b>

## APPENDIX E

<b>Earmarked Reserves As At Q2 2014/15</b>	<b>Balance @ 31.03.2014</b>	<b>Movements 14/15</b>	<b>Predicted Balance @ 31.03.2015</b>
Working Neighbourhood Fund	(113,634.00)	9,004.00	(104,630.00)
Community Safety	(4,455.00)	922.00	(3,533.00)
Land Charges	(60,077.00)	33,274.00	(26,803.00)
Tourism	(15,911.00)	3,154.00	(12,757.00)
Seaside Towns	(20,083.00)	9,190.00	(10,893.00)
New Homes Bonus	(113,850.00)	113,850.00	0.00
Sustainability Reserve	(57,698.00)		(57,698.00)
Minehead Events	(9,651.00)	2,982.00	(6,669.00)
Housing Benefit Admin	(11,782.00)		(11,782.00)
Council Tax Reform Implementation	(49,308.00)	(16,472.00)	(65,780.00)
Benefits External Processing	(1,657.00)		(1,657.00)
DHP Reserve	(44,861.00)		(44,861.00)
District Election Reserve	(20,000.00)		(20,000.00)
Water Bathing Signs	(1,266.00)		(1,266.00)
Non-District Election Reserve	(15,107.00)		(15,107.00)
IER Reserve	(11,664.00)		(11,664.00)
Inspire	(7,131.00)		(7,131.00)
Transparency Code	(2,588.00)		(2,588.00)
Exmoor at your Fingertips	(1,780.00)		(1,780.00)
Roughmoor Signage	(1,011.00)	1,011.00	0.00
Minehead Town Centre Signage	(885.00)		(885.00)
Our Place	(2,500.00)	(6,949.00)	(9,449.00)
Eat Exmoor	(500.00)	400.00	(100.00)
National Grid PPA	(16,911.00)	16,911.00	0.00
CCTV	(4,000.00)	4,000.00	0.00
Homelessness Prevention	(66,120.00)	22,500.00	(43,620.00)
Section 31 - Flooding	(13,486.00)	13,486.00	0.00
Watchet Harbour Dredging	(7,500.00)	7,500.00	0.00
Planning Staff Salary	(6,000.00)	6,000.00	0.00
Coast Protection	(2,275.00)	2,275.00	0.00
Morrison's Town Centre Footpath	(6,000.00)		(6,000.00)
JMASS Reserve	(374,983.00)		(374,983.00)
Council Tax Discount Scheme	(5,000.00)	5,000.00	0.00
Community Right to Challenge	(8,547.00)	(20,000.00)	(28,547.00)
Assets of Community Value	(7,855.00)		(7,855.00)
Business Rates Retention Smoothing Account	(269,663.00)	(462,153.00)	(731,816.00)
JMASS Project Reserve	(20,200.00)		(20,200.00)
Planning Policy Reserve	0.00	(56,350.00)	(56,350.00)
	<b>(1,375,939.00)</b>	<b>(310,465.00)</b>	<b>(1,686,404.00)</b>



**WEST SOMERSET COUNCIL Report No. WSC 45/15****FULL COUNCIL – WEDNESDAY 25 FEBRUARY 2015****DEMOCRATIC ALLIANCE GROUP – BUDGET AMENDMENTS****1. BACKGROUND**

- 1.1 The Democratic Alliance Councillors wish to present two small but important amendments to the Cabinet's budget proposal as presented to Full Council for approval.
- 1.2 Our aim is to maintain the grants to key local organisations which we regard as equally crucial to well-being and economic regeneration as our statutory services.
- 1.3 We support and welcome the proposals to maintain funding at existing levels in 2015/16 for Engage, HomeStart, and the Advice Bureau.
- 1.4 We argue that Artlife and CLOWNS are equally important and should have funding continued for the year 2015/16, allowing time to progress discussions with the organisations as to their future funding and organisational model. We present for consideration two separate amendments below:

**2 AMENDMENT 1 – ARTLIFE FUNDING**

- 2.1 The Arts are extremely important to the local economy. Although difficult to say exactly, we believe there are around 40 individual self-employed artists living and working in West Somerset. They rely on organisations such as Somerset Art Works to publicise their work, support them with organised exhibitions and thus maintain their turnover. Somerset Art Works is one of the organisations which in turn rely on their contributions from Artlife.
- 2.2 Nationally, the Arts contributed in 2012 £71.4 billion in GVA: 5.2% of the economy and 5.6% or 1 in 18 of all jobs.
- 2.3 It is a mistake to imagine that Artlife will be able to make up the shortfall by attracting more external funding. Information from the Arts Council makes it clear that there is a positive correlation between Local Authority commitment and the amount of external funds available.
- 2.4 We have taken into account the Equalities Impact Assessment (EIA) for the proposed budget reduction as included in the budget report, and believe that

support for our proposal to reinstate will show due regard to the impacts of the cut as set out in the EIA. We also consider that the grant paid to Artlife contributes to the health and wellbeing of the communities in receipt of the services this grant helps to fund.

- 2.5 We therefore recommend that the proposed budget saving of £6,245 for 2015/16 is not progressed.

### **3. AMENDMENT 2 – CLOWNS FUNDING**

- 3.1 CLOWNS grew from the Jubilee Bus project which was a response to the problem of first schools receiving children who had not had enough contact with other children, or wide enough relevant play experiences to be ready for school at the age of 5. The problem of rural isolation has not gone away. On the contrary, first schools still receive many children who need more of the sort of support and opportunities that CLOWNS gives who are simply not ready for school.

- 3.2 CLOWNS also provides contracted outreach services for Barnados; and give opportunity for other services to get to rural clients, including our own Benefits Officers.

- 3.3 We have taken into account the Equalities Impact Assessment (EIA) for the proposed budget reduction as included in the budget report, and believe that support for our proposal to reinstate will show due regard to the impacts of the cut as set out in the EIA. We also consider that the grant paid to CLOWNS contributes to the health and wellbeing of the communities in receipt of the services this grant helps to fund.

- 3.4 We therefore recommend that the proposed budget saving of £5,602 for 2015/16 is not progressed.

### **4. FUNDING PROPOSAL**

- 4.1 We support the Cabinet's ambitions to deliver a budget that is not dependant on the use of reserves, and reduces this Council's reliance on New Homes Bonus funding to support day to day spending.

- 4.2 However, we believe that continuing support to these organisations can be achieved whilst continuing these ambitions.

- 4.3 We propose that these grants are reinstated for 2015/16 and are funded from New Homes Bonus – which will reduce the amount of this funding transferred to support our capital programme by £11,847.

The statutory statement from the Council's s151 Officer on the robustness of these amendments is set out in **Appendix 1**.

The amendments require some new recommendations and these are set out in **Appendix 2**.

**Cllr Ian Melhuish**  
**Leader of the Democratic Alliance Group**  
**Feb 2015**

## APPENDIX 1

## ALTERNATIVE BUDGET PROPOSAL – STATEMENT BY S151 OFFICER

**1.0 Robustness of Budget & Adequacy of Reserves**

- 1.1 The proposed amendments make some minor adjustments to spending priorities for 2015/16 by recommending reinstatement of two savings proposals.
- 1.2 The Cabinet's proposals re a 1.99% tax rise, and presenting a budget not reliant on support from General Fund Reserves are not impacted by the proposals.
- 1.3 The funding proposals do not detract significantly from the Cabinet's ambitions to reduce dependency of New Homes Bonus to fund services.
- 1.4 The impact of the proposals are:-
- a reduced transfer from revenue to fund the Council's capital programme. Although not an immediate issue, as the limited capital programme as presented is funded, Members are aware of the significant challenges ahead (including a number of schemes not yet included in the programme).
  - A potential increase in the budget gap for 2016/17 onwards of £11,847.
- 1.5 I am satisfied that the figures used in the alternative budget proposal are robust and that the level of reserves remain adequate.

**2.0 Salient Adjustments to the Annual Budget report:****Table 6 – Draft 2015/16 Revenue Budget [Extract with Amendment]**

	Draft Budget 2015/16 £	Alternative Budget Adjustment £	Amended Budget 2015/16 £
Total Spending on WSC Services	4,640,133	+11,847	4,651,980
Revenue Contribution to Capital	76,633	-11,847	64,786
<b>AUTHORITY EXPENDITURE</b>	<b>4,812,138</b>	<b>0</b>	<b>4,812,138</b>

- 2.1 The MTFP forecasts below demonstrates the impact of reinstating the grants to existing levels with an indicative forecast if the cost continues into 2016/17. However it is noted that the proposal seeks to recognise the future funding pressures of the Council, and presents the reinstatement of the grant for one year only. If the Council ultimately takes the decision to approve the reduction in 2016/17 instead of 2015/16 the first extract below (un-amended) will apply.

**Table 7 – MTFP Forecast [Extract]**

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Forecast Net Expenditure	4,962,066	5,097,898	5,249,362	5,437,460	5,627,228
<b>WSC NET BUDGET</b>	<b>4,812,138</b>	<b>5,097,898</b>	<b>5,249,362</b>	<b>5,437,460</b>	<b>5,627,228</b>
Budget Gap – In Year	0	296,971	281,292	368,526	293,858
Budget Gap – Cumulative	0	296,971	578,263	946,790	1,240,648

**Table 7 – MTFP Forecast [Extract - Amended]**

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Forecast Net Expenditure	4,962,066	5,109,745	5,261,209	5,449,307	5,639,075
<b>WSC NET BUDGET</b>	<b>4,812,138</b>	<b>5,109,745</b>	<b>5,261,209</b>	<b>5,449,307</b>	<b>5,639,075</b>
Budget Gap – In Year	0	308,818	293,139	380,373	305,705
Budget Gap – Cumulative	0	308,818	590,110	958,637	1,252,495

### 3.0 Salient Adjustments to the Capital Programme report

- 3.1 The table below shows the potential impact on funding of the Programme of the alternative recommendations.

Extract from main report:

Total Capital Programme (Table 1 + Table 2)	Draft Budget £	Proposed Funding		
		Capital Receipts £	Grants £	Revenue Funding £
<b>TOTAL</b>	<b>790,000</b>	472,367	241,000	76,633

Extract from main report - amended:

Total Capital Programme (Table 1 + Table 2)	Draft Budget £	Proposed Funding		
		Capital Receipts £	Grants £	Revenue Funding £
<b>TOTAL if only Artlife grant reinstated</b>	<b>790,000</b>	478,612	241,000	70,388
<b>TOTAL if only CLOWNS grant reinstated</b>	<b>790,000</b>	477,969	241,000	71,031
<b>TOTAL if both reinstated</b>	<b>790,000</b>	484,214	241,000	64,786

**Table 3 – Estimated Capital Resources Available [Extract]**

	Capital Receipts £
Funding Available	583,729
Proposed funding of 2015/16 Initial Capital Programme	-472,367
<b>Estimated Unallocated Resources 31 March 2016</b>	<b>111,362</b>

**Table 3 – Estimated Capital Resources Available [Extract - Amended]**

	Capital Receipts £
<b>Estimated Unallocated Resources 31 March 2016 – if Artlife reinstated</b>	<b>105,117</b>
<b>Estimated Unallocated Resources 31 March 2016 – if CLOWNS reinstated</b>	<b>105,760</b>
<b>Estimated Unallocated Resources 31 March 2016 – if both reinstated</b>	<b>99,515</b>

**Shirlene Adam**  
**Director - Operations**  
**Feb 2015**

## **APPENDIX 2**

Full Council is requested to consider this alternative budget proposal and, if supported, to approve the detailed recommendations in the budget papers included in the agenda with the following amendments:-

### **RECOMMENDATIONS – ANNUAL BUDGET SETTING (Agenda Item 5)**

a) That Full Council note the impact of the Alternative Budget proposal and support the reinstatement of the grant to Artlife of £6,245, which will be funded by a reduced revenue transfer to capital.

b) That Full Council note the impact of the Alternative Budget proposal and support the reinstatement of the grant to CLOWNS of £5,602 for 2015/16, which will be funded by a reduced revenue transfer to capital.

### **RECOMMENDATIONS - CAPITAL PROGRAMME (Agenda Item 6)**

That Full Council note the impact of the Alternative Budget proposal and the resultant reduction of funding available to support capital spending of either:

a) £6,245 if the Council only approves the reinstatement of the grant to Artlife and not to CLOWNS

or

b) £5,602 if the Council only approves the reinstatement of the grant to CLOWNS and not to Artlife

or

c) £11,847 if the Council approves the reinstatement of the grants to both Artlife and CLOWNS





<i>Report Number:</i>	<i>WSC 42/15</i>
<i>Presented by:</i>	<i>Cllr. Kate Kravis, Lead Member for Resources &amp; Central Services</i>
<i>Author of the Report:</i>	<i>Paul Fitzgerald, Assistant Director Resources</i>
<i>Contact Details:</i>	
<i>Tel. No. Direct Line</i>	<i>01823 358680</i>
<i>Email:</i>	<a href="mailto:p.fitzgerald@tauntondeane.gov.uk"><i>p.fitzgerald@tauntondeane.gov.uk</i></a>
<i>Report to a meeting of:</i>	<i>FULL COUNCIL</i>
<i>To be Held on:</i>	<i>25<sup>th</sup> February 2015</i>
<i>Date Entered on Cabinet Forward Plan Or Agreement for Urgency Granted:</i>	<i>Not Applicable</i>

## **CAPITAL PROGRAMME 2015/16**

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

- 1.1 The purpose of the report is for Full Council to approve the recommended Capital Programme for 2015/16.

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

- 2.1 The development of an affordable and deliverable Capital Programme is a key element of the financial strategy encompassing revenue requirements, capital requirements and treasury management plans. Setting an affordable programme and having robust capital resource plans are important steps in delivering financial sustainability of the Council and the valuable services it delivers to the community of West Somerset.

### **3. RECOMMENDATIONS**

- 3.1 That Full Council approves the prioritisation applied to, and proposed funding arrangements for, the Capital Programme for 2015/16.
- 3.2 That Full Council approves the 2015/16 Capital Programme Budget totalling £790,000, comprising scheduled spend of £461,000 for previously approved schemes plus £329,000 related to new prioritised schemes.

### **4. RISK ASSESSMENT**

- 4.1 Deferring capital expenditure until later in the 2015/16 financial year is not without risks. The risk matrix below seeks to assign a level of risk to the potential delay in receiving expected capital receipts.

### Risk Matrix

Description	Likelihood	Impact	Overall
Assumptions regarding the availability of capital resources are inaccurate, affecting the affordability of the capital programme.	3	4	12
<i>The delivery of asset disposals is actively managed, capital receipts are monitored closely, and expenditure plans are controlled to reflect the actual timing and amount of receipts.</i>	2	4	8
Asset management information is incomplete or inaccurate, resulting in ineffective asset management prioritisation	3	4	12
<i>The Asset Management Group carefully controls and monitors planned and unplanned works. The council is in the process of updating asset condition information to better inform plans in future.</i>	1	4	4

## 5. BACKGROUND INFORMATION

- 5.1 The current capital programme approach was approved by Council on 26th March 2014. A key part of the strategy concerns the approach to funding the capital programme and states that it will be through:
- a) the disposal of land and buildings;
  - b) by maximising third party contributions from grant funding or private sector investment; and
  - c) borrowing, as a last resort, in accordance with the Prudential Code and with full regard of the impact on the revenue budget.
- 5.2 The previously agreed strategy also included the aim that the Council will not assume the use of any ongoing revenue funding to support the Capital Programme during 2013 to 2016, other than one-off use of earmarked reserves that have been historically set aside from revenue sources. It is appropriate to update this approach to include one-off use of revenue resources in 2015/16 if affordable, and also to consider use of ongoing revenue resources in future years if appropriate and affordable within the overall financial strategy for the authority.
- 5.3 The Council continues to have limited capital resources pending the completion of various asset disposals, and it is proposed to continue to prioritise only essential spend in the short term. In line with the current year strategy it is proposed that the prioritisation of capital bids continues to be based on the following criteria:
- 1) Business Continuity (corporate / organisational)
  - 2) Statutory Service Investment (to get to statutory minimum / contractual / continuity)
  - 3) Transformation
  - 4) Invest to Save
  - 5) Other
- 5.4 With this in mind it is prudent that the Capital Programme for 2015/16 is approved in February with the highest priority capital bids having first call on capital resources. Recognising that there are essential capital requirements there is a proposal to allocate one-off funding from the Revenue Budget in 2015/16 to part-fund the initial programme. Lower priority capital bids are proposed to be deferred until later in the year when expected capital receipts are currently forecast to have been received.

## 6. 2015/16 PROPOSED CAPITAL PROGRAMME

- 6.1 Draft capital programme information was shared within the Members' Budget Consultation and then within the Financial Standing report to Scrutiny on 15 January 2015. Having considered the essential schemes the Cabinet has recommended a proposed 2015/16 Capital Programme at its meeting on 4 February 2015.
- 6.2 The proposed programme, totalling £790,000, is set out in the two tables below. **Table 1** contains two schemes that have already been approved by Council, where the timing of expenditure is projected to be incurred within 2015/16 and therefore included for budget timing purposes. **Table 2** provides details of the high priority bids that are proposed to be added to the list of approved schemes, for inclusion in the total Capital Programme spend for 2015/16. Those bids that are considered to be lower priority and therefore deferred at this stage, are detailed in **Table 3**. Further explanation for the identified schemes is included in Appendix A.

**Table 1 – Previously approved schemes with expenditure due in 2015/16**

Capital Scheme	Priority	Draft Budget £	Proposed Funding		
			Capital Receipts £	Grants £	Revenue Funding £
<b>Superfast Broadband</b> Previously approved contribution to enhanced coverage (includes £109,000 expected carry forward from 2014/15)		<b>240,000</b>	240,000	0	0
<b>Shared Services ICT Projects</b> JMASS ICT Business Case £356k less £135k in 2014/15		<b>221,000</b>	221,000	0	0
<b>TOTAL</b>		<b>461,000</b>	461,000	0	0

**Table 2 – Initial Capital Bids recommended for approval**

Capital Scheme	Priority	Draft Budget £	Proposed Funding		
			Capital Receipts £	Grants £	Revenue Funding £
<b>Disabled Facilities Grants</b> To enable the adaption of homes for the disabled	<b>2</b>	<b>241,000</b>	0	241,000	0
<b>7 The Esplanade, Watchet</b> To prevent further water ingress and to make the building watertight	<b>4</b>	<b>15,000</b>	0	0	15,000
<b>Microsoft License Fee</b> Annual license fee for use of Microsoft Office software	<b>1</b>	<b>12,000</b>	0	0	12,000
<b>IS Annual Projects</b> To replace applications which will be unsupported by Microsoft from July 2015	<b>1</b>	<b>61,000</b>	11,367	0	49,633
<b>TOTAL</b>		<b>329,000</b>	11,367	241,000	76,633

Total Capital Programme (Table 1 + Table 2)	Draft Budget £	Proposed Funding		
		Capital Receipts £	Grants £	Revenue Funding £
<b>TOTAL</b>	<b>790,000</b>	472,367	241,000	76,633

**Table 3 – Deferred Capital Bids – Not Included in Proposed Capital Programme Budget**

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

- 6.3 Further information regarding the available capital resources are included in section 7 of this report below.

### Contingent Costs

- 6.4 The provisional list of capital bids, shared with Members through the Budget Consultation Costs and the Financial Standing report to Scrutiny, included a provisional budget request for £500,000 related to Clanville Grange, Minehead. It is possible that during 2015/16 the Council could be obliged to purchase houses which were formerly part of a low cost home ownership scheme. The Council has a legal obligation to buy these houses if they are put up for sale and no other vendor can be found. It is difficult to predict how many houses may come up for sale but there could be as many as five houses in 2015/16. Currently some of the properties purchased in prior years are being rented until a buyer can be found; this creates a time lag between the purchase of the property (capital expenditure) and its sale (capital receipt) which may cross financial years.
- 6.5 Although a capital bid has been identified for 2015/16 totalling £500k it has not been included in the table of prioritised bids above, as the requirement is uncertain. This could be a risk if houses come forward which the Council are obliged to purchase but given the fact that the subsequent sale of the houses would generate a capital receipt

it is felt that this is an acceptable risk. A budget approval would be presented during the year if required.

### **Risks and Uncertainty**

- 6.6 It is important to highlight that there is ongoing work to determine the condition of our assets, and there is a possibility that further proposals in respect of capital priorities will be presented for Members' consideration in the coming months. This could include:
- Confirmed capital maintenance requirements (following appropriate surveys and assessments)
  - Asset improvement works
  - "Invest to save" capital investment opportunities
- 6.7 In addition it is recognised that the Council will be developing programmes to support future transformation of services, and whilst we have some reserved funds to support this it is almost certain that additional funding will be required for this purpose.
- 6.8 On this basis, whilst the proposed programme includes currently identified 'essential' schemes, Members should consider the potential future investment requirements when prioritising both revenue and capital resources.

## **7. FUNDING THE 2015/16 DRAFT CAPITAL PROGRAMME**

### ***Sources of Funding***

- 7.1 Funding for capital investment by the Council can come from a variety of sources:
- Using capital receipts from sale of assets
  - Capital grants from government and other bodies
  - Contributions from third parties e.g. developer contributions such as S106 planning obligations
  - Use of revenue funds such as annual budget contributions or reserves
  - Private sector and partnership funding
  - Borrowing
- 7.2 Capital Receipts: These are monies received from the sale of the Council's surplus assets.
- 7.3 Grant Funding: The capital grants received from Central Government have been reduced significantly in recent years. The Council's only grant funding projected for 2015/16 is for disabled facilities grants, which is now passported to us by Somerset County Council from the Better Care Fund.
- 7.4 Capital Contributions: This could take the form of capital contributions from other councils or developers in the form of Section 106 funding.
- 7.5 Revenue Funding (RCCO): This could either come from the Council's base budget, or from general or earmarked revenue reserves.

- 7.6 Private Sector / External Funding: Councils can explore opportunities to secure funding for public / community assets through private sector or external funding. This is less common.
- 7.7 Borrowing: Capital expenditure that is not funded from cash resources (capital receipts, grants and contributions, revenue funds) is funded through borrowing. Borrowing can be supported by physical loans e.g. from the money markets or through the Public Works Loans Board (PWLB) (“External Borrowing”) and/or by temporarily using cash balances from reserves and working capital (“Internal Borrowing”). External borrowing would incur interest costs chargeable to the revenue budget. Internal borrowing would reduce the ability to generate interest income through investments.

### **Funding Strategy**

- 7.8 As set out in the background for this report, the capital funding strategy for the Council relies largely on generating capital receipts from asset sales, and supporting spend through external funding (grants and contributions). Current estimates indicate that there will be a total of almost £1.3m of capital funding available in 2015/16. As shown later in this section of the report, this is through a combination of capital receipts, revenue contributions, grant funding and S106 contributions.

### **Projected Capital Resources Position for 2015/16**

- 7.9 Table 4 below provides information regarding the availability of capital resources to support the capital bids and the potential balance available if all projected capital receipts and capital grants are realised before the end of 2015/16 financial year.
- 7.10 It can be seen that after funding the capital programmes for 2014/15 and 2015/16 and repaying external debt of £1,800,000 in 2014/15 there is a projected unallocated capital receipts balance of £111,362 as at 31st March 2016.
- 7.11 The table includes either actual or predicted future capital receipts in respect of the Townsend Farm, Clanville Grange and the former Aquasplash Site. Further capital receipts are anticipated during 2015/16 however the final amounts and timing are not known with certainty until the value of final sale proceeds are received and disposal costs are confirmed.
- 7.12 There is also a projected nil balance of Capital Grants at the start of the year. The known grant income for next year of £241,000 relates to funding from the Better Care Fund in respect of Disabled Facilities Grants. After funding the capital programme next year the grants will have been fully utilised.
- 7.13 The draft Revenue Budget for 2015/16, as reported separately at this meeting, includes a planned contribution to capital of £76,633 and this is planned to be used in full towards the funding of the Initial Capital Programme.
- 7.14 The S106 opening balance relates to developer contributions. The costs in 2014/15 relate to Beechfield House. The Planning Obligations Group (POG) would consider schemes to be funded from these balances, for consultation and recommendation with Members through to Full Council for approval.

**Table 4 – Estimated Capital Resources Available (As at 31 January 2015)**

	Capital Receipts £	Grant Funding £	Revenue Funding £	S106 Contributions £	Totals £
<b>2014/15 Financial Year</b>					
Balance 1 April 2014	786,565	44,000	0	362,000	1,192,565
Funding received in year	350,000	183,742	0	180,000	713,742
Forecast to be received in year	1,701,000	0	0	0	1,701,000
Funding Available	2,837,565	227,742	0	542,000	3,607,307
Less: Forecast funding of 2014/15 Capital Programme	-453,836	-227,742	0	-162,000	-843,578
Less: Repayment of external borrowing in 2014/15	-1,800,000	0	0	0	-1,800,000
<b>2015/16 Financial Year</b>					
Estimated Resources	583,729	0	0	380,000	963,729
Balance 31 March 2015					
Projected funding receivable in 2015/16	0	241,000	76,633	0	317,633
Funding Available	583,729	241,000	76,633	380,000	1,281,362
Proposed funding of 2015/16 Initial Capital Programme	-472,367	-241,000	-76,633	0	-790,000
<b>Estimated Unallocated Resources 31 March 2016</b>	<b>111,362</b>	<b>0</b>	<b>0</b>	<b>380,000</b>	<b>491,362</b>

**Comments from Scrutiny Committee**

7.15 The Scrutiny Committee reviewed the Financial Standing and MTFP Update report on 15 January which included details of a provisional set of capital bids. It was noted at the committee that the bids that were shared had not yet been prioritised and clarified that this will be in place for inclusion within the Cabinet's capital programme report. The bids were shared at this stage to enable members to review and comment. The following key comments were made:

- a) IT Costs: Various points were raised in respect of IT related costs included within the list of possible schemes. The Committee has requested further detail in respect of these bids which is to be found in Appendix A to this report.
- b) Asset Management: Potential costs in relation to Barns Close, the Esplanade in Watchet, and public conveniences were discussed, including requests that least cost / most cost effective and 'invest to save' options be explored with a supporting business case.

**Forecast Future Capital Resources and Capital Borrowing Position**

7.16 It is considered a prudent strategy to retain the above relatively small balance of unallocated receipts, to provide some flexibility to fund unplanned / unavoidable additional costs for current approved schemes and resources to support further prioritised schemes which may come forward with a sound business case during 2015/16 e.g. invest to save and/or deferred schemes from Table 3 above.

7.17 The balance of £380,000 from S106 contributions will continued to be managed through the Planning Obligations Group, with proposals brought forward to Members for approval at the appropriate time, as explained above.

- 7.18 The Council does not currently plan to support new capital investment in 2014/15 or 2015/16 through additional borrowing.
- 7.19 The Council attempts to project future capital resources to aid financial planning. As referred above the Council continues to progress with a strategy of disposing surplus assets with a view to generating capital receipts. In turn the current strategy is to prioritise capital receipts towards the repayment of the current £3.5m external capital borrowing (with £1.8m being repaid in 2014/15), and generate surplus funds to support new capital investment. This approach is reflected in the Treasury Management Strategy that is to be reported separately, but importantly takes into account the financing arrangements for capital investment.
- 7.20 In addition to capital receipts arising during the current financial year, there are a number of planned asset disposals which are expected to generate additional capital receipts during 2015/16. The total number and value of sales is to be confirmed, however based on current assumptions it is reasonable to forecast additional receipts in the region of £2.5m - £3m. It is anticipated that the first call will be to further repay £1.7m of capital debt, leaving a projected balance of around £0.8m - £1.3m unallocated in addition to the balances shown in Table 3.
- 7.21 The capital borrowing position is formally described as the “Capital Financing Requirement” (CFR) – this essentially is the balance of historic capital spending that has been funded through borrowing. As highlighted earlier in this report, this can include a combination of ‘internal borrowing’ and ‘external borrowing’. Table 5 below summarises the projected Capital Financing Requirement for 2014/15 and 2015/16. This information will also be incorporated within the Treasury Management Strategy for the Council.
- 7.22 It is also worth noting that the CFR position is included in the Council’s annual Statement of Accounts which is presented to Audit Committee for approval each year. In future it is proposed to include the end of year CFR position within the Financial Outturn report that is presented to Scrutiny and Cabinet.

**Table 5 – Capital Financing Requirement (CFR)**

	2014/15 £	2015/16 £
CFR Balance Brought Forward:		
External borrowing	3,500,000	1,700,000
Internal borrowing	4,133,100	3,932,700
<b>Total CFR</b>	<b>7,633,100</b>	<b>5,632,700</b>
Add: Capital Programme Expenditure	843,578	790,000
Less: Funding used from cash resources (capital receipts, grants and contributions, revenue funding)	-843,578	-790,000
Additional borrowing required	Nil	Nil
Repayment of borrowing using revenue funding (“MRP”)	-200,400	-225,300
Repayment of borrowing using capital receipts	-1,800,000	-1,700,000
CFR Balance Carried Forward:		
External borrowing	1,700,000	Nil
Internal borrowing	3,932,700	3,707,400
<b>Total CFR</b>	<b>5,632,700</b>	<b>3,707,400</b>



- 7.23 The current financial strategy, as reflected within the Council's Medium Term Financial Plan, is to continue to address the 'internal borrowing' balance within the CFR through Minimum Revenue Provision (MRP) allocations within the annual revenue budget. The Minimum Revenue Provision Policy is set out within the Treasury Management Strategy Statement. Members should also note that it may be necessary to externalise some or all of the internal borrowing balance should the reserves and working capital balances reduce – this is closely monitored on an ongoing basis by the Finance team.

## **8. FINANCIAL/RESOURCE IMPLICATIONS**

- 8.1 The financial and resource implications are set out in the main body of this report.

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

- 9.1 As highlighted in the 'Background Information' section of this report, it is proposed at this stage that Members consider approval of essential schemes for the Capital Programme for 2015/16, and consider that they are satisfied with the prioritisation of schemes. The initial list of bids have been shared with all Members through the Budget Consultation Packs and subsequently reviewed by Scrutiny Committee on 15 January 2015 prior to consideration for final budget proposals by Cabinet. Further consideration and consultation with Members on the prioritisation and affordability of future schemes would then follow with a view to providing a further update during 2015.
- 9.2 The Capital Programme as set out in this report is affordable based on the capital receipts and other funding that is expected to be in place. Whilst Council is requested to approve the Capital Programme for the start of the year, capital expenditure will only be incurred based on actual funding available. Any unforeseen delay in the receipt of asset sale proceeds will potentially affect the timing of delivery of some capital schemes.
- 9.3 The strategy to generate capital receipts to both repay capital borrowing and support new spending remains sound, and the capital plans set out within this report reflect this approach. Members will be aware, but are reminded, that the planned disposal of assets is subject to complex commercial negotiations, which brings some risk and uncertainty to our resource planning.
- 9.4 The Council has recently approved work to be undertaken by our Property Services team to update our information related to the council's assets, for example the completion of an up to date condition survey. This information will be crucial in support future asset management planning, which will inform our capital strategy and investment prioritisation. At this stage there remains a risk that unplanned asset maintenance will require capital funding that is not included within the Initial Capital Programme or currently identified capital bids from services. It is therefore advisable to retain a balance of uncommitted capital resources, as proposed within this report, to provide the Council with some flexibility to address essential/unavoidable works. This is also reflected in the approach to revenue reserves, which are expected to be held above the necessary minimum. Keeping some "headroom" within reserves will provide Members with some flexibility to potentially support essential but currently unplanned capital costs through additional revenue contributions.

## **10. EQUALITY & DIVERSITY IMPLICATIONS**

- 10.1 Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process. The three aims the Council must have due regard for:
- Eliminate discrimination, harassment, victimisation
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it
- 10.2 An Equalities Impact Assessment in respect of the Disabled Facilities Grant capital items is included in Appendix B.

## **11. CRIME AND DISORDER IMPLICATIONS**

- 11.1 There are no implications directly associated with the recommendations in this report.

## **12. CONSULTATION IMPLICATIONS**

- 12.1 There are no implications directly associated with the recommendations in this report.

## **13. ASSET MANAGEMENT IMPLICATIONS**

- 13.1 The capital bids identified and Initial Capital Programme include financial provision for the maintenance of assets in line with current asset management plans. The resources projection identifies a relatively small balance of unallocated currently-available resources. This provides the Council with a potential contingency sum to address essential unplanned works that are not included within approved budget plans.

## **14. ENVIRONMENTAL IMPACT IMPLICATIONS**

- 14.1 Although there are no implications directly associated with the recommendations in this report there are capital bids such as the replacement of the ride on mower that, if ultimately approved for inclusion in the programme, will have an environmental impact in terms of grounds maintenance works.

## **15. HEALTH & WELLBEING**

*Demonstrate that the authority has given due regard for:*

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

- 15.1 The Initial Capital Programme includes a proposed budget for Disabled Facilities Grants, which contributes to the wellbeing of residents with accessibility and mobility issues within their own homes.

**16. LEGAL IMPLICATIONS**

16.1 There are no implications directly associated with the recommendations in this report.

## **Additional Explanations for Capital Schemes**

### **Schemes included in Initial Capital Programme – Previously Approved**

#### **Superfast Broadband - £240,000**

At the Full Council meeting in June 2014 it was resolved that the sum of £240,000 for the SEP Broadband Project be underwritten by West Somerset Council, using unallocated and projected capital receipts (with £131,000 initially underwritten from reserves if insufficient receipts were forthcoming). The costs may not be incurred until 2016/17 however the scheme is included within the 2015/16 programme pending certainty over timing of cash flows.

#### **Shared Services ICT Projects - £221,000**

At the Special Full Council meeting in November 2013 it was resolved the sum of £356,000 for the ICT Transition (one-off) costs for West Somerset, in respect of shared services with Taunton Deane, be funded by using unallocated Capital Receipts. In the 2014/15 approved capital budget a sum of £135,000 was included, therefore leaving the above balance of £221,000 in 2015/16.

### **Schemes included in Initial Capital Programme – New Schemes**

#### **Disabled Facility Grants – £241,000**

The Council has a statutory duty to provide grants to enable the adaptation of homes to help meet the needs of disabled residents. The grants are means-tested and central government provide a contribution towards the Council's costs via an annual grant. The Council will receive a grant from Somerset County Council's Better Care Fund totalling £241,000, providing the necessary funding to make this scheme affordable. This is an increase of £57,000 compared to the £184,000 DFG funding received in 2014/15.

#### **7 The Esplanade Watchet - £15,000**

The building is in a very poor condition with damp and water ingress. Further damage will occur if the building is not repaired and made watertight.

#### **Microsoft Licence Fee - £12,000**

The benefits of the licence include being able to run the latest version of Microsoft Office, keeping the authority in line with other authorities and businesses. Current applications also make use of more up to date versions of Microsoft Office and this would allow staff to continue to use the additional functionality some applications provide. Most importantly it would ensure that the authority continues to run a supported Office application.

#### **IS Annual Projects - £61,000**

The authority have a number of applications running on server 2003 and using SQL 2005 database which will be unsupported by Microsoft in July 2015. These need to be upgraded to ensure that the authority is not running unsupported and vulnerable software. This is also part of the PSN compliance. This includes the Planning servers, Cash Receipting servers, Customer Services servers, corporate documentation system. A number of applications can be upgraded by internal staff and only require software license costs. A number of software suppliers need to complete the upgrade work themselves due to the complex nature of how the applications are configured, which incurs additional costs.

## **Bids not included in Initial Capital Programme**

### **Disabled Facility Grants - £48,200**

This additional amount, over and above the government grant, has been requested to help reduce the rolling waiting list.

### **Barnsclose Industrial Estate Dulverton - £11,000**

Refurbishment of the four industrial units to include overhaul of electrics, replacement roof lights, overhaul of roller shutter doors and replacement of windows and doors. The site is currently on the market but if it is not sold work will need to take place to refurbish the units to a more satisfactory standard. It may then be possible to review rent levels. An “invest to save” business case will be brought forward in due course if this work is needed.

### **IT Hardware Replacement - £21,000**

The authority runs a rolling programme to replace desktop client computers over 4 years old.

Server replacement program is to bring servers in-line with the 4-year desktop rolling program. Where possible servers will be considered for virtualisation, however in a few cases this is not possible due to physical requirements and software compliance with the virtual environment.

We also need to ensure that all equipment is up-to-date to mitigate any vulnerability that can put the authority’s network at risk. An annual health check is carried out each year to identify any potential risks with the authority’s external access and internal access. This health check forms part of our Government Connects annual audit. From this health check we can take action where necessary and reassurance that we are reducing risks.

The expected benefit for replacing computers over 4 years old is to ensure that staff work efficiently and effectively and to reduce the number of helpdesk calls regarding the usage of old computers. The benefit to updating servers over 4 years old is to mitigate any vulnerability that can put the authorities’ network at risk.

### **Open Spaces Machinery Replacement - £32,000**

To provide a ride on cylinder mower to replace the existing machine. The existing machine is 13 years old and repair costs to keep it serviceable and lost labour time has become unacceptable.

### **Public Conveniences - £25,000**

To undertake works to selected public conveniences so that they are more cost efficient. Looking at reducing them in size and/or converting part of the buildings into workspace. Also working with parish/town councils to look at alternative options for providing these facilities. The condition of the buildings is also deteriorating and revenue budgets are under pressure due to increasing maintenance costs. It is anticipated that “invest to save” business cases will be brought forward in due course as and when works are planned.

**Equalities Impact Assessment – Disabled Facilities Grants**

**Private Sector Housing Capital Budget) Equality Impact Assessment – Private Sector Housing 2015/16 Capital Bids**

<b>Responsible person</b>	<i>Christian Trevelyan</i>	<b>Job Title: Partnership Manager – Somerset West Private Sector Housing Partnership</b>
<b>Why are you completing the Equality Impact Assessment? (Please mark as appropriate)</b>	Proposed new policy or service	
	Change to Policy or Service	
	Budget/Financial decision – MTFP	√
	Part of timetable	
<b>What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)</b>	<b>The Council is being asked to provide financial support for disabled facilities grants in 2015/16.</b>	
<b>Section One – Scope of the assessment</b>		
What are the main purposes/aims of the policy?	<i>The strategic objectives of private sector housing work are to: improve the health and wellbeing of vulnerable people; reduce fuel poverty; bring empty properties back into use; increase the supply and affordability of good quality private rented accommodation; reduce the number of households with preventable ill health and housing inequalities; improve housing conditions; deal with inadequate energy efficiency and carbon emissions ratings; and ensure local people have sufficient choices of housing to meet their needs, at a standard and price they can afford, where they want to live.</i>	
Which protected groups are targeted by the policy?	<i>The 2015/16 private sector housing capital budget is designed to support and meet the needs of a wide customer base, and is targeted at all the protected groups including: Age; Disability. Gender Reassignment; Pregnancy and Maternity; Race; Religion or belief; Sex; Sexual Orientation; Marriage and civil partnership.</i>	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	Evidence and Data used for assessment <ul style="list-style-type: none"> <li>• Private Sector housing staff performance data</li> <li>• Joint Strategic Needs Assessment 2013/14</li> <li>• Older Persons Evidence 2012 ongoing</li> <li>• Housing Market Assessment 2009</li> <li>• ONS data 2014.</li> </ul>	

	<p>The Joint Strategic Needs Assessment (JSNA) was updated for Somerset in 2014. The JSNA sets out the needs of disabled persons and an aging population.</p> <p>Data suggests that there are approximately 111,660 people aged over 65 resident in Somerset. This is 21% of the County's population. 29.1% are in the West Somerset area and 20% in Taunton Deane, larger than the regional and national average for both districts. 47.3% of residents living in Minehead are over 65 and 34.6% of the population in Taunton are aged over 65. The number of older people in the Housing Market Area is expected to increase by 41.1% in the next 20 years in Taunton and by 36% in West Somerset. The Sustainable Community Strategy underlines the housing and support needs of Taunton's older population. It states that Taunton Deane has a higher than average dependency ratio due to there being proportionately more pensioners, and fewer 15 - 44 year olds. The dependency ratio is a measure of the proportion of a population who are too young or too old to work. A rising dependency ratio is a concern in Taunton Deane and West Somerset both facing an ageing population, since it becomes difficult for pension and social security systems to provide for a significantly older, non-working population. In West Somerset the ratio of older people to younger persons is proportionally higher than the national average.</p> <p>Estimates suggest that, by 2030, the number of people over 65 with mobility problems and a limiting long term illness will also increase by over 40% across the County. More than a quarter of these older households in 2010 reported a 'support need', most commonly for a physical disability. For households who would prefer to stay in their homes, 40% of those who needed adaptations did not have them. It is important to promote the service as inequalities are generated in pockets of rural outposts. The most commonly required adaptations are a downstairs toilet and handrails. Many older person households with support needs required further adaptations such as a low level shower and stair lift. This all points to a need to support adaptations funding in 2015/16 through the Better Care Fund, in response to these changing demographics and demands</p>
<p><b>Section two – Conclusion drawn</b> about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality</p>	
<p><b>All Groups:</b></p> <p>If resources are limited for private sector housing activities we should be aware this will mean some groups or communities could be disadvantaged: not being able to respond to requests for adaptations will long term result in a marked deterioration of people's health, an increase in hospital admissions, and bed-blocking. An inability to tackle one of the key determinants of health and wellbeing, namely improving people's health. Inability to adapt people's homes will increase applications from the older population for social housing and potentially towards expensive accommodation based supported housing services. This is at a time when relevant partner organisations are also facing extensive cuts and may not be able to provide the more costly housing support that would otherwise have been met through a simple low cost low level intervention such as a disabled adaptation.</p>	

The 2015/16 capital budget proposals, namely, disabled facilities grants, are designed to achieve positive outcomes for more vulnerable people in this sector who rely on us to help them improve their living conditions, and bring their homes up to an adapted standard which allows the resident to access facilities in and around their home. If we do not do this it will leave us with a legacy of people with deteriorating health conditions for the future which will have the potential to outstrip the health budgets. This will also have major and costly implications by increasing the demand for social housing.

People who apply for housing, if they are unable to remain in their current homes, may be forced to seek homelessness assistance from the Council. If found vulnerable under the terms of the Homelessness Act, the Council will have a duty to house applicants if the property in which they live is not suitable.

The previous Home Finder Lettings Review has seen that priority awarded to those with medical conditions has increased, resulting in more people being able to qualify for a 'gold band' status, alongside other vulnerable applicants who are unable to remain in their homes. The Localism Act 2011 also allows the council to house vulnerable people (such as homeless applicants) into the private rented sector with one offer of accommodation. If adequate funding is not provided to improve private sector housing standards to meet at least decent homes levels, legal challenges to the council on homelessness housing suitability grounds will almost certainly increase. Cuts elsewhere to housing support funding will also significantly affect vulnerable adults via reductions in floating support services. Combined with housing and benefit changes, financial hardship in this sector is likely to increase the number of vulnerable applicants applying to the council for housing assistance and advice.

User groups have been consulted such as tenants in social housing and through customer surveys and agencies who access the service on behalf of their clients. The anticipated main impacts on specific groups are:

**Age:**

A further reduction in 2015/16 capital funding to help vulnerable private sector housing residents will have an adverse impact on the independence, health and well-being of older people which will, in turn, increase their need for care and support services. Improvements to private sector housing properties to facilitate independent living, energy efficiency, better housing conditions, and housing functionality, will allow older people to live more meaningful lives in their own homes for longer – and thus for housing standards in this sector to move closer to those in the social housing sector, leading to a more balanced housing market.

Understanding older people's position in the housing market is important: around 75% of older people in both districts live in private sector housing and more than 25% of these reported a "support need," most commonly for a physical disability, yet 40% of older person households did not already have an existing adaptation in their home. Health and social care policy encourages older people to remain living at home, but their living costs are under extreme pressure from fuel and food price inflation, and declining pension values in real terms.

A further reduction in 2014/15 capital funding will also be to the detriment of vulnerable younger people especially young children who have more complex needs.

**Disability:**



Disabled households benefit greatly in increased mobility and independence from disabled facilities grants. Reducing the capital budget will increase customer waiting times for adaptations and therefore cause unnecessary discomfort and distress to disabled people, when we should be doing our utmost to deal with the disadvantages faced by this group. This would be a missed opportunity for promoting equality and more equal outcomes for disabled people as those in the Council stock would still see well maintained DFG budgets which result in tenants in the Taunton Deane stock receiving a better service. The work of the County Council Independent Living Teams in assessing needs earlier and putting in place early measures has resulted in a reduction in demand for DFGs, however there is a fear that these measures provide temporary alleviation and simply delay the need for more permanent measures paid for from disabled facilities grants. It is therefore too early to properly assess the benefits of the work of the Independent Living Teams.

In 2013/14 the Council awarded 41 DFGs in West Somerset with a spend in excess of £220k. In the current year (2014/15) the estimated completions will be 32 by year end with a reduced budget of £184k. In Taunton Deane the Council approved 85 DFG applications for all tenures and in 2015/16, it is estimated that the Council will approve 70 DFGs for all tenures with a spend of £600k.

We estimate that West Somerset Council receives between 30 and 40 and in Taunton Deane 60 – 70 DFG recommendations a year from Somerset County Council Occupational therapists. This takes into account historical data and the trends toward an aging population. The future budget required to address this annual demand is estimated at £280k for West Somerset and £700k for Taunton Deane including the fee payable to Aster Home Living. (This is regardless of tenure) Without a reasonable contribution toward the DFG budget from the Better Care Fund we estimate around 20 applicants would need to go on a waiting list for Taunton Deane and 30 for West Somerset. This waiting list would increase by this number annually. The current legislation around DFGs requires the District Council to provide a DFG where the need has been identified by an Occupational Therapist. There is no requirement about the length of time before an application process is commenced by the Local Authority, however once started then it has to be completed within 12 months unless there are mitigating factors that complicate the process. In practice unreasonable delays can be challenged through an ombudsman and there is case history of councils being challenged about unreasonable delays and losing under the Humans Right Act. If the Council found that unacceptable waiting lists were accruing then it could revisit the capital allocation to DFGs in future years.

**Race:**

It is important to be culturally sensitive when providing private sector housing services, and statutory and/or enforcement interventions are not always the not appropriate in achieving equitable equality outcomes, particularly for households living in this sector for whom English is not their first language. For example, our statutory responsibility to inspect houses occupied by multiple households could inadvertently discriminate against minority ethnic groups in private rented sector housing where Black and Minority Ethnic (BME) households have a much higher proportionate presence than in other housing sector and tenures in the two districts.

**Sex:**

No obvious direct impact identified although it is recognised that women generally have longer life expectancy than men and may therefore be a group which benefit most from the interventions outlined above and any reduction in funding for these interventions could disproportionately impact more female than males.	
<b>I have concluded that there is/should be:</b>	
No major change - no adverse equality impact identified	
Adjust the policy	Actions will be identified that will help mitigate the impacts identified above.
Continue with the policy	
Stop and remove the policy	
Reasons and documentation to support conclusions Actions will be put in place to limit the actions as far as possible.	
<b>Section four – Implementation – timescale for implementation</b>	
Private Sector Housing Service Plan 2015/16. This will involve quarterly monitoring of: performance against budget; key service measures; and service outcomes.	
<b>Section Five – Sign off</b>	
Responsible officer: Christian Trevelyan Date: 27 <sup>th</sup> January 2015	Management Team Date
<b>Section six – Publication and monitoring</b>	
Published on	
Next review date	Date logged on Covalent

## Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Actions table					
Service area	Strategy	Date	2013/14		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions
Reduction and/or loss of 2015/16 private sector housing capital funding support	Identify alternative sources of funding and any "invest to save" projects that can increase external income, produce cashable savings, and pay back any investments	Partnership Manager	June 2015 and ongoing from then	Somerset West Private Sector Housing Board quarterly reports	Extra money released that can be used to support and influence key private sector housing priorities beyond 2015/16 Services maintained for vulnerable private sector residents in future Effective, lower cost private sector housing interventions in quantitative terms (property conditions and living standards) and qualitative terms (how satisfied residents are in this sector).
Significance of age, disability, race and sex equality groups in private sector housing activities	Raise awareness of characteristics of all these protected groups in relation to local housing market. Close monitoring of waiting lists for DFGs and impact and ensure councillors are kept apprised of any impact	Joint Housing Group	September 2013	Scrutiny and information reports, staff briefings and housing briefings	Easily understood and accessible data and information on protected groups and specific characteristics in private housing
Ensure consistency, accessibility and equality of all advice and assistance given by council staff to private sector housing residents	Induction process for all new staff (including any temporary/agency staff); clear written procedures; effective staff supervision; and regularly reviewing all customer satisfaction returns and comments	Partnership Manager	April 2015 and ongoing from then	Quarterly Housing Partnership Board reports	Private sector housing residents receive the same level and quality of advice and assistance, irrespective of who they are, where they live, and who they deal with

<b>Identified issue drawn from your conclusions</b>	<b>Actions needed</b>	<b>Who is responsible?</b>	<b>By when?</b>	<b>How will this be monitored?</b>	<b>Expected outcomes from carrying out actions</b>
The strategic need for the council to intervene in and influence the local housing market and thus ensure better private sector housing conditions, costs, and choices for local people in need	Critically assessing affordability, choices of housing, the varied housing needs of local residents, and housing conditions, in the context of changing housing market conditions, public funding, and national housing policy	Joint Housing Group	April 2015 and ongoing from then	Executive, Scrutiny and Partnership Board reports	A greater understanding and shaping of the local housing market .
Ensure effective communications, monitoring and equality protocols with relevant partner organisations	Regular meetings with relevant partner organisations; a common understanding of priorities and pressures; initiatives to utilise complimentary work skills and experience; joint awareness and information exchange sessions	Partnership Manager	June 2015 and ongoing from then	Partnership Board	More effective joint working and focus on priorities, better use of limited resources and consensual, co-operative approach to challenges in private sector housing
The specific needs of older home owners in the local housing market	Evaluation of housing needs and choices for older people beyond the traditional adaptations and small repairs at home approach	Strategic Housing Officer's Group	August 2015	Executive, Scrutiny and Partnership Board reports	Explore measures and potential housing options for older home owners who are equity rich but struggling with limited income and poorer quality of life

**Report Number:** WSC 43/15  
**Presented by:** Cllr Kate Kravis, Lead Member For Finance & Resources  
**Author of the Report:** Steve Plenty  
**Contact Details:**  
     **Tel.No.: Direct Line** 01984 635217  
     **Email:** sjplenty@westsomerset.gov.uk  
  
**Report to a Meeting of:** Council  
**To be Held on:** 25<sup>th</sup> February 2015  
**Date Entered on Executive Forward Plan Or Agreement for Urgency Granted:** N/A

## COUNCIL TAX RESOLUTION 2015/16

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2015/16.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 None directly in this report.

### 3. RECOMMENDATIONS

- 3.1 To approve the formal Council Tax Resolution as shown in Appendix A, B, and C to this report.

### 4. RISK ASSESSMENT (IF APPLICABLE)

#### Risk Matrix

Description	Likelihood	Impact	Overall
The key risk is that the Council does not approve the council tax requirement in the correct format.	Possible (3)	Major (4)	Medium (12)
<i>The mitigation for this is that the Council uses the attached CIPFA format to approve the council tax requirement.</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.

### 5. BACKGROUND INFORMATION

- 5.1 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992 and now requires the billing authority to calculate a Council Tax Requirement for the year, not its budget requirement as reported in previous years.

- 5.2 The precept levels of the other precepting bodies have now been received. These are detailed below:
- 5.3 Somerset County Council met on 18<sup>th</sup> February 2015 and set their precept at £13,781,024.04, adjusted by a Collection Fund Surplus of £362,440. This results in a Band D Council Tax of £1,027.30 and details can be found in Appendix B to this report.
- 5.4 Police & Crime Commissioner for Avon and Somerset on 12<sup>th</sup> February 2015 set their precept at £2,344,638.74, adjusted by a Collection Fund Surplus of £60,320. This results in a Band D Council Tax of £174.78 and details can be found in Appendix B to this report.
- 5.5 Devon and Somerset Fire and Rescue Service met on 20<sup>th</sup> February 2015 and set their precept at £1,031,463.97, adjusted by a Collection Fund Surplus of £27,040. This results in a Band D Council Tax of £76.89 and details can be found in Appendix B to this report.
- 5.7 The Town and Parish Precepts for 2015/16 are detailed in Appendix C to this report and total £870,802.60. The increase in the average Band D Council Tax for Parish and Town Councils is 5.77% and results in an average Band D Council Tax figure of £64.91 for 2015/16.
- 5.8 By approving the Council Tax Resolution the total Band D Council Tax will be as follows:

	<b>2014/15</b> <b>£</b>	<b>2015/16</b> <b>£</b>	<b>Increase</b> <b>%</b>
West Somerset Council	137.82	140.56	1.99%
Somerset County Council	1,027.30	1,027.30	0.00%
Avon and Somerset Police Authority	171.37	174.78	1.99%
Devon and Somerset Fire and Rescue Service	76.89	76.89	0.00%
<b>Sub-Total</b>	<b>1,413.38</b>	<b>1,419.53</b>	<b>0.34%</b>
Town and Parish Council (Average)	61.37	64.91	5.77%
<b>Total</b>	<b>1,474.75</b>	<b>1,484.44</b>	<b>0.66%</b>

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

- 6.1 As set out in the report.

## **7. SECTION 151 OFFICER COMMENTS**

- 7.1 West Somerset Council is proposing a Council Tax increase of 1.99%.

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

**Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.**

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation

- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

8.1 None directly in this report.

**9. CRIME AND DISORDER IMPLICATIONS**

9.1 None directly in this report.

**10. CONSULTATION IMPLICATIONS**

10.1 None directly in this report.

**11. ASSET MANAGEMENT IMPLICATIONS**

11.1 None directly in this report.

**12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1 None directly in this report.

**13. LEGAL IMPLICATIONS**

13.1 None directly in this report.





**The Council is recommended to resolve as follows:**

1. It be noted that the Council calculated the Council Tax Base 2015/16
  - (a) for the whole Council area as **13,414.8** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the Act)] (**the tax base for the whole district**); and
  - (b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix C (**the tax base for each parish or town council area**).
  
2. Calculate that the Council Tax requirement for the Council's own purposes for 2015/16 (excluding Parish precepts) is £1,885,584.
  
3. That the following amounts be calculated for the year 2015/16 in accordance with Sections 31 to 36 of the Act:

(a)	£21,386,647	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act; (expenditure, including all precepts issued to it by parish and town councils).
(b)	£18,630,260	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act (income, including government grants, benefits subsidy and adjustments for surpluses on the Collection Fund).
(c)	£2,756,387	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act; as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act); (expenditure less income).
(d)	£205.47	being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year; (this is an overall average amount of Council Tax, per Band D property including Parish precepts).
(e)	£870,803	being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).
(f)	£140.56	being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates (the District Council element of the tax for Band D dwellings).

4. To note that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
  
5. That the Council, in accordance with Sections 30 ad 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council

Tax for 2015/16 for each part of its area and for each of the categories of dwellings. The table excludes parish and town precepts and special expenses.

### VALUATION BANDS

#### WEST SOMERSET COUNCIL

A	B	C	D	E	F	G	H
£93.71	£109.32	£124.94	£140.56	£171.80	£203.03	£234.27	£281.12

#### SOMERSET COUNTY COUNCIL

A	B	C	D	E	F	G	H
£684.87	£799.01	£913.16	£1,027.30	£1,255.59	£1,483.88	£1,712.17	£2,054.60

#### POLICE & CRIME COMMISSIONER FOR AVON AND SOMERSET

A	B	C	D	E	F	G	H
£116.52	£135.94	£155.36	£174.78	£213.62	£252.46	£291.30	£349.56

#### DEVON AND SOMERSET FIRE AND RESCUE SERVICES

A	B	C	D	E	F	G	H
£51.26	£59.80	£68.35	£76.89	£93.98	£111.06	£128.15	£153.78

#### AGGREGATE OF COUNCIL TAX REQUIREMENTS

A	B	C	D	E	F	G	H
£946.36	£1,104.07	£1,261.81	£1,419.53	£1,734.99	£2,050.43	£2,365.89	£2,839.06

## APPENDIX B

## Council Tax Schedule 2015/16

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
West Somerset Council	93.71	109.32	124.94	140.56	171.80	203.03	234.27	281.12
Somerset County Council	684.87	799.01	913.16	1,027.30	1,255.59	1,483.88	1,712.17	2,054.60
Police & Crime Commissioner for Avon and Somerset	116.52	135.94	155.36	174.78	213.62	252.46	291.30	349.56
Devon and Somerset Fire and Rescue Service	51.26	59.80	68.35	76.89	93.98	111.06	128.15	153.78
Parish/Town only (a)								
Parish/Town & District (b)								
Total (c)								
<b>Bicknoller</b>	(a) 11.14	12.99	14.85	16.71	20.42	24.13	27.84	33.41
	(b) 104.85	122.31	139.79	157.27	192.22	227.16	262.11	314.53
	(c) 957.50	1,117.06	1,276.66	1,436.24	1,755.41	2,074.56	2,393.73	2,872.47
<b>Brompton Ralph</b>	(a) 28.84	33.65	38.45	43.26	52.87	62.49	72.10	86.52
	(b) 122.55	142.97	163.39	183.82	224.67	265.52	306.37	367.64
	(c) 975.20	1,137.72	1,300.26	1,462.79	1,787.86	2,112.92	2,437.99	2,925.58
<b>Brompton Regis</b>	(a) 16.97	19.79	22.62	25.45	31.11	36.76	42.42	50.90
	(b) 110.68	129.11	147.56	166.01	202.91	239.79	276.69	332.02
	(c) 963.33	1,123.86	1,284.43	1,444.98	1,766.10	2,087.19	2,408.31	2,889.96
<b>Brushford</b>	(a) 23.93	27.92	31.91	35.90	43.88	51.86	59.83	71.80
	(b) 117.64	137.24	156.85	176.46	215.68	254.89	294.10	352.92
	(c) 970.29	1,131.99	1,293.72	1,455.43	1,778.87	2,102.29	2,425.72	2,910.86
<b>Carhampton</b>	(a) 24.85	28.99	33.13	37.27	45.55	53.83	62.12	74.54
	(b) 118.56	138.31	158.07	177.83	217.35	256.86	296.39	355.66
	(c) 971.21	1,133.06	1,294.94	1,456.80	1,780.54	2,104.26	2,428.01	2,913.60
<b>Clatworthy</b>	(a) 17.29	20.18	23.06	25.94	31.70	37.47	43.23	51.88
	(b) 111.00	129.50	148.00	166.50	203.50	240.50	277.50	333.00
	(c) 963.65	1,124.25	1,284.87	1,445.47	1,766.69	2,087.90	2,409.12	2,890.94
<b>Crowcombe</b>	(a) 18.66	21.77	24.88	28.00	34.22	40.44	46.66	55.99
	(b) 112.37	131.09	149.82	168.56	206.02	243.47	280.93	337.11
	(c) 965.02	1,125.84	1,286.69	1,447.53	1,769.21	2,090.87	2,412.55	2,895.05
<b>Cutcombe</b>	(a) 34.06	39.74	45.41	51.09	62.44	73.80	85.15	102.18
	(b) 127.77	149.06	170.35	191.65	234.24	276.83	319.42	383.30
	(c) 980.42	1,143.81	1,307.22	1,470.62	1,797.43	2,124.23	2,451.04	2,941.24
<b>Dulverton</b>	(a) 59.34	69.24	79.13	89.02	108.80	128.58	148.36	178.03
	(b) 153.05	178.56	204.07	229.58	280.60	331.61	382.63	459.15
	(c) 1,005.70	1,173.31	1,340.94	1,508.55	1,843.79	2,179.01	2,514.25	3,017.09
<b>Dunster</b>	(a) 26.19	30.55	34.92	39.28	48.01	56.74	65.47	78.56
	(b) 119.90	139.87	159.86	179.84	219.81	259.77	299.74	359.68
	(c) 972.55	1,134.62	1,296.73	1,458.81	1,783.00	2,107.17	2,431.36	2,917.62
<b>East Quantoxhead</b>	(a) 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b) 93.71	109.32	124.94	140.56	171.80	203.03	234.27	281.12
	(c) 946.36	1,104.07	1,261.81	1,419.53	1,734.99	2,050.43	2,365.89	2,839.06
<b>Elworthy</b>	(a) 0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b) 93.71	109.32	124.94	140.56	171.80	203.03	234.27	281.12
	(c) 946.36	1,104.07	1,261.81	1,419.53	1,734.99	2,050.43	2,365.89	2,839.06
<b>Exford</b>	(a) 30.86	36.01	41.15	46.29	56.58	66.87	77.16	92.59
	(b) 124.57	145.33	166.09	186.85	228.38	269.90	311.43	373.71
	(c) 977.22	1,140.08	1,302.96	1,465.82	1,791.57	2,117.30	2,443.05	2,931.65
<b>Exmoor</b>	(a) 13.96	16.29	18.62	20.94	25.60	30.25	34.91	41.89
	(b) 107.67	125.61	143.56	161.50	197.40	233.28	269.18	323.01
	(c) 960.32	1,120.36	1,280.43	1,440.47	1,760.59	2,080.68	2,400.80	2,880.95
<b>Exton</b>	(a) 22.41	26.14	29.88	33.61	41.08	48.55	56.02	67.23
	(b) 116.12	135.46	154.82	174.17	212.88	251.58	290.29	348.35
	(c) 968.77	1,130.21	1,291.69	1,453.14	1,776.07	2,098.98	2,421.91	2,906.29
<b>Holford</b>	(a) 18.27	21.32	24.36	27.41	33.50	39.59	45.68	54.82
	(b) 111.98	130.64	149.30	167.97	205.30	242.62	279.95	335.94
	(c) 964.63	1,125.39	1,286.17	1,446.94	1,768.49	2,090.02	2,411.57	2,893.88
<b>Huish Champflower</b>	(a) 19.93	23.25	26.57	29.90	36.54	43.18	49.83	59.79
	(b) 113.64	132.57	151.51	170.46	208.34	246.21	284.10	340.91
	(c) 966.29	1,127.32	1,288.38	1,449.43	1,771.53	2,093.61	2,415.72	2,898.85
<b>Kilve</b>	(a) 20.38	23.78	27.17	30.57	37.36	44.16	50.95	61.14
	(b) 114.09	133.10	152.11	171.13	209.16	247.19	285.22	342.26
	(c) 966.74	1,127.85	1,288.98	1,450.10	1,772.35	2,094.59	2,416.84	2,900.20
<b>Luccombe</b>	(a) 26.02	30.35	34.69	39.03	47.70	56.37	65.05	78.05
	(b) 119.73	139.67	159.63	179.59	219.50	259.40	299.32	359.17
	(c) 972.38	1,134.42	1,296.50	1,458.56	1,782.69	2,106.80	2,430.94	2,917.11
<b>Luxborough</b>	(a) 12.39	14.45	16.52	18.58	22.71	26.84	30.97	37.16
	(b) 106.10	123.77	141.46	159.14	194.51	229.87	265.24	318.28
	(c) 958.75	1,118.52	1,278.33	1,438.11	1,757.70	2,077.27	2,396.86	2,876.22
<b>Minehead</b>	(a) 54.19	63.22	72.25	81.28	99.34	117.40	135.47	162.56
	(b) 147.90	172.54	197.19	221.84	271.14	320.43	369.74	443.68
	(c) 1,000.55	1,167.29	1,334.06	1,500.81	1,834.33	2,167.83	2,501.36	3,001.62

<b>Monksilver</b>	(a)	5.89	6.88	7.86	8.84	10.80	12.77	14.73	17.68
	(b)	99.60	116.20	132.80	149.40	182.60	215.80	249.00	298.80
	(c)	952.25	1,110.95	1,269.67	1,428.37	1,745.79	2,063.20	2,380.62	2,856.74
<b>Nettlecombe</b>	(a)	16.19	18.89	21.59	24.29	29.68	35.08	40.48	48.57
	(b)	109.90	128.21	146.53	164.85	201.48	238.11	274.75	329.69
	(c)	962.55	1,122.96	1,283.40	1,443.82	1,764.67	2,085.51	2,406.37	2,887.63
<b>Oare</b>	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	93.71	109.32	124.94	140.56	171.80	203.03	234.27	281.12
	(c)	946.36	1,104.07	1,261.81	1,419.53	1,734.99	2,050.43	2,365.89	2,839.06
<b>Old Cleeve</b>	(a)	9.07	10.59	12.10	13.61	16.63	19.66	22.68	27.22
	(b)	102.78	119.91	137.04	154.17	188.43	222.69	256.95	308.34
	(c)	955.43	1,114.66	1,273.91	1,433.14	1,751.62	2,070.09	2,388.57	2,866.28
<b>Porlock</b>	(a)	54.53	63.61	72.70	81.79	99.97	118.14	136.32	163.58
	(b)	148.24	172.93	197.64	222.35	271.77	321.17	370.59	444.70
	(c)	1,000.89	1,167.68	1,334.51	1,501.32	1,834.96	2,168.57	2,502.21	3,002.64
<b>Sampford Brett</b>	(a)	10.35	12.07	13.80	15.52	18.97	22.42	25.87	31.04
	(b)	104.06	121.39	138.74	156.08	190.77	225.45	260.14	312.16
	(c)	956.71	1,116.14	1,275.61	1,435.05	1,753.96	2,072.85	2,391.76	2,870.10
<b>Selworthy &amp; Minehead Without</b>	(a)	28.61	33.37	38.14	42.91	52.45	61.98	71.52	85.82
	(b)	122.32	142.69	163.08	183.47	224.25	265.01	305.79	366.94
	(c)	974.97	1,137.44	1,299.95	1,462.44	1,787.44	2,112.41	2,437.41	2,924.88
<b>Skilgate</b>	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	93.71	109.32	124.94	140.56	171.80	203.03	234.27	281.12
	(c)	946.36	1,104.07	1,261.81	1,419.53	1,734.99	2,050.43	2,365.89	2,839.06
<b>Stogumber</b>	(a)	22.02	25.69	29.36	33.03	40.37	47.71	55.05	66.06
	(b)	115.73	135.01	154.30	173.59	212.17	250.74	289.32	347.18
	(c)	968.38	1,129.76	1,291.17	1,452.56	1,775.36	2,098.14	2,420.94	2,905.12
<b>Stogursey</b>	(a)	25.78	30.08	34.37	38.67	47.26	55.86	64.45	77.34
	(b)	119.49	139.40	159.31	179.23	219.06	258.89	298.72	358.46
	(c)	972.14	1,134.15	1,296.18	1,458.20	1,782.25	2,106.29	2,430.34	2,916.40
<b>Stringston</b>	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	93.71	109.32	124.94	140.56	171.80	203.03	234.27	281.12
	(c)	946.36	1,104.07	1,261.81	1,419.53	1,734.99	2,050.43	2,365.89	2,839.06
<b>Timberscombe</b>	(a)	26.18	30.55	34.91	39.27	48.00	56.73	65.46	78.55
	(b)	119.89	139.87	159.85	179.83	219.80	259.76	299.73	359.67
	(c)	972.54	1,134.62	1,296.72	1,458.80	1,782.99	2,107.16	2,431.35	2,917.61
<b>Treborough</b>	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	93.71	109.32	124.94	140.56	171.80	203.03	234.27	281.12
	(c)	946.36	1,104.07	1,261.81	1,419.53	1,734.99	2,050.43	2,365.89	2,839.06
<b>Upton</b>	(a)	16.28	18.99	21.70	24.42	29.84	35.27	40.69	48.83
	(b)	109.99	128.31	146.64	164.98	201.64	238.30	274.96	329.95
	(c)	962.64	1,123.06	1,283.51	1,443.95	1,764.83	2,085.70	2,406.58	2,887.89
<b>Watchet</b>	(a)	78.45	91.52	104.60	117.67	143.82	169.97	196.12	235.34
	(b)	172.16	200.84	229.54	258.23	315.62	373.00	430.39	516.46
	(c)	1,024.81	1,195.59	1,366.41	1,537.20	1,878.81	2,220.40	2,562.01	3,074.40
<b>West Quantoxhead</b>	(a)	10.13	11.81	13.50	15.19	18.56	21.94	25.31	30.38
	(b)	103.84	121.13	138.44	155.75	190.36	224.97	259.58	311.50
	(c)	956.49	1,115.88	1,275.31	1,434.72	1,753.55	2,072.37	2,391.20	2,869.44
<b>Williton</b>	(a)	62.61	73.04	83.48	93.91	114.78	135.65	156.52	187.82
	(b)	156.32	182.36	208.42	234.47	286.58	338.68	390.79	468.94
	(c)	1,008.97	1,177.11	1,345.29	1,513.44	1,849.77	2,186.08	2,522.41	3,026.88
<b>Winsford</b>	(a)	12.56	14.65	16.75	18.84	23.03	27.21	31.40	37.68
	(b)	106.27	123.97	141.69	159.40	194.83	230.24	265.67	318.80
	(c)	958.92	1,118.72	1,278.56	1,438.37	1,758.02	2,077.64	2,397.29	2,876.74
<b>Withycombe</b>	(a)	31.37	36.59	41.82	47.05	57.50	67.96	78.41	94.10
	(b)	125.08	145.91	166.76	187.61	229.30	270.99	312.68	375.22
	(c)	977.73	1,140.66	1,303.63	1,466.58	1,792.49	2,118.39	2,444.30	2,933.16
<b>Withypool &amp; Hawkridge</b>	(a)	15.60	18.20	20.80	23.40	28.60	33.80	39.00	46.80
	(b)	109.31	127.52	145.74	163.96	200.40	236.83	273.27	327.92
	(c)	961.96	1,122.27	1,282.61	1,442.93	1,763.59	2,084.23	2,404.89	2,885.86
<b>Wootton Courtenay</b>	(a)	11.98	13.98	15.98	17.97	21.97	25.96	29.96	35.95
	(b)	105.69	123.30	140.92	158.53	193.77	228.99	264.23	317.07
	(c)	958.34	1,118.05	1,277.79	1,437.50	1,756.96	2,076.39	2,395.85	2,875.01

## APPENDIX C

## Town &amp; Parish Council Precepts 2015/16

Parish/Town Council	2014/15			2015/16			C Tax Increase
	Tax Base	Precepts	Council Tax Band D	Tax Base	Precepts	Council Tax Band D	
Bicknoller	206.1	£3,443.11	£16.71	208.1	£3,500.00	£16.82	0.68%
Brompton Ralph	97.2	£4,204.87	£43.26	97.5	£4,250.00	£43.26	0.00%
Brompton Regis	210.2	£5,349.59	£25.45	215.0	£5,750.00	£26.74	0.00%
Brushford	226.4	£8,127.76	£35.90	229.4	£10,500.00	£35.90	0.00%
Carhampton	324.5	£12,094.12	£37.27	327.2	£17,500.00	£53.48	0.00%
Clatworthy	39.7	£1,029.82	£25.94	40.6	£2,000.00	£25.94	0.00%
Crowcombe	229.2	£6,416.50	£28.00	232.3	£7,500.00	£32.29	15.33%
Cutcombe	184.2	£9,411.00	£51.09	185.6	£10,161.00	£54.75	7.15%
Dulverton	606.3	£53,971.00	£89.02	617.5	£53,971.00	£87.40	-1.81%
Dunster	432.5	£16,988.60	£39.28	435.4	£20,470.00	£47.01	0.00%
East Quantoxhead	41.8	£0.00	£0.00	42.3	£0.00	£0.00	0.00%
Elworthy	31.9	£0.00	£0.00	33.1	£0.00	£0.00	0.00%
Exford	192.9	£8,930.00	£46.29	195.6	£9,823.00	£50.22	8.48%
Exmoor	63.0	£1,318.82	£20.93	66.9	£2,035.00	£30.43	45.36%
Exton	95.2	£3,200.00	£33.61	93.8	£3,200.00	£34.12	1.49%
Holford	132.8	£3,640.00	£27.41	135.9	£3,665.00	£26.97	-1.61%
Huish Champflower	112.4	£3,360.38	£29.90	114.4	£3,500.00	£30.59	2.33%
Kilve	188.8	£5,771.53	£30.57	189.0	£5,500.00	£29.10	-4.81%
Luccombe	69.1	£2,696.80	£39.03	70.3	£2,696.80	£38.36	-1.71%
Luxborough	96.8	£1,798.50	£18.58	98.3	£1,798.54	£18.30	0.00%
Minehead	3,966.3	£322,380.86	£81.28	4,043.9	£335,239.31	£82.90	1.99%
Monksilver	58.7	£518.91	£8.84	61.3	£600.00	£9.79	0.00%
Nettlecombe	94.7	£2,300.00	£24.29	92.2	£2,300.00	£24.95	2.71%
Oare	33.5	£0.00	£0.00	36.2	£0.00	£0.00	0.00%
Old Cleeve	644.4	£8,770.28	£13.61	653.6	£9,500.00	£14.53	0.00%
Porlock	687.7	£56,247.40	£81.79	695.4	£58,000.00	£83.41	1.97%
Sampford Brett	136.5	£2,118.48	£15.52	138.2	£2,200.00	£15.92	0.00%
Selworthy & Minehead Without	233.3	£10,010.90	£42.91	226.9	£12,000.00	£52.89	23.25%
Skilgate	50.1	£0.00	£0.00	49.0	£0.00	£0.00	0.00%
Stogumber	312.4	£10,318.89	£33.03	315.3	£11,000.00	£34.89	5.62%
Stogursey	472.5	£18,271.58	£38.67	475.1	£20,000.00	£42.10	8.86%
Stringston	46.8	£0.00	£0.00	45.9	£0.00	£0.00	0.00%
Timberscombe	165.5	£6,500.00	£39.27	161.9	£7,344.00	£45.36	15.50%
Treborough	30.1	£0.00	£0.00	30.1	£0.00	£0.00	0.00%
Upton	83.8	£2,046.00	£24.42	83.8	£2,046.00	£24.42	0.00%
Watchet	1,075.8	£126,590.55	£117.67	1,095.3	£138,766.00	£126.69	7.67%
West Quantoxhead	164.6	£2,500.00	£15.19	161.0	£2,834.00	£17.60	15.89%
Williton	821.0	£77,100.11	£93.91	848.4	£86,000.00	£101.37	0.00%
Winsford	164.7	£3,102.95	£18.84	167.9	£3,102.95	£18.48	0.00%
Withycombe	116.9	£5,500.00	£47.05	117.8	£6,200.00	£52.63	11.87%
Withypool & Hawkridge	121.8	£2,850.00	£23.40	122.4	£2,850.00	£23.28	-0.49%
Wootton Courtenay	166.9	£3,000.00	£17.97	165.0	£3,000.00	£18.18	1.15%
<b>TOTAL / AVERAGE</b>	<b>13,229.0</b>	<b>£811,879.31</b>	<b>£61.37</b>	<b>13,414.8</b>	<b>£870,802.60</b>	<b>£64.91</b>	<b>5.77%</b>



*Report Number:* WSC 26/15  
*Presented by:* COUNCILLOR TIM TAYLOR, LEADER OF THE COUNCIL  
*Author of the Report:* PAUL HARDING, CORPORATE STRATEGY AND PERFORMANCE  
MANAGER  
*Contact Details:*

*Tel. No. Direct Line* 01823 356309  
*Email:* [P.HARDING@TAUNTONDEANE.GOV.UK](mailto:P.HARDING@TAUNTONDEANE.GOV.UK)

*Report to a Meeting of:* COUNCIL  
*To be Held on:* 25 Feb 2015

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

## CORPORATE PLAN 2015/16

### 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek approval for the refreshed WSC Corporate Plan for the 2015/16 financial year; attached at Appendix A.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The preparation and adoption of an appropriately focused Corporate Plan is essential to enable the Council to both establish and deliver its corporate priorities.

### 3. RECOMMENDATIONS

- 3.1 That Council approves the Corporate Plan for 2015/16.

### 4. RISK ASSESSMENT (IF APPLICABLE)

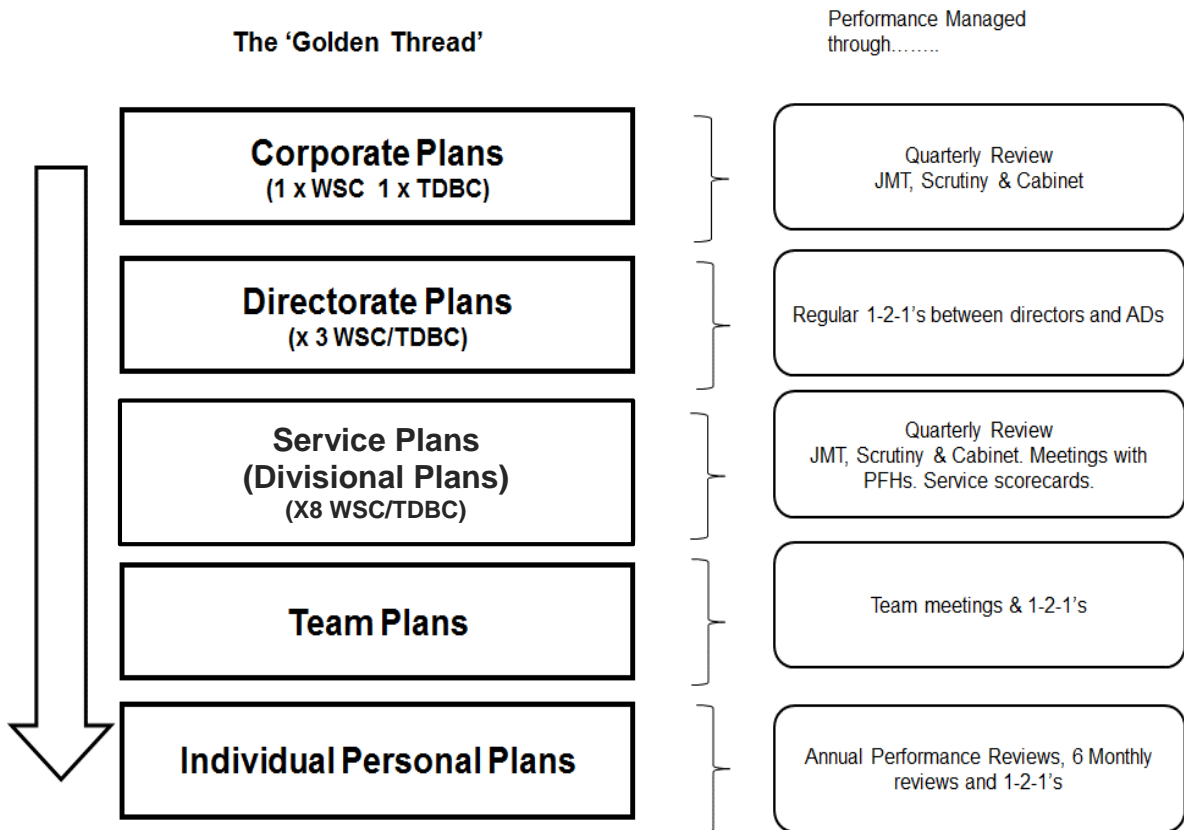
#### Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to articulate and deliver or meet its own priorities and objectives leading to missed opportunities and a mismatch between resources and required outcomes.	Possible (3)	Major (4)	High (12)
<i>The mitigation is an agreed Corporate Plan</i>	Unlikely (2)	Major (4)	Medium (8)
Services and or major projects /initiatives are not delivered.	Possible (3)	Major (4)	High (12)
<i>To mitigate this risk the Corporate Plan is supported by service plans, team plans and individual objectives.</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.

**5. BACKGROUND INFORMATION**

- 5.1 The purpose of a Corporate Plan is to bring focus and resources to the main priorities of the Council. It details the objectives and key tasks that the Council wants to achieve in order to deliver its vision.
- 5.2 The Corporate Plan is the key part of the ‘Golden Thread’ which links corporate objectives through to team and individual action plans, so that each person working for WSC knows how they contribute to achieving corporate priorities.
- 5.3 The illustration below shows the ‘Golden Thread’ and where the Corporate Plan fits within this:



- 5.4 At the meeting of the Council held on 16 April 2012 a four year Corporate Plan (2012-16) was approved with the intention that the priorities and objectives would remain constant for the four years but key tasks being liable to year on year change.
- 5.5 2015/16 is the final year of the current four-year Corporate Plan.



- 5.6 The attached plan, at Appendix A, is the product of a refresh taking place of the key tasks and the associated measures of success for 2015/16.
- 5.7 During the course of 2015/16, after the May elections, a new four-year Corporate Plan will be developed for approval through the democratic process, to take effect from 1<sup>st</sup> April 2016.
- 5.8 An earlier draft of the 2015/16 Corporate Plan was shared with Scrutiny committee in January 2015 and more recently at the Cabinet meeting held on 4<sup>th</sup> February 2015.
- 5.9 **Following the Cabinet meeting 4 amendments have been made to the plan. Additional wording in the penultimate paragraph within the foreword, replacement images at the top of pages 5 & 6 and financial information added to page 18** (the budgetary figures within page 18 of the plan are draft at this point and are subject to approval at Council on 25<sup>th</sup> February 2015).
- 5.10 To support the Corporate Plan, service plans for 2015/16 are being prepared to ensure the delivery of the objectives and associated key tasks to deliver the Corporate Priorities. These will be further supported by team plans and individual objectives.
- 5.11 Draft 2015/16 service plans have been reviewed by Scrutiny and by Corporate PAG and will be finalised prior to the start of the 2015/16 financial year.

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

- 6.1 The objectives under the local democracy corporate priority will be absolutely crucial to the Council delivering its Medium Term Financial Plan and maintaining its financial viability
- 6.2 Budget monitoring will occur as part of the corporate performance monitoring and is reported regularly to Members.
- 6.3 The budgetary figures within page 18 of the plan are draft at this point subject to approval at Council on 25<sup>th</sup> February 2015.

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

- 7.1 Regular and robust monitoring through the performance management framework will be essential to ensure the Corporate Plan is being delivered.

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

- 8.1 **Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.**

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

8.2 The Council commitment to equalities and diversity is reflected in the Council's Core Values which are set out within the Corporate Plan.

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

9.1 There are no direct implications.

## **10. CONSULTATION IMPLICATIONS**

10.1 The initial draft of the Corporate Plan for 2015/16 has been shared with Scrutiny Committee in January 2015 and with Cabinet at the meeting held on 4<sup>th</sup> February 2015.

## **11. ASSET MANAGEMENT IMPLICATIONS**

11.1 Implications on the Council's assets would form part of the service plan actions.

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

12.1 There is specific reference to protecting environment under the New Nuclear Development at Hinkley Point priority.

## **13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

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

## **14. LEGAL IMPLICATIONS**

14.1 There are no direct legal implications.



# West Somerset Council



# CORPORATE PLAN 2015/16 1.2

**Front cover photographs by:**  
Jane Lillis [Watchet]  
Fred Owen [Exmoor Ponies]  
Craig Palmer [Train]



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## Foreword

**This Corporate Plan for 2015-2016 sets out the vision that will drive the Council's work over the coming year.**

This is a time of unparalleled challenge, and opportunity, for both the Council and the district that we serve. We have achieved a great deal over the past 12 months but there is much work still to be done.

Our challenge now is to not lose focus. We have made an excellent start in ensuring the Council's finances are built on sound foundations through our innovative partnership with Taunton Deane Borough Council. The two Councils share staff, senior managers and a single Chief Executive. During 2015/16 this partnership will achieve annual savings of at least £307,000 for West Somerset Council.

Our budget, however, remains challenging, while demand for our services that are highly valued by our community is rising. We recognise that we have to change the way we deliver our services - critically evaluating everything we do and finding innovative solutions with our partners to continue to deliver the services which West Somerset needs and deserves. This stage of our work will start in earnest during 2015/16.

We also recognise that the development of the new nuclear power station at Hinkley Point C in our district offers great opportunity and great challenges for our residents and businesses. The project has the potential to significantly raise the aspirations and life chances of many within our community. We will do all we can to help our communities benefit from this opportunity while taking care to protect local people and the environment.

We will continue to work positively with our towns and parishes, building strong relationships throughout our district to the benefit of all who live and work in West Somerset.



**Tim Taylor**  
**Leader of the Council**



**Penny James**  
**Joint Chief Executive**



## Our Vision

This plan sets out the overall vision for West Somerset and the two priorities that the Council are focusing on for 2015-16.

Our vision is:

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

We will deliver this vision by:

- Championing and enabling the people, local organisations and communities of West Somerset
- Working with partners, both inside and outside West Somerset.

This plan sets out the overall vision for West Somerset and the two priorities that the Council are focussing on for 2015/16. These two priorities are:

### 1. Local Democracy

Securing local democracy and accountability in West Somerset, based in West Somerset, elected by the people of West Somerset and responsible to the people of West Somerset.

### 2. New Nuclear Development at Hinkley Point

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

We monitor and report our performance throughout the year to see whether we are on track to deliver the corporate plan. We also use the measures of progress to check that the key tasks are delivering our priorities



## Our Core Values

We will be supportive of one another; work as a team of teams and be flexible. We will show an ability to cope with change together with a commitment to ongoing learning and development.

Of others we will value people as individuals and the mix of personal, people, professional and technical skills they bring.

**Our core values are that of:**

**Integrity** – be honest, do what is right and stick to it

**Fairness** – treat everyone equally, respecting his or her individual needs and abilities

**Respect** – always show respect for everyone

**Trust** – show trust in our staff and Members

*'West Somerset recognises the importance of fair treatment and we are committed to ensuring everyone has access to our services and is treated equally and fairly'.*

The Council's aim is to seek to ensure that our policies, services and decision-making are as responsive and inclusive as they can be, and to promote equality of opportunity for all those living, working and visiting the district.





## Our Place

West Somerset covers 290 square miles (740 square kilometers) of a rural, sparsely populated, very picturesque, part of the country, serving a population of just 35,000.

It has a population density of just 0.5 people per hectare; one of the lowest in the UK, made up of 17,600 households. Our population has the oldest average age in the United Kingdom at 52 years. 1,800 businesses are based in the district.



West Somerset is home to the Hinkley Point C development which is the largest single construction project in the UK and is the largest development to receive consent under the Planning Act 2008 regime. At the peak of construction it will employ 5,600 people with more than 25,000 jobs over the lifetime of the build programme. The £14 billion project will be the first new nuclear development in the UK for almost 30 years and will take more than 12 years to construct and will generate electricity for 6 million homes over 60 years once operational.

Nearly two-thirds of the western land area of the district forms part of Exmoor National Park and the district also includes the Quantock Hills, an Area of Outstanding Natural Beauty.

The local economy is heavily dependent on agriculture and tourism.



# Our Leadership Team

The Council's Leadership Team is made up of the following officers and is shared between West Somerset Council and Taunton Deane Borough Council.

## Leadership Team

<b>Penny James</b>	Chief Executive and Head of Paid Services
<b>Shirlene Adam</b>	Director – Operations, Section 151 Officer and Deputy Head of Paid Services
<b>James Barrah</b>	Director – Housing and Communities
<b>Brendan Cleere</b>	Director – Growth and Development
<b>Bruce Lang</b>	Assistant Chief Executive and Monitoring Officer
<b>Andrew Goodchild</b>	New Nuclear Programme Manager
<b>Richard Sealy</b>	Assistant Director Corporate Services
<b>Paul Fitzgerald</b>	Assistant Director Resources
<b>Chris Hall</b>	Assistant Director Operational Delivery
<b>Simon Lewis</b>	Assistant Director Housing & Community
<b>Kene Ibezi</b>	Assistant Director Property and Development
<b>Tim Burton</b>	Assistant Director Planning & Development
<b>Ian Timms</b>	Assistant Director Business Development

# Political Leadership <sup>95</sup>



**Councillor Tim Taylor**  
**Leader of the Council**

The Council is made up of 28 elected Members. The Leader of the Council is accountable for the delivery of the corporate plan. The Leader appoints a Cabinet of Members whose role in relation to the corporate plan, is to provide guidance on the setting of priorities and promote those Council priorities and objectives. Each member of the cabinet also has a particular responsibility for a designed portfolio and these are listed below

Portfolios	Lead Member
<b>Corporate Support and Performance</b> - <i>Actively championing West Somerset.</i> Also, services including: Performance Management, Diversity & Equalities, Press & Media and Corporate Management	Councillor Tim Taylor Leader of the Council
<b>Resources &amp; Central Support</b> - <i>Achieving financial sustainability</i> Also, services including: Asset Management, Human Resources, ICT and Finance	Councillor Kate Kravis
<b>Housing, Environmental Health &amp; licensing</b> - <i>Improving the quality and availability of housing</i> Also, services including: Housing, Food Safety, Licensing and Planning Policy	Councillor Keith Turner
<b>Regeneration &amp; economic Growth</b> - <i>A thriving and increasingly varied local economy where people will have the skill to work and prosper</i> Also, services including: Economic Regeneration, Tourism, Car Parking and Public Convenience	Councillor Karen Mills
<b>Community and the Customer</b> - <i>Championing strong local communities</i> Also, services including: Community Safety, Arts & Culture, Land Charges, Benefits, Council Tax, Business Rate, Website and Customer Services.	Councillor Dave Westcott
<b>New Nuclear</b> <i>Maximising opportunities for West Somerset communities and businesses.</i>	Councillor Chris Morgan
<b>Environment</b> - <i>Safeguarding the natural and built environment</i> Also, services including: Street Cleansing, Waste & Recycling, Park & Open Spaces, Planning Applications, Coastal Management and Climate Change	Councillor Anthony Trollope-Bellew
<b>Executive Support &amp; Democracy</b> - <i>Supporting the democratic process</i> Also, services including: Electoral Services and Member Services	Councillor Steven Pugsley



# Corporate Priority 1

## Local Democracy

Securing local democracy and accountability in West Somerset, based in West Somerset, elected by the people of West Somerset and responsible to the people of West Somerset

*We will have achieved this priority of Local democracy if a financially sustainable and accountable model of local democracy remains at West Somerset by March 2016.*

**This priority has 2 objectives supported by 8 key tasks.**

### OBJECTIVE 1:

**Local democracy and accountability remains within West Somerset by working with Taunton Deane Borough Council to further develop shared service delivery models that deliver effective, efficient services and retain customer satisfaction.**

#### Key Task 1.1

Commence corporate transformation phase of joint working between WSC and TDBC.

#### Key Task 1.2

Complete a review of HR policies and practices to support 'One Team' working.

#### Key Task 1.3

Support and develop Members to enable them to effectively perform their democratic role.

#### Key Task 1.4

Develop and approve a revised four-year Corporate Plan for 2016-2019.

**Key Task 1.5**

Develop more effective mechanisms for communicating the Council's priorities, performance and key messages to our residents and businesses.

**Key Task 1.6**

Obtain customer feedback regarding overall satisfaction in the Council and Value for Money.

We will use the following measures of progress during the period 1st April 2015 to 31st March 2016 to track our progress on delivering this objective.

- Corporate Transformation Plan approved;
- New Corporate Plan 2016-19 approved;
- Staff terms and conditions reviewed and any approved changes made;
- The percentage West Somerset residents who are satisfied with Council services is equal to or greater than the 2014/15 level of 79.2%
- The percentage of West Somerset respondents who agree that the Council provides value for money is equal or greater than the 2014/15 level of 89.2%
- Overall satisfaction with the way in which WSC runs things is equal or greater than the 2014/15 level of 81.5%

**OBJECTIVE 2:**

**Identify additional savings, income generation and maximise existing and new funding opportunities to secure financial sustainability by March 2016.**

**Key Task: 2.1**

Develop a platform for long term financial sustainability.

**Key Task: 2.2**

Agree and implement a new Community Asset Transfer Policy to provide an equitable and methodical process for the consideration and transfer of any Council owned assets where this would be to the mutual benefit of the Council and our communities.

We will use the following measures of progress during the period 1st April 2015 to 31st March 2016 to track our progress on delivering this objective.

- Balanced budget approved for 2016/17 in Feb 2016;
- Community Asset Transfer Policy approved;
- MTFP agreed.



## Corporate Priority 2

### New Nuclear Development at Hinkley Point

**Maximising opportunities for West Somerset communities and businesses to benefit from the potential development whilst protecting local communities and the environment.**

*We will have achieved this priority of 'New Nuclear Development at Hinkley Point' if by March 2016 we have demonstrated that local communities and businesses have benefited from the economic opportunities arising from the development.*

**This priority has 5 objectives (objectives numbers 3 to 7) supported by 16 key tasks.**

#### **OBJECTIVE 3:**

**Communities in West Somerset can access and understand the process for accessing funding opportunities provided for by the development at Hinkley Point and are supported in delivering funded projects and initiatives.**

#### **Key Task: 3.1**

Explain to the West Somerset community the agreed process for communities and organisations to access and bid for funding, maximising the potential investment in West Somerset from Hinkley Point related funding once funding becomes available.

#### **Key Task: 3.2**

To improve the community's understanding of the funding available from WSC and Somerset Community Foundation through the delivery of a communications strategy.

**Key Task: 3.3**

To support the community during the bidding process, maximising the number of successful bids and potential investment in West Somerset.

**Key Task: 3.4**

By March 2016 to deliver a programme of investment within West Somerset for the leisure funding provided directly to the council from the development at Hinkley Point

We will use the following measures of progress during the period 1st April 2015 to 31st March 2016 to track our progress on delivering this objective.

- at least 10 projects submitted after April 2015 and based in West Somerset will have an approved funding bid by March 2016
- at least 2 Council promoted projects will have received the necessary funding approvals by March 2016

**OBJECTIVE 4:**

**The economic opportunities that arise from the development and associated activities are maximised.**

**Key Task: 4.1**

Work with key partners and EDF Energy to support businesses to gain economic benefits from the development in terms of contracts awarded to local suppliers as well as helping to make businesses more resilient in terms of any displacement and leakage of staff.

**Key Task 4.2**

Work with key partners and EDF Energy to provide suitable access to skills, training and employment opportunities to benefit local residents and ensure that local businesses have the access to the skilled workforce that they require.

**Key Task 4.3**

Work with tourism partners to mitigate the negative effects of the development and take advantage of any opportunities created.

**Key Task 4.4**

Support, enable and facilitate place based regeneration and infrastructure projects and initiatives in West Somerset.

We will use the following measures of progress during the period 1st April 2015 to 31st March 2016 to track our progress on delivering this objective.

- 75 businesses will have attended training events
- 20 additional businesses registered on supply chain portal
- 50 individuals accessing specific business support programmes
- 8 skills initiatives will have been delivered
- 300 people will have received support via mentoring, training and employment opportunities
- 15 people will have been helped into employment
- 2 tourism surveys will have been undertaken
- 500 tourism businesses will have received visitor management information
- 5 tourism marketing and promotional initiatives will have been delivered

### **OBJECTIVE 5:**

**Increase the availability of housing supply within West Somerset to mitigate the extra demands linked to Hinkley Point workers.**

#### **Key Task 5.1**

Using the Hinkley Point Housing Fund to provide 185 additional bed spaces in the West Somerset area by 31st March 2016

#### **Key Task 5.2**

Facilitate the delivery of additional affordable homes within the West Somerset area

#### **Key Task 5.3**

To work with landlords and owners of empty properties to reduce the number of long-term empty homes in the District.

We will use the following measures of progress during the period 1st April 2015 to 31st March 2016 to track our progress on delivering this objective.

- 185 Additional bed spaces delivered during 2015/16
- 4 first time buyer loans provided
- 80 additional affordable homes built
- 5 empty properties brought back into use

### **OBJECTIVE 6:**

**The development at Hinkley Point is carried out in accordance with the approved plans and ensuring that the Council actively monitors the development and responds to any complaints received in a timely and sound manner**

#### **Key Task: 6.1**

Establish and maintain a programme of site visits to Hinkley Point and associated development sites to ensure that the development is carried out in accordance with the approved plans



**Key Task: 6.2**

To monitor and publicise Noise and Air Quality Data on the Council's website to enable communities affected to access data and, following the agreed complaints procedure, to respond appropriately to issues which arise from development activity.

**Key Task: 6.3**

Work with partners to implement a range of community safety initiatives raising awareness of the development project, its potential impacts and preventative measures.

We will use the following measures of progress during the period 1st April 2015 to 31st March 2016 to track our progress on delivering this objective.

- At least 6 planned / unplanned site visits made to the development site and associated development sites during 2015/16;
- Responded proactively to all complaints made regarding the development within 10 working days;
- Published noise and air quality data on the Council's website within 10 working days of receiving the information.

**OBJECTIVE 7:**

**Minimise the effects on the environment by working with partners to positively respond to opportunities to enhance the environment in the affected communities using secured funding within Section 106 agreements are mitigated.**

**Key Task: 7.1**

Develop a programme of investment within West Somerset for the ecology funding provided directly to the Council from the development at Hinkley Point.

**Key Task: 7.2**

To actively work with Somerset County Council to ensure that they develop a clear programme of investment within West Somerset for the contributions where the County Council is the initial recipient from the development at Hinkley Point.

We will use the following measures of progress during the period 1st April 2015 to 31st March 2016 to track our progress on delivering this objective.

- Present funding allocations to WSC Planning Obligations Group / Cabinet / Council by 1st December 2015 for approval of planting, aftercare and management designed to promote the conservation of Barbastelle Bats and ecology.

# How we manage our performance

Performance management is the tool to ensure that we are serving our communities and residents well. Cabinet & Councillors use it to check that policy decisions are being carried out and that local people are being well served.

Managers use performance management to ensure that the services, teams and individuals are performing to agreed service levels and that services respond to what is important to local people.

Performance Management helps us to:

- Prioritise our work
- Keep track of and meet our corporate objectives
- Provide value for money
- Motivate & manage our staff
- Improve the outcomes for our residents

A framework for managing and monitoring performance is vital to demonstrate efficient and effective use of resources and a corporate calendar incorporating all the elements of the Performance Management Framework has been adopted and is being implemented.

We monitor the progress of the Corporate Plan and service plans on a quarterly basis to ensure that we remain focused and stay on track to deliver what we set out to. We also assess our performance by consulting with our partners and customers, benchmarking against other similar local authorities and learning from good practice.

Updates on key performance indicators and performance against the corporate plan and service plans are reported to both Scrutiny & Cabinet on a quarterly basis.

Performance Management is one of the key roles of Scrutiny. Besides scrutinising performance against the corporate plan and service plans they will also carry out investigations into areas of poor Council performance and scrutinise the process for preparing the medium financial plan and budget to ensure it reflects the corporate plan's priorities.

We take an integrated approach to performance that allows decisions to be made based on data that are accurate and complete. At the end of each quarter, Service Leads report on their performance indicators against targets, progress towards achieving key tasks and variances in financial spend.

Performance monitoring and review is a key process to recognise good performance and understand the ingredients that have achieved success. It will help to identify good practice and enable us to apply the learning to other areas where appropriate and gives recognition to those that deliver good performance.

# How we manage risk

Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being.

The Council's Service Planning process requires weaknesses, opportunities and threats to be identified and used to create and refresh service-based risk registers within each Group of services.

Joint Management Team maintains the Corporate Risk Register and service plans include any service level risks.

Additional risks may be identified:

- During team meetings
- In internal audit reports and associated action plans,
- Through the drafting of committee reports
- External reviews including peer reviews
- Through the internal service review process

Risks are also identified in committee reports to help inform the debate. Relevant risks within those committee report summaries (at the front of each report) will be added to service or corporate risk registers as Joint Management Team deem appropriate.

# Finance – our budget 2015/16

<b>West Somerset Council Budget 2015/16</b>		
	<b>Original Estimate 2014/15</b>	<b>Forward Estimate 2015/16</b>
<b>EXPENDITURE</b>		
<b>Environment</b> Including Waste, recycling & fly tipping	£1,830,918	£2,084,333
<b>Resources &amp; central Support</b> Including ICT, staff and assets	£1,276,964	£78,942
<b>Performance and Corporate support services</b>	£881,989	£1,000,039
<b>Housing, Environmental health and Licensing Service</b>	£505,117	£851,968
<b>Community Services</b> Including Community safety and benefits	£490,443	£591,943
<b>Executive Support and Democratic Services</b> Including Elections	£95,082	£88,640
<b>Regeneration and Economic Services</b> Including car parks, harbours, tourism and economic development. This portfolio has a net income generated of:	(£205,322)	(£60,732)
<b>NET COST OF SERVICES</b>	<b>£4,875,191</b>	<b>£4,635,133</b>
<b>Other Operating Costs &amp; Income</b>		
Interest Payable	£42,850	£35,000
Interest Receivable	(£15,000)	(£15,000)
Parish & Town Council Precepts	£811,880	£811,880
Parish CTS Grant Payments	£87,530	£0
<b>Transfers to/from Reserves</b>		
Transfer To/(From) Earmarked Reserves	(£93,446)	£48,082
Repayment of Capital Borrowing (MRP)	£200,400	£225,300
<b>NET EXPENDITURE BEFORE GRANTS AND TAXATION</b>	<b>£5,909,405</b>	<b>£5,740,395</b>
<b>GOVERNMENT FUNDING &amp; LOCAL TAXATION</b>		
<b>Government Grants</b>		
Revenue Support Grant	(£1,224,738)	(£880,491)
New Homes Bonus Grant	(£443,644)	(£571,015)
Council Tax Freeze Grant	(£20,547)	£0
Other Grant income	(£59,659)	£0
<b>Council Tax</b>		
Demand on Collection Fund	(£2,635,101)	(£2,697,464)
Collection Fund (Surplus)/Deficit Share	£0	(£70,200)
<b>Business Rates</b>		
Business Rates Retained Funding	(£1,405,893)	(£1,521,225)
NNDR Surplus/Deficit	(£119,823)	£0
<b>TOTAL GRANTS &amp; LOCAL TAXATION</b>	<b>(£5,909,405)</b>	<b>(£5,740,395)</b>

**If you require further information or this information in different formats please contact:**

West Somerset Council  
West Somerset House  
Killick Way  
Williton  
Taunton  
SOMERSET TA4 4QA

Tel: 01823 356309

Email: [customerservices@westsomerset.gov.uk](mailto:customerservices@westsomerset.gov.uk)

Web: [www.westsomersetonline.gov.uk](http://www.westsomersetonline.gov.uk)



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Twitter.com/wsomerset



*Report Number:* WSC 25/15

*Presented by:* Councillor K V Kravis, Lead Member for Resources and Central Support

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

*Contact Details:*

*Tel. No. Direct Line* 01984 635200

*Email:* bdlang@westsomerset.gov.uk

*Report to a Meeting of:* Council

*To be Held on:* 25 February 2015

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

## PROPOSED SHARED LEGAL SERVICE

### 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is for Council to endorse the draft business case approved by Scrutiny Committee and Cabinet for establishing a shared legal service between Mendip District Council, Taunton Deane Borough Council and West Somerset District Council, and to approve an inter-authority agreement under which the shared service will operate with effect from 1 April 2015.

### 2. CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The securing of local democracy and accountability in West Somerset priority will need to be underpinned by the Council being able to provide fit for purpose services at an affordable cost and the proposal set out in this report aims to achieve this with legal services through partnership working.

### 3. RECOMMENDATIONS

- 3.1 That Council endorse the draft business case for a shared legal service as recommended by Cabinet at its meeting held on 7 January 2015 with an implementation date of 1 April 2015.
- 3.2 That Council approve the inter-authority agreement – as set out in Appendix A to this report – as the framework for operating a shared legal service with effect from 1 April 2015.
- 3.3 That the Assistant Chief Executive be appointed to undertake the role of “Contract Manager” as defined in the inter-authority agreement.
- 3.4 That amendments to the Constitution be agreed to reflect the proposed arrangements as set out in Appendix B to this report.

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

##### **Risk Matrix**

<b>Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Overall</b>
That the proposed shared legal services model will not deliver a fit for purpose affordable legal service for the Council	Possible 3	Major 4	Medium 12
<i>Endorsement of the draft business case identifying risk and mitigating actions and adoption of an agreed inter-authority agreement between the three participating partners to ensure proper governance of the arrangement</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 and after the mitigation measures have been actioned.

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

- 5.1 Mendip District Council (MDC), Taunton Deane Borough Council (TDBC) and West Somerset Council (WSC) have been working together to examine the feasibility of sharing legal services. This work flows from the Somerset Shared Services Task and Finish Group which directed that such a project should be potentially undertaken across all Somerset authorities. Following the completion of an outline business case in April 2014, Somerset County Council, Sedgemoor District Council and South Somerset Council decided not to pursue the matter at this time. Nevertheless, MDC, TDBC and WSC agreed to pursue their ambition to forge a constructive partnership to deliver legal services collectively.
- 5.2 A Joint Officer Project Board was established to develop the business case consisting of the Corporate Manager for Governance, Assets and Public Spaces and Monitoring Officer of MDC, the Assistant Chief Executive and Monitoring Officer of TDBC and WSC supported by the Project Lead and Efficiencies and Performance Manager from TDBC and WSC and the Project Lead and Manager Corporate Support for MDC.
- 5.3 The three Councils are building on a successful history of joint working with MDC already providing legal services for WSC, and all three Councils having worked collaboratively in relation to legal service provision in local government governance for several years.
- 5.4 The vision of the Project Board was to create a dedicated service to support public and third sector clients with specialist and cost effective advice.
- 5.5 The key objectives of the project are as follows:
- Deliver budget savings for WSC and TDBC;
  - Create a flexible resilience model, with a critical mass of expertise;
  - Provide enhanced efficiency and effectiveness;
  - Establish an arrangement that will operate for a minimum initial five year period with a review at the end of year four.
- 5.6 The outcome from this work was the production of the business case for a shared legal service based on the model of Mendip to be the host authority and aiming for an implementation date of 1 April 2015 – this business case was attached as Appendix A to the report submitted to the meeting of Cabinet held on 7 January 2015. The business case is further supported by a series of detailed appendices. The business case and appendices together with the covering report can be accessed via this link <http://www.westsomersetonline.gov.uk/Council---Democracy/Council-Meetings/Cabinet-Meetings/Cabinet---7-January-2015.aspx> or paper copies can be made available to Members on request.



- 5.7 The business case sets out the various options that were considered before the lead authority model was proposed. In essence this option was seen to be the most appropriate as it would enable the three Councils to set up a shared service relatively swiftly with the minimum of risk and be seen as a first step towards a fully integrated service that could be potentially expanded with further partners at a later date should that be considered beneficial to do by all the parties concerned. By adopting this model at this stage it would also not preclude revisiting other options at some time in the future, such as, for example, the South West Audit Partnership approach.
- 5.8 It is proposed that Mendip should be the host authority for the following reasons:
- a) they have the management capacity to absorb the work required;
  - b) they have significant experience of managing such joint arrangements, for example, managing the WSC legal contract and also undertaking legal work for Somerset County Council;
  - c) their financial requirements are more flexible which enables MDC to bear some upfront management costs whilst ensuring that MDC and WSC can benefit from immediate savings; and
  - d) they are very committed and keen to undertake this role.
- 5.9 The host authority model involves current TDBC and WSC staff being transferred under the Transfer of Undertakings and Protection of Employees Regulations (TUPE) to MDC. There has been and continues to be consultation with all affected staff and UNISON which started during November 2014. It is anticipated that all existing staff will have the option of a job in the new shared service. A new culture and flexible approach will be required in terms of work undertaken and staff will have the option of working across any of the three council offices sites and/or remotely. TUPE will provide protection for terms and conditions and there are pension protection arrangements in place to cover the Local Government Pensions Scheme arrangements so that individuals should not be affected.
- 5.10 In broad financial terms the business case anticipates that for WSC the annual cost of providing the legal services will be reduced by £20,113 to £113,977 which represents a 15% saving. Correspondingly, the annual cost to TDBC will be reduced to £200,915 which represents a 10% saving.
- 5.11 As referred to earlier in the report, MDC have agreed to defray initial savings on the basis that in the business case it is anticipated that there will be some growth in terms of generating additional income and the distribution formula for such additional income will be set to ensure that MDC receives its savings from this income as the first priority. Additional growth beyond this will then be distributed between the three partners based on a formula linked to their respective inputs into the partnership.
- 5.12 This high level financial business case has been signed off by the Section 151 Officers of the three Councils with further due diligence being undertaken in respect of the detailed figures.
- 5.13 In terms of the impact on elected Members the implementation of the business case should enable:
- access to more expertise within the larger shared services team with less outsourcing required;
  - having a more resilient service;
  - the continuity of retaining familiar faces;
  - improved reporting arrangements to monitor performance; and
  - a smooth transition.
- 5.14 The draft business case was considered at the meeting of the WSC Scrutiny Committee held on 13 November 2014 when it was recommended to Cabinet that the legal shared services

business case be supported. This recommendation was then considered at the meeting of the Cabinet held on 7 January 2015 when it was resolved that it be recommended to Council to adopt the draft business case for a shared legal service with an implementation date of 1 April 2015 and that Council consider and agree the full terms of the associated inter-authority agreement.

- 5.15 Over the previous two to three months the Scrutiny Board of MDC recommended that the draft business case be approved and this recommendation was endorsed at the meeting of the Mendip Cabinet held on 12 January 2015.
- 5.16 Corporate Scrutiny Committee of TDBC considered the draft business case on 20 November 2014 and 13 January 2015 and recommended that the Executive support the draft business case subject to TDBC having the right to determine the inter-authority agreement upon serving six months' notice on MDC on 30 March 2018.
- 5.17 On 14 January 2015 the TDBC endorsed this recommendation including the additional clause recognising that the inter-authority agreement should also include a provision for MDC to be reimbursed an apportionment of receipted costs should this particular clause be activated by TDBC.
- 5.18 It can be seen from the report and accompanying appendices that were considered at the meeting of Cabinet in January 2015 that the business case was the subject of a robust and detailed consultation process with comments being received from elected Members, affected staff and UNISON. The business case has also been the subject of two independent reports undertaken by the Association for Public Service Excellence and CIPFA. In the light that following such due diligence that all three Executive/Cabinets have recommended the draft business case to be adopted it is recommended that Council should endorse the adoption of the proposed business case to take effect from 1 April 2015.
- 5.19 In anticipation that Council should choose to adopt the proposed business case, attached at Appendix A is a draft inter-authority agreement to ensure the proper and transparent governance of the proposed shared legal service. Essentially this document formalises an arrangements whereby MDC can discharge TDBC's and WSC's relevant functions through a shared legal practice under the provisions of Section 101 of the Local Government Act 1972 and of the Local Government (Arrangement for the Discharge of Functions) (England) Regulations 2000.
- 5.20 This is an important document as it will set out the terms and conditions that the three authorities will be required to work within for the provision of the service. A broad framework of the document is based on best practice and has been the subject of detailed due diligence from senior managers, legal professionals, human resource specialists and Section 151 financial officers from all three authorities.
- 5.21 There is a specific requirement in clause 3.6 that TDBC and WSC will appoint a senior officer as a Contract Manager for the service in relation to delivery of the service to TDBC and WSC. The Assistant Chief Executive is currently the senior officer responsible for the provision of the legal service across both authorities and has had significant experience in managing a similar contract with Mendip District Council since 2008.
- 5.22 It is therefore recommended that the Assistant Chief Executive be appointed to fulfil the role of Contract Manager for WSC and TDBC.
- 5.23 If these recommendations are adopted, then certain detailed amendments to the existing constitution need to be agreed and these are set out in Appendix B to this report.

- 5.24 It should be noted that MDC and TDBC will be considering endorsing the draft business case and approving the proposed inter-authority agreement at meetings of their Full Councils to be held on 23 and 24 February 2015 respectively.

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

- 6.1 These were set out in detail in the draft business case and referred to in the inter-authority agreement with particular reference to Appendix 2 – Charging Provisions.

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

- 7.1 The Section 151 Officer has been closely involved in undertaking due diligence both in the preparation of the draft business case and the inter-authority agreement and is confident that the anticipated savings of 15% will be delivered in the cost of providing the legal service for WSC.

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

- 8.1 **Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.** The three aims the authority **must** have due regard for are:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

- 8.2 An outline Equalities Impact Assessment is one of the supporting appendices to the business case.

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

- 9.1 None in respect of this report.

## **10. CONSULTATION IMPLICATIONS**

- 10.1 Extensive consultation has been undertaken with UNISON, the affected staff and the Scrutiny Committees/Boards of the three councils and the draft business case has been the subject of two independent assessments.

## **11. ASSET MANAGEMENT IMPLICATIONS**

- 11.1 None in respect of this report.

## **12. ENVIRONMENTAL IMPACT IMPLICATIONS**

- 12.1 None in respect of this report.

## **13. HEALTH & WELLBEING**

Demonstrate that the authority has given due regard for:

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

13.1 None in respect of this report.

**14. LEGAL IMPLICATIONS**

14.1 The adoption of the inter-authority agreement by all three participating authorities will provide proper governance for the proposed shared legal service.

**DATED**

**2015**

**MENDIP DISTRICT COUNCIL**

**And**

**TAUNTON DEANE BOROUGH COUNCIL**

**And**

**WEST SOMERSET COUNCIL**

**Agreement relating to the Shared Legal Service**

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**"1999 Act"**

means the Local Government Act 1999;

**"Additional Clients"**

are organisations other than TDBC and WSC to whom MDC provides legal services in accordance with Clause 22.1;

**"Additional Expenditure"**

means any Expenditure which is not included within the Core Legal Budget as set out in the baseline budget, is directly attributable and commensurate to the Service and which has been agreed in advance by the Contract Manager including but not limited to benefit fraud, monitoring officer case work, etc.;

**"Agreed Variation Notice"**

is a variation notice which has been agreed in accordance with Clause 21;

**"Best Value"**

means each Party's duty to secure economy, efficiency and effectiveness in delivery of Services pursuant to section 3 of the 1999 Act;

**"Business Services Manager"**

means the Senior Officer at MDC appointed in accordance with Clause 3.12;

**"CEDR"**

means the Centre for Effective Dispute Resolution;

**"CILEX"**

means the Chartered Institute of Legal Executives

**"Charges"**

means the payments made to MBC by TDBC or WSC in accordance with Clause 11;

**"Clients"**

means elected members of or departments of or duly authorised officers employed by TDBC and WSC who wish to be or are provided with the Service together or such other organisations wholly owned by TDBC and WSC as they may nominate;

**"Codes of Conduct"**

means the Solicitors Regulation Authority Code of Conduct 2011 and the CILEX Professional Standards Code of Conduct;

**"Commencement Date"**

means 1 April 2015;

**"Consents"**

means all permissions, consents, approvals, certificates, permits, licences and authorisations required for the performance of the Service in accordance with this Agreement and consents of Clients, the court or as may be required to comply with the Codes of Conduct;

**"Contract Managers"**

means the Senior Officers appointed in accordance with Clause 3.5 and 3.6;

**"Core Hours"**

means the number of hours allocated to the Parties in accordance with paragraph 2.9 of Appendix 2 (as varied in accordance with this Agreement);

**"Core Legal Budget"**

means the annual amounts set out in paragraphs 2.4 and 2.5 of Appendix 2, which includes such direct costs and agreed central overheads of the shared level service as set out in Annex 1 of Appendix 2;

**"Data Controller" and "Data Processor"**

means the same as set out in the Data Protection Act 1998;

**"Day(s)"**

means a calendar day unless specifically noted to be a Working Day;

**"DPA"**

means the Data Protection Act 1998;

**"Default"**

means a breach of the Agreement which does not amount to a Fundamental Breach;

**"Dispute Resolution"**

means the dispute resolution process set out in Clause 20;

**"Employees"**

means the employees listed in Appendix 7;

**"Employee Liability Information"**

means the information that a transferor is obliged to notify to a transferee under Regulation 11(2) of TUPE;

**"Employment Claim"**

has the meaning given in Clause 6.10;

**"EIR"**

means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government Department in relation to such regulations;

**"Excluded Services"**

means the services specified in Part B of Appendix 1;

**"Exit Plan"**

means a document agreed between the Parties in accordance with Appendix 5;

**"Expenditure"**

means the sum of :

- (a) an equitable proportion of MDC's overheads attributable to such finance, human resources, administrative and corporate Staff who support the Service;
- (b) "Employee Costs" comprising monthly pay for Staff (basic); agreed overtime; training for professional qualifications; other CPD training costs; practising

certificates; Staff travel expenses; costs of professional subscriptions; Staff car allowances/mileage costs; statutory notices; and

- (c) "Non-Employee Costs" comprising solely of Staff training (general); recruitment expenses; building maintenance; contract hire and operations; purchase and lease of equipment; case management and ICT systems and upgrades; knowledge management systems; relevant insurance costs; costs and fees of inspections including LEXCEL(when implemented) and IIP; catering costs and expenses; corporate membership of appropriate bodies including the Law Society, CILEX, Association of Council Secretaries and Solicitors, stationary; in-house printing; external printing; brochures; books and publications; postage; DX charges; mobile phone charges; subsistence and conferences; hotel accommodation; conference fees; office equipment (including dictation machines, chairs, foot stools, binding machine and supplies); copyright licences; staff newsletters and meetings; remote working equipment and running costs and miscellaneous supplies; expenditure on the development of systems or individuals and on consultancy all for the purposes of improving the efficiency, quality and effectiveness of the shared legal service;

together with any additional items of Employee or Non-Employee costs which are reasonably required for the delivery of the Service and which have been agreed with the Contract Managers provided always that all Employee Costs and Non-Employee Costs have been incurred solely, directly, properly and reasonably in the provision of the Service by the shared legal service to Clients and are consistent with the Parties' own policies in relation to incurring expenses in the relevant Financial Year.

**"Expiry Date"**

means 31 March 2020;

**"Extension Period"**

means an extension to the duration of the Agreement in accordance with Clauses 2.2 and 2.3;

**"Financial Year"**

means any year during this Agreement commencing on 1 April and finishing on 31 March;

**"FOIA"**

means the Freedom of Information Act 2000;

**"Force Majeure"**

has the meaning given in Clause 17;

**"Fundamental Breach"**

means:

- a) a breach of Clause 12.1 or 12.2;
- b) three or more Defaults in a six month period;
- c) a default which is not capable of remedy in accordance with Clause 16 and which has or will have a material adverse impact on TDBC, WSC and/or Clients;

**"Future Provider"**

A provider of the Services or part thereof or of services substantially the same as the Services or part thereof upon the cessation of provision thereof by MDC;

**"Guidance"**

means any applicable guidance or directions with which MDC is bound to comply;

**"Head of Partnership"**

Means the Corporate Manager for Governance Assets and Public Spaces and Monitoring Officer at MDC

**"Income "**

shall include but not be limited to fees (including the Parties legal budgets), charges, virements, any interest accrued, revenues and royalties attributable to provision of the Service by the Shared Legal Service under this Agreement;

**"Intellectual Property Rights"**

means any and all patents, trademarks, service marks, copyright, database rights, moral rights, rights in a design, know-how, confidential information and all or any other intellectual or industrial property rights whether or not registered or capable of registration and whether subsisting in the United Kingdom or any other part of the world together with all or any goodwill relating or attached thereto;

**"Legislation"**

means any one or more of the following:

- a) any Act of Parliament;
- b) any subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978;
- c) any exercise of the Royal Prerogative; and
- d) any enforceable community right within the meaning of Section 2 of the European Communities Act 1972,

in each case in the United Kingdom;

**"Local Government Pay Award"**

means any National Joint Council for Local Government Services pay award made for any Financial Year;

**"Losses"**

has the meaning given in Clause 6.6;

**"Material Breach"**

means a breach of the terms of this Agreement of sufficient significance to impede the effective delivery of the Service, or which creates a significant risk for a Party, or causes TDBC and WSC significant losses or costs;

**"Mediator"**

means a mediator appointed in accordance with Clause 20;

**"Model Procedure"**

has the meaning given in Clause 20.4;

**"Monitoring Officer"**

means the officer responsible for performing duties imposed by section 5 of the 1989 Act;

**"Notice of Termination"**

means a notice served in accordance with Clause 16;

**"Personal Data"**

has the meaning ascribed to it in the Data Protection Act 1998;

**"Potential Returning Employees"**

has the meaning given in Appendix 5 Clause 5.3;

**"Professional Head of Service"**

means the Senior Officer at MDC appointed in accordance with Clause 3.11;

**"Public Procurement Regulations"**

means Directive 2014/24/EU and the Public Contracts Regulations 2006 and any regulations implemented thereunder and any future directive, enactment, order, regulation, or instrument as may amend, replace, consolidate or re-enact;

**"Records"**

means any record, data (including metadata), document or information howsoever stored which is communicated in writing, orally, electronically or by any other means by MDC, its staff, sub-contractors and agents relating to the Service and the Agreement;

**"Redundant"**

means redundant as defined in section 139 of the Employment Rights Act 1996;

**"Relevant Transfer"**

a transfer to which TUPE applies;

**"Returning Employees"**

an employee who transfers to MDC or a Future Provider on a Relevant Transfer;

**"Returning Services"**

the Service or part thereof, or of services substantially the same as the Service or part thereof upon cessation of provision thereof by MDC, which will continue to be provided by TDBC and WSC or a Future Provider

**"Senior Officer"**

Means an officer of at least tier 3 or equivalent seniority.

**"Service"**

means all legal services included at Appendix 1 except for any Excluded Services set out in Part B of Appendix 1;

**"The Shared Legal Service"**

means the Shared Legal Service which is not a separate legal entity in its own right and hence where any obligation in this Agreement is expressed to be an obligation

of the shared legal service, such obligation shall be deemed to be an obligation of MDC;

**"Shared Service Account"**

means the specific account held by MDC for the purposes of the operation of the Shared Legal Service;

**"SLA"**

means a Service Level Agreement entered into between the Shared Legal Service and the Clients

**"SRA "**

means the Solicitors Regulation Authority;

**"Staff"**

means any employee who delivers the Service (including the Employees);

**"Surplus"**

means the amount by which the Income of the Shared Legal Service exceeds the Expenditure as established through the preparation of an income and expenditure statement prepared in accordance with CIPFA'S Statement of Recommended Practice (SORP);

**"Termination"**

means termination of the Agreement in accordance with Clause 16;

**"TUPE"**

the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246);

**"Variation Notice"**

means a notice served in accordance with Clause 21.2;

**"Working Day(s)"**

means a day on which clearing banks in the City of London are (or would be but for strike, lock-out or other stoppage affecting particular banks generally) open during banking hours.

1.2 In this Agreement except where the context otherwise requires:

1.2.1 the masculine includes the feminine and vice-versa;

1.2.2 the singular includes the plural and vice-versa;

1.2.3 any reference to this Agreement or to any other document shall include any permitted variation, amendment or supplement to such document;

1.2.4 any reference to any enactment, order, regulation, code, guidance or other similar instrument shall be construed as a reference to the enactment, order, regulation, code, guidance or instrument (including any EU instrument) as amended, replaced, consolidated or re-enacted;

1.2.5 headings are for convenience of reference only;

1.2.6 words preceding include, includes, including and included shall be construed without limitation by the words which follow those words; and

1.2.7 the Appendices to this Agreement form part of this Agreement.

1.3 The Parties agree that nothing within the Agreement shall be construed as a solicitor's undertaking as defined in the Codes of Conduct.

1.4 Save as otherwise expressly provided, nothing contained or implied in this Agreement shall prejudice, affect or otherwise fetter the rights, powers, duties and obligations of any Party in the exercise of its functions as a local authority.

1.5 Notwithstanding any other provisions of this Agreement, no Party shall be entitled to claim an amount, include a figure in a calculation, or recover a cost to the extent that it had already been accounted for, included, or recovered pursuant to this Agreement or otherwise.

1.6 If any payment due under this Agreement is paid later than the due date then interest will be payable from the date the payment is due to the date of payment at 4% above the base lending rate of the Bank of England.

## **2 Start and duration of this Agreement**

2.1 Subject to Clause 2.2 this Agreement will start on the Commencement Date and shall remain in force for a minimum period of five years until the Expiry Date unless terminated earlier in accordance with the provisions of this Agreement.

2.2 The Parties shall review the Agreement at the expiry of four years from the Commencement Date following which review the Parties may agree to extend the terms of this Agreement for a further period of five years from the Expiry Date. If the Parties so agree this Agreement shall continue in force on the terms set out in this Agreement or on such varied terms as may be agreed in accordance with Clause 21 of this Agreement.

2.3 At the end of the extension referred to in Clause 2.2, this Agreement may be extended for further periods of five years and if such extensions are agreed by the Parties then this Agreement shall continue in force on the terms set out in this Agreement or on such varied terms as may be agreed in accordance with Clause 21 of this Agreement.

## **3 Governance**

3.1 TDBC and WSC warrant that they have validly resolved that MDC shall provide the Service through the Shared Legal Service, and copies of the relevant resolutions of TDBC and WSC are attached at Appendix 6 of this Agreement and that to the best of their knowledge and belief they have not received notification of any call in, scrutiny or legal challenge to that resolution and that such resolution remains valid.

3.2 MDC warrants that it has validly resolved that it will discharge the relevant functions of TDBC and WSC through the Shared Legal Service and copies of the relevant

resolutions of MDC are attached at Appendix 6 of this Agreement and that to the best of its knowledge and belief it has not received notification of any call in, scrutiny or legal challenge to that resolution and that such resolution remains valid.

- 3.3 The Parties confirm that the Service shall be delivered through the Shared Legal Service under the terms of this Agreement.
- 3.4 The Parties confirm that subject to the terms of this Agreement the delivery of the Service and the expenditure of the costs directed to the provision of the Service in accordance with Appendix 2 shall be the responsibility of the Shared Legal Service.
- 3.5 MDC will designate a Senior Officer as a Contract Manager for the Service in relation to delivery of the Service to MDC.
- 3.6 TDBC and WSC will designate a Senior Officer as a Contract Manager for the Service in relation to delivery of the Service to TDBC and WSC.
- 3.7 The Parties agree that the Contract Managers shall operate with the overall purpose of monitoring, directing, advising and securing adherence to the effective performance of the Agreement and the delivery of the Service.
- 3.8 The Parties agree that in order to comply with Clause 3.7 above the Contract Managers shall meet monthly with progression to quarterly meetings as and when agreed.
- 3.9 The Parties agree that they shall seek to operate this Agreement through consensus wherever possible and shall use the Contract Managers as a forum for discussing and seeking to resolve any issues, concerns or complaints arising in relation to the operation of this Agreement.
- 3.10 The Parties agree that they will therefore use reasonable endeavours to seek to resolve any issues, concerns or complaints arising in relation to the operation of this Agreement through the Contract Managers before seeking to invoke any of the provisions of this Agreement relating to Default, Termination or Dispute Resolution.
- 3.11 The Parties agree that the Contract Managers together with the Head of Partnership shall negotiate settlements where there is a mutual agreement between the employer and a member of staff that, despite a responsible period of support and development by MDC, the member of staff does not have the necessary skills and experience to satisfy the requirements of the new roles. This clause is subject to clause 6.7 and 6.8.
- 3.12 MDC will appoint a Senior Officer as the Professional Head of Service and Deputy Monitoring Officer of the Parties who will in addition be responsible for essential areas of practice which ensure delivery of high a high quality and cost effective Shared Legal Service.



- 3.13 MDC will appoint a Senior Officer as the Business Services Manager and Deputy Monitoring Officer of the Parties who will in addition take day to day management decisions relating to the Service.

#### **4 The Agreement**

- 4.1 This Agreement sets out all the terms and conditions which the Parties have agreed regarding the provision of the Service and supersedes any representations, documents, negotiations or understandings, whether oral or written, made, carried out or entered into before the date of this Agreement.
- 4.2 The Parties have satisfied themselves in relation to any matters or information which they are relying upon in deciding to enter into this Agreement save where the Parties have warranted matters, in Clauses 3.1. and 3.2 above.
- 4.3 The Parties agree that (except for any liability which a Party has under or in respect of any breach of this Agreement in particular but not limited to the provision of the Service in accordance with the Service Standards of any liabilities relating to fraud, death, personal injury or any other liability which cannot be excluded or limited by law and Clauses 10.6 and 10.7), no Party shall owe any duty of care or have any liability in tort or otherwise to any other Party in respect of, arising out of or in any way relating to the transactions contemplated by this Agreement, provided that nothing in this Clause 4 shall exclude any liability for, or remedy in respect of, fraudulent or negligent misrepresentation.

#### **5 Objectives and Partnership Working**

- 5.1 The Parties shall establish, develop and implement their collaborative relationship with the objective of:
- 5.1.1 implementing the Service from the Commencement Date and within the budgets set out in Appendix 2;
  - 5.1.2 providing a high quality Service;
  - 5.1.3 committing to people including staff and Clients of the Service; and
  - 5.1.4 delivering long term savings and benefits to the Parties.
- 5.2 The objectives are to be kept under review in accordance with Clause 3.8 and through Staff meetings and effective communication.
- 5.3 The Parties agree to adopt a systematic approach to partnership working and problem resolution which is based on:
- 5.3.1 the achievement of solutions for the benefit of Clients and to achieve Best Value for each Party;

- 5.3.2 trust, fairness, mutual co-operation, dedication to agreed common goals and an understanding of each Party's expectations and values;
- 5.3.3 seeking solutions without apportioning blame;
- 5.3.4 mutually beneficial outcomes;
- 5.3.5 treating the Parties as equals in the dispute resolution process;
- 5.3.6 a mutual acceptance that adversarial attitudes waste time and money; and
- 5.3.7 the Parties being equal stakeholders.

## **6 Staffing**

- 6.1 The Parties acknowledge that the provision by MDC of the Service to TDBC and WSC through the Shared Legal Service from the Commencement Date shall, with respect to each of the employees listed in Appendix 7 ("the Employees") constitutes a relevant transfer for the purposes of TUPE. The Parties further agree that as a consequence of that transfer the contracts of employment made between TDBC and WSC and the Employees (save insofar as such contracts relate to benefits for old age, invalidity or survivors under any occupational pension scheme) shall have effect from and after the Commencement Date as if originally made between MDC and the Employees.
- 6.2 TDBC and WSC has supplied to MDC information which is contained in Appendix 7 in relation to the Employees and TDBC and WSC warrant that such information is complete and accurate as far as it is aware or should reasonably be aware as at the date of this Agreement. TDBC and WSC shall indemnify and keep indemnified MDC against any Losses caused to MDC by any inaccuracy or incompleteness in such information.
- 6.3 TDBC and WSC hereby indemnifies MDC and/or any Future Provider and, where relevant, their sub-contractors from and against all costs, claims, liabilities and expenses (including reasonable legal expenses) ("Losses") suffered or incurred by it or them which arise from claims by Employees or Returning Employees by any trade unions, elected employee representatives or staff associations in respect of all or any such employees which losses relate to pension rights in respect of periods of employment on and after the Commencement Date until the date of termination or expiry of this Agreement and the Parties agree that Clause 24 (Contracts (Rights Third Parties)) of this Contract shall not apply to this 6.3
- 6.4 TDBC and WSC shall be responsible for all remuneration, benefits, entitlements and outgoings in respect of the Employees, including without limitation, all wages, holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions, pension contributions and otherwise, up to and including 31 March 2015. TDBC and WSC shall provide and, where necessary, update the Employee

Liability Information for the Employees to MDC, as required by TUPE. TDBC and WSC shall warrant that such information is complete and accurate as far as it is aware or should reasonably be aware as at the date it is disclosed.

- 6.5 From the commencement date MDC shall be responsible for:
- 6.5.1 all remuneration, benefits, entitlements and outgoings in respect of the Employees, including without limitation, all wages, holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions, pension contributions and otherwise, from the Commencement Date to the expiry or termination of this Agreement.
- 6.6 Unless otherwise agreed between MDC and the trade unions recognised in respect of the Employees, MDC agrees that if it seeks to vary the terms and conditions of employment of any Employee following the Commencement Date, it shall comply with its consultation obligations as the employer of the Employees and conduct all reasonable negotiations with such recognised trade unions. The Parties agree that MDC may make such changes to the Employees' terms and conditions of employment as are reasonably necessary to effectively manage the organisational structure of its workforce. Unless otherwise agreed between MDC and the trade unions recognised in respect of the Employees, the Parties further agree that MDC will have regard at all times to the terms of the TDBC and WSC staff handbooks made available to MDC at the Commencement Date.
- 6.7 TDBC and WSC shall indemnify MDC against all Losses incurred by MDC in connection with or as a result of any claim or demand by or on behalf of any employee of TDBC and WSC (whether in contract, tort, under statute, pursuant to European law or otherwise) including, without limitation, any claim for unfair dismissal, wrongful dismissal, a redundancy payment, breach of contract, unlawful deduction from wages, discrimination on the grounds of sex, race, disability, age, sexual orientation, religion or religious belief, personal injury, a protective award or a claim or demand of any other nature (together, "Employment Claim") in each case arising directly or indirectly from any act, fault or omission of TDBC and WSC in respect of any such employee in the period before the Commencement Date and up to and including 31 March 2016, provided that such costs, claims, expenses and liabilities are not payable as a result of any act or omission of MDC.
- 6.8 The Parties hereby agree that any Losses incurred by MDC in connection with or as a result of any claim or demand by or on behalf of any employee of TDBC and WSC (whether in contract, tort, under statute, pursuant to European law or otherwise) including, without limitation, any claim for unfair dismissal, wrongful dismissal, a redundancy payment, breach of contract, unlawful deduction from wages, discrimination on the grounds of sex, race, disability, age, sexual orientation, religion or religious belief, personal injury, a protective award or a claim or demand of any other nature (together, "Employment Claim") in each case arising directly or indirectly from any act, fault or omission of TDBC and WSC in respect of any such employee in the period 1 April 2016 and up to and including 31 March 2018 shall be equally shared between the Parties in accordance with an agreed

profit sharing mechanism provided that such costs, claims, expenses and liabilities are not payable as a result of any act or omission of MDC.

- 6.9 MDC shall indemnify TDBC and WSC against all Losses incurred by TDBC and WSC in connection with or as a result of any claim or demand by or on behalf of any of the Staff (whether in contract, tort, under statute, pursuant to European law or otherwise) including, without limitation, any Employment Claims in each case arising directly or indirectly from any act, fault or omission of MDC in respect of any such employee for the period from 1 April 2015 to expiry or termination of this Agreement, provided that such costs, claims, expenses and liabilities are not payable as a result of any act or omission of TDBC and WSC.
- 6.10 MDC shall indemnify TDBC and WSC against all Losses and/or Employment Claims incurred by TDBC and WSC in connection with or as a result of any claim or demand
- 6.10.1 by an employee of TDBC and WSC who would, had it not been for the termination of that employee's employment pursuant to the provisions of TUPE Regulation 4(9) and/or 4(11), have been an employee with a right to transfer to MDC under TUPE, save that this indemnity shall not extend to any claim or demand arising out of the change in workplace location of the Employees;
- 6.10.2 arising out of MDC's failure to comply with its obligations under TUPE Regulation 13(4).
- 6.11 TDBC and WSC shall indemnify and keep indemnified MDC against all Losses and/or Employment Claims arising from or as a consequence of:
- 6.11.1 any changes to terms and conditions of employment proposed by TDBC and WSC in order to implement the Shared Legal Service or after the Commencement Date;
- 6.11.2 any of the Employees informing TDBC and WSC they object to being employed by MDC save in those circumstances set out in clause 6.12 above; and
- 6.11.3 any change in identity of the Employees' employer as a result of the operation of TUPE.
- 6.12 TDBC and WSC and MDC will comply with their obligations under TUPE of each relevant transfer under TUPE pursuant to this Agreement (including without limitation the obligation under Regulation 13 of TUPE), and without prejudice to the provisions of clauses 6.13 and 6.14 each Party shall indemnify the other against all Losses incurred in connection with or as a result of any claim or demand (whether in contract, tort, under statute, pursuant to European law or otherwise) including, without limitation any Employment Claim, provided that such Losses are

not payable to the extent that they are as a result of any act or omission of the Party claiming under this Clause.

- 6.13 If the circumstances under which the Service is provided are such that MDC's officers, employees, agents or sub-contractors are exempt from the provisions of Section 4(2) of the Rehabilitation of Offenders Act 1974 working on that Service (for the purposes of this sub-Clause the "Act"), by virtue of the Rehabilitation of Offenders Act 1974 (Exemptions) Order 1975 (for the purposes of this sub-Clause the "Order"), then MDC shall to the extent permitted by Legislation or Guidance use reasonable endeavours to ensure that such officers, employees, agents or sub-contractors shall provide information in accordance with the Act and Order about convictions which would otherwise be spent under the provisions of the Act and shall undertake checks of the appropriate level with the Disclosure and Barring Service, in respect of all such individuals ("DBS Checks").
- 6.14 MDC shall to the extent permitted by Legislation or Guidance disclose to TDBC and WSC the details of all convictions and DBS Checks of such officers, employees, agents or sub-contractors and in the event that such checks reveal that any of them have relevant convictions or other relevant Criminal Record(s), TDBC and WSC may direct that such persons should be removed from the provision of the Service, provided always that, if such person is an Employee and such convictions or other Criminal Record(s) are revealed within the period of 3 months from the Commencement Date, TDBC and WSC shall indemnify MDC against all Losses and/or Employment Claims incurred by MDC in connection with or as a result of any removal from the provision of the Services.
- 6.15 TDBC and WSC shall indemnify MDC against all Losses and/or Employment Claims incurred by MDC in connection with or as a result of any claim or demand (whether in contract, tort, under statute, pursuant to European law or otherwise) including, without limitation, any Employment Claims made at any time by or on behalf of any employee of TDBC and WSC other than the Employees who claim to have become an employee of or have rights against MDC by virtue of TUPE.
- 6.16 On expiry or termination of this Agreement the Parties agree that it is their intention that TUPE shall apply in respect of the provision thereafter of any service equivalent to a Service (including the Returning Services) by TDBC and WSC or any Future Provider but the position shall be determined in accordance with the law at expiry or termination and this clause is without prejudice to such determination. The Parties agree that the provisions of Appendix 5 shall apply.

## **7 Application of s 113 LGA 1972**

The Parties agree that where the employees of the Shared Legal Service are engaged on work for TDBC and WSC the provisions of section 113 of the 1972 Act will apply and that those employees will be placed by MDC at the disposal of TDBC and WSC for the purposes of their functions, and such employees shall be treated at all times as an officer of TDBC and WSC whilst so engaged and MDC undertakes that it shall have duly consulted such employees prior to placing them at TDBC and WSC's disposal and that MDC shall continue to treat such employees as its own employees.

## **8 Accommodation**

- 8.1 The Parties agree that the Shared Legal Service is to be hosted at each Parties current offices and accordingly the Parties hereby undertake to make available at each Parties own cost all necessary accommodation, working space, and associated facilities and services, including such telephone systems and meeting rooms as shall be necessary to host the Shared Legal Service unless otherwise agreed by the Parties.
- 8.2 The Parties undertake to the Shared Legal Service to make available such reasonable use of accommodation, working space and associated facilities and services including telephone systems and meeting rooms as shall from time to time be necessary to enable to deliver the Service to TDBC and WSC from time to time to the extent that it is agreed by the Contract Managers.
- 8.3 The Parties hereby license all appropriately authorised employees of the Parties engaged in the Shared Legal Service to enter its premises for the purposes of the performance of the Service and to utilise free of charge such associated services and facilities required as from time to time [and agreed by the Contract Managers].

## **9 Equipment and Information Technology**

- 9.1 TDBC and WSC undertakes to the Shared Legal Service to license free of charge (insofar as it is able to legally and contractually do so) the Staff as reasonably necessary in order to enable the Shared Legal Service and its Employees to access its Data systems, records, information technology systems, computer systems, telephone and other systems as may be necessary from time to time as to deliver the Service to TDBC and WSC; and to allow and facilitate free of charge (insofar as it is able to legally and contractually do so), the transfer of necessary data records and information as may be held by TDBC and WSC to the Shared Legal Service for the purposes of the delivery of the Service to TDBC and WSC.
- 9.2 In the event of TDBC and WSC levying a charge on the Shared Legal Service to access the systems and/or to transfer the Data, records and information referred to in Clause 9.1 such charge shall be treated as Expenditure.

- 9.3 No Shared Legal Service Employee shall access TDBC and WSC systems unless prior written approval is granted by a Contract Manager at his/her absolute discretion, in order to preserve confidentiality or prevent and manage a potential or actual conflict of interest.

## **10 Intellectual Property**

- 10.1 Nothing in this Agreement is intended to transfer to MDC any Intellectual Property Rights owned by TDBC and WSC whether solely or jointly as at the Commencement Date.
- 10.2 TDBC and WSC hereby grants to MDC for the purposes of the Shared Legal Service a non-exclusive, revocable, royalty-free licence to use and copy materials the Intellectual Property Rights in which vest solely in TDBC and WSC solely for the purpose of providing the Service through the Shared Legal Service to TDBC and WSC for the duration of this Agreement.
- 10.3 All and any Intellectual Property Rights in materials developed for or on behalf of the Shared Legal Service during the duration of this Agreement shall (as between the Parties) vest in MDC.
- 10.4 MDC shall on expiry or termination of this Agreement for any reason grant TDBC and WSC a non-exclusive, perpetual, irrevocable, royalty-free licence to use and copy materials the Intellectual Property Rights in which vest in MDC for the purpose of providing or having provided the Service to TDBC and WSC through the Shared Legal Service.
- 10.5 Nothing in this Clause 10 shall require a Party to provide or disclose to another Party any materials to the extent that they contain confidential information or attract legal professional privilege or Intellectual Property Rights where such provision or disclosure would amount to a waiver of privilege or put a Party or any Employee in breach of any legal obligation or Codes of Conduct or infringe any Intellectual Property Rights.
- 10.6 Where a claim or proceeding is made or brought against TDBC or WSC which arises out of the infringement of any Intellectual Property Rights or because the use of any materials, Data, plant, machinery or equipment in connection with the Service infringes any Intellectual Property Rights of a third party then, unless such infringement has arisen out of the use of any Intellectual Property by or on behalf of TDBC or WSC otherwise than in accordance with the terms of this Agreement, MDC shall indemnify TDBC and WSC at all times from and against all direct and indirect losses arising as a result of such claims and proceedings.
- 10.7 Where a claim or proceeding is made or brought against MDC which arises out of the infringement of any Intellectual Property Rights or because the use of any materials, data, plant, machinery or equipment in connection with the Service infringes any Intellectual Property Rights of a third party then, unless such infringement has arisen out of the use of any Intellectual Property by or on behalf

of MDC otherwise than in accordance with the terms of this Agreement, TDBC and WSC shall indemnify MDC at all times from and against all direct and indirect losses arising as a result of such claims and proceedings.

## 11 Financial provisions

- 11.1 In return for MDC carrying out its obligations under this Agreement TDBC and WSC shall pay to MDC the Charges relating to the Service in accordance with Appendix 2.
- 11.2 From 1 April 2014 the Charges relating to the Service in accordance with Appendix 2 shall be subject to annual adjustments in respect of inflation effected through the application of the agreed Office of National Statistics index for Retail Prices(RPI) and taking account of any Local Government Pay Award where such Local Government Pay Award exceeds the prevailing RPI rate.

## 12 The Service and Adherence to Policies

- 12.1 MDC shall ensure that the Shared Legal Service provides the Service in accordance with its obligations under this Agreement and with all the skill, care and diligence to be expected of a competent local authority legal practice including compliance with the Codes of Conduct.
- 12.2 MDC shall at all times hold any relevant accreditation through the Solicitors Regulation Authority required to carry out the Service.
- 12.3 In providing the Service, MDC shall ensure that the Shared Legal Service:
- 12.3.1 complies with any and all codes of practice, performance ratings and quality standards that are laid down in this Agreement or that are issued to MDC as part of an Agreed Variation Notice;
  - 12.3.2 complies with any statutory or regulatory provisions which apply to the Service;
  - 12.3.3 obtains, maintains and complies with all Consents;
  - 12.3.4 allocates sufficient and appropriately qualified and experienced resources to provide the Service at all times in accordance with the terms of this Agreement;
  - 12.3.5 proactively manages the performance of the Staff including but not limited to effective appraisal and review mechanisms, supervision and one-to-one meetings between Staff and supervisors, setting and regular monitoring of personal performance targets;
  - 12.3.6 implements an effective risk management procedure; and
  - 12.3.7 provides the Service in accordance with the Codes of Conduct.



- 12.4 MDC shall notify TDBC and WSC forthwith where any Staff becomes subject to investigatory or disciplinary or criminal proceedings, has conditions placed on his or her practising certificate or their practising certificate is withdrawn and shall ensure that such member of Staff is not engaged in the provision of the Service.
- 12.5 MDC shall ensure that sufficient numbers of Staff are available with appropriate levels of experience and expertise to provide the Service to TDBC and WSC in accordance with Appendix 1 and that procedures are in place to ensure the Service to TDBC and WSC is not disrupted by staffing issues (unless this is outside of MDC's control).
- 12.6 In delivering the Service, the Shared Legal Service shall comply with those policies of MDC listed in Appendix 8 together with any additional MDC policies relevant to the delivery of the Service which are introduced by MDC during the operation of the Agreement.

### **13 Insurance**

- 13.1 TDBC and WSC undertakes that it will maintain in full force and effect the insurance policies with Zurich Municipal or other provision which it has in place at the start of this Agreement in relation to the provision of legal services by TDBC and WSC and that in addition TDBC and WSC undertakes that it will maintain in place the professional indemnity (or equivalent) insurance which it has in place at the start of this Agreement in relation to the legal service in TDBC and WSC.
- 13.2 MDC undertakes that it will maintain in full force and effect such other insurance policies, which shall include appropriate employer's liability insurance, or other provision which are required by applicable law in relation to the Service and this Agreement at all times during the term of this Agreement, including any extension thereof. In addition MDC undertakes that it will maintain sufficient professional indemnity (or equivalent) insurance to cover the activities of the Shared Legal Service in relation to the Service provided to TDBC and WSC under this Agreement from the expiry of TDBC and WSC current professional indemnity policies and TDBC and WSC undertake to advise MDC in writing of the expiry dates of such policies.
- 13.3 Each of the Parties undertakes to the other that it shall provide to the other upon the Commencement Date and thereafter upon reasonable demand sight of all insurance documentation relevant to the Service and this Agreement including policies, cover notes, premium receipts and any other documents, provided that no Party shall have to comply with this Clause if to do so would invalidate any terms of its insurance.
- 13.4 Each of the Parties shall hold the other harmless for all actions, claims, demands, liabilities, damages, costs, losses or expenses resulting from any circumstances where an insurance claim can be made.

## **14 Monitoring of the Service**

The Service will be monitored in accordance with the procedures and service standards referred to in Appendix 2 (Charging Arrangements), Appendix 3 (Governance Arrangements) and Appendix 4 (Operational Arrangements).

## **15 Defaults**

- 15.1 If a Party commits a Default then they shall as soon as reasonably practicable notify the other Parties in writing and take such steps as are necessary to rectify the Default.
- 15.2 If the Default has not been rectified within thirty (30) Working Days to the satisfaction of the other Parties then the matter shall be referred to the Contract Managers unless the Parties agree a longer period.
- 15.3 The Parties shall use reasonable endeavours to resolve the Default through the Contract Managers in accordance with Clauses 3.9 and 3.10 of this Agreement.
- 15.4 If the Parties cannot resolve the Default through the Contract Managers within a reasonable time any Party can refer the matter for resolution, in accordance with Clause 20 (Dispute Resolution).

## **16 Withdrawal from Agreement and Consequences of Withdrawal**

- 16.1 A Party may withdraw from this Agreement by giving the other Parties not less than one year's written notice with such notice not to be given before 1 April 2019
- 16.2 In addition to the general right of withdrawal provided by Clause 16.1, TDBC shall have the option to withdraw from this Agreement with effect from 30 September 2018 by giving the other parties notice of such withdrawal by 30<sup>th</sup> March 2018
- 16.3 In the event that notice is given by TDBC pursuant to Clause 16.2, TDBC shall be liable to MDC in respect of any proportion of the start-up costs incurred in respect of the setting up of the Shared Legal Service which is directly attributable to TDBC with the amount of such start-up costs to be repaid under this Clause 16.3 to be agreed between MDC and TDBC in consultation with their respective Chief Executives and Section 151 officers.
- 16.4 In addition to the general right of withdrawal provided by Clause 16.1, TDBC and WSC shall each be entitled to withdraw from this Agreement by giving the other Parties three months' written notice of such withdrawal in the event that in relation to this Agreement and the provision of the Service
  - 16.4.1 MDC or any person employed by MDC or acting on MDC's behalf commits or causes the commission of any criminal offence in providing the Service (except for any minor offence or minor traffic offence); or

- 16.4.2 MDC or any person employed by MDC or acting on MDC's behalf commits an offence under the Bribery Act 2010 or gives any fee or reward which is an offence under Section 117(2) of the 1972 Act; or
- 16.4.3 MDC Commits a default which is identified by any term of this Agreement as being a Fundamental Breach or which is otherwise a fundamental breach of its obligations under this Agreement; or
- 16.4.4 MDC Invalidates the insurance referred to in Clause 13.2
- 16.5 In the event that both TDBC and WSC decide to withdraw from this Agreement pursuant to Clause 16.4 then such joint withdrawal shall represent a termination of this Agreement (in which event the provisions of Clause 18 shall apply)
- 16.6 In addition to its general right of withdrawal provided by Clause 16.1 MDC shall be entitled to cease the provision of the Service to any Party if;
  - 16.6.1 On three separate occasions in any period of twelve months such Party has failed to pay the Charges to MDC on time and MDC has following the third occasion given the said Party fourteen days' notice of its intention to cease provision of the Service; or
  - 16.6.2 Such Party has committed a default which is identified by any term of this Agreement as a Fundamental Breach and MDC has given the said Party fourteen days' notice of its intention to cease provision of the Service
- 16.7 In the event of a withdrawal from this Agreement by MDC pursuant to Clause 16.1, such withdrawal shall have the effect of terminating the Agreement with effect from the date on which the notice given by MDC expires, in which event the provisions of Clause 18 shall apply to such termination
- 16.8 In the event of MDC ceasing to provide the Service to a Party pursuant to Clause 16.6 then this Agreement shall continue in force with the remaining Parties unless those remaining Parties agree that following such cessation this Agreement should be terminated (in which event the provision of Clause 18 shall apply to such termination)
- 16.9 In the event of a withdrawal from this Agreement by WSC (under Clause 16.1 or 16.4) or by TDBC (under Clause 16.1, 16.2 or 16.4) by a cessation of the provision of the Service to a Party by MDC (under Clause 16.6) the remaining Parties shall decide whether following such withdrawal
  - 16.9.1 This Agreement should be terminated and the provision of the Service pursuant to this Agreement be ended (in which event the provisions of Clause 18 shall apply to such termination); or
  - 16.9.2 This Agreement should continue in force (albeit with the withdrawing Party or the Party not receiving the Service no longer being a Party to the Agreement) and the provision of the Service should continue
- 16.10 In the event of a withdrawal from this Agreement by WSC (under Clause 16.1 or 16.4) or by TDBC (under Clause 16.1, 16.2 or 16.4) then the withdrawing Party shall be entitled

- 16.10.1 To retain any moneys owed to MDC under this Agreement until MDC has paid to the said Party any moneys owed by MDC to such Party under this Agreement; and
- 16.10.2 To deduct from any moneys owned by such Party to MDC under this Agreement any moneys owed by MDC to such Party under this Agreement
- 16.11 Following the giving of any notice of withdrawal by TDBC or WSC pursuant to Clause 16.2, 16.4 or by TDBC pursuant to Clause 16.2 then the Shared Legal Service shall continue to provide the Service to the withdrawing Party in accordance with this Agreement up to the date on which such Party's withdrawal becomes effective following expiry of any required notice period and shall ensure that there is no degradation or diminution in the Service as received by such Party during this period
- 16.12 In the event of a withdrawal from this Agreement by WSC or TDBC, then the withdrawing Party shall:
  - 16.12.1 ensure that any documents and files connected with the provision of the Service and held by them shall be stored in accordance with the Data Protection Act by the Party or their agents with such Party allowing MDC reasonable access on demand free of charge to such documents and files however held
  - 16.12.2 reimburse MDC for any reasonable proper and mitigated costs which may arise in respect of the transfer of electronic or other Data from the Shared Legal Service which costs have arisen as a result of the withdrawal of the said Party.

## **17 Force Majeure and Non-Performance**

- 17.1 If TDBC and WSC believes that MDC is failing to provide the requisite Service detailed in the Agreement, then the dispute resolution procedures outlined in Clause 20 will apply.
- 17.2 If an event of Force Majeure occurs then TDBC and WSC shall meet with MDC to discuss how best MDC can continue to provide the Service until the Force Majeure event ceases, which may include TDBC and WSC providing MDC with assistance, where possible.
- 17.3 Clause 17 is subject to the proviso that whichever Party is affected shall have given the other notice that such failure is the result of Force Majeure within ten (10) Working Days of such failure occurring. If notice is not given in accordance with this Clause 17 then the failure may be regarded as a Default.
- 17.4 If a Party fails to carry out its respective obligations under this Agreement as a result of Force Majeure then whichever Party is affected shall not be liable under this Agreement for any such failure.

- 17.5 In this Clause Force Majeure means:
- 17.5.1 acts of war;
  - 17.5.2 acts of God;
  - 17.5.3 decrees of Government;
  - 17.5.4 riots; and
  - 17.5.5 civil commotion
  - 17.5.6 and any event or circumstance which is both beyond the control of whichever Party is affected and which could not have been prevented by acting prudently, diligently or with reasonable foresight.
- 17.6 Force Majeure shall not include any labour dispute between MDC and Staff, any other staffing problem or the failure to provide the Service by any of MDC's sub-contractors.
- 17.7 In the event that a Party is prevented from carrying out its obligations under this Agreement by any act of Force Majeure which continues for a period of thirty (30) days, the other Parties may terminate the Agreement by notice in writing giving sixty (60) Days' notice.
- 17.8 The Parties shall at all times following an act of Force Majeure use all reasonable endeavours to mitigate the effects of the event of Force Majeure and facilitate the continued performance of this Agreement.

## **18 Termination and Consequences of Termination**

- 18.1 This Clause 18 shall apply to any termination of this Agreement arising from:
- 18.1.1 Clause 15 (Defaults)
  - 18.1.2 Withdrawal from the Agreement by MDC pursuant to Clause 16.1
  - 18.1.3 Withdrawal from the Agreement by TDBC and WSC pursuant to Clause 16.4 and 16.5
  - 18.1.4 Agreed termination pursuant to Clause 16.8 or 16.9.1
  - 18.1.5 Clause 22.4 (Extending the Partnership)
- 18.2 Following any termination of this Agreement then the Shared Legal Service shall continue to provide the Service in accordance with this Agreement and shall ensure that there is no degradation or diminution in the Service up to the date on which termination takes place following the expiry of any relevant notice period

- 18.3 Following any termination of this Agreement (other than a termination by WSC and TDBC under Clause 16.5) the Parties shall share the costs of termination and all financial liabilities proportionally under the provisions of Appendix 2 (other than any liability owed by one Party to another Party under this Agreement) and which have arisen under this Agreement
- 18.4 In the application of Clause 18.3
- 18.4.1 The costs to be shared shall not include any costs or liabilities arising from any fraudulent or negligent act or omission by the Shared Legal Service
- 18.4.2 The costs to be shared shall include (but shall not be limited to):
- (a) leasehold or tenancy payments where the Shared Legal Service has by prior agreement between the Parties taken on additional premises outside the Premises and where a liability arises due to the early termination of the Agreement;
  - (b) payments for the leasing of equipment or provision of information technology systems for the Shared Legal Service where a liability arises due to the early termination of the Agreement.
- 18.5 Following any termination of this Agreement by WSC and TDBC under Clause 16.5 MDC shall bear its own costs of termination and be liable for the entirety of WSC's and TDBC's costs arising from such termination
- 18.6 Prior to the date of any termination MDC shall use its best endeavours to ensure that comprehensive handover and attendance notes are compiled, all correspondence, deeds, files, records, documents and other information in whatever format which are part of and connected with the provision of the Service for TDBC and WSC shall be filed; either electronically or as paper documents as TDBC and WSC may reasonably require and the Shared Legal Service shall put into good and proper order for handover to whichever officer or other agent TDBC and WSC shall notify to MDC and such officer or agent shall make arrangements with the Shared Legal Service for the collection of such files and documents.
- 18.7 TDBC and WSC hereby undertake that in the event of any termination of this Agreement they shall individually ensure that any documents and files connected with the provision of the Service and held by them shall be stored in accordance with the Data Protection Act with MDC being allowed reasonable access on demand free of charge to such documents and files however held
- 18.8 TDBC and WSC hereby undertake that they will reimburse MDC for any reasonable proper and mitigated costs which may arise in respect of the transfer of electronic or other Data from the Shared Legal Service which costs have arisen as a result of the said termination
- 18.9 The Parties shall individually and collectively use reasonable endeavours to reduce and mitigate the amount of financial liabilities which may arise in the event of Termination.

- 18.10 MDC shall repay to TDBC and WSC within thirty (30) Working Days any element of the Charges attributable to any part of the Service which has not been provided due to termination of the Agreement.
- 18.11 Clause 6 and Appendix Five shall apply in relation to the staffing consequences of the expiry or termination of the Agreement.

## **19 Operational matters, Undertakings and Indemnities**

- 19.1 The day to day operation of the provision of the Service shall be in accordance with Appendix 4 (including without limitation the annexes to Appendix 4).
- 19.2 The Parties agree that:
- 19.2.1 during the continuance of this Agreement all transactions entered into by them shall be conducted in good faith and on the basis set out in this Agreement;
- 19.2.2 that at all times they will act in good faith towards the other and use reasonable endeavours to ensure the observance of the terms of this Agreement;
- 19.2.3 that they shall use reasonable endeavours to give effect to this Agreement provided always that any disagreement between the Parties shall be resolved in accordance with the Dispute Resolution Clause 20.

Where a Party fails to meet its responsibilities and liabilities under this Agreement at any time during the currency of this Agreement the cost of any resulting penalties losses liabilities or loss or failure of the Shared Legal Service which is caused to another Party shall be passed to the defaulting Party and shall be apportioned equitably.

## **20 Dispute Resolution**

- 20.1 This Clause 20 is subject to Clauses 3.9, 3.10 and 3.11 of this Agreement.
- 20.2 If there is a dispute between the Parties concerning the interpretation or operation of this Agreement, then a Party may notify the other Parties in writing that it wishes the dispute to be referred the Business Services Manager to resolve, negotiating on the basis of good faith.
- 20.3 If after twenty-eight (28) Working Days (or such longer period as the Parties may agree) of the date of the notice referred to in Clause 20.2 (above), the dispute has not been resolved then a Party may notify the other that it wishes the dispute to be referred to the Contract Managers to resolve, negotiating on the basis of good faith.
- 20.4 If after twenty-eight (28) Working Days (or such longer period as the Parties may agree) of the date of the notice referred to in Clause 20.3 (above), the dispute has

not been resolved then a Party may notify the other that it wishes the dispute to be referred to the Head of Partnership to resolve, negotiating on the basis of good faith.

- 20.5 If after twenty-eight (28) Working Days (or such longer period as the Parties may agree) of the date of referral pursuant to Clause 20.4 (above) the dispute has not been resolved then a Party may notify the other that it wishes the dispute to be referred to a meeting of the Chief Executive of TDBC and WSC, (or a person appointed by him or her to act on his or her behalf) and the Chief Executive of MDC (or a person appointed by him or her to act on his or her behalf), to resolve, negotiating on the basis of good faith.
- 20.6 If after twenty-eight (28) Working Days (or such longer period as the Parties may agree) of the date of referral to the Chief Executives pursuant to Clause 20.5 (above), the dispute has not been resolved then a Party may notify the other that it wishes to attempt to settle the dispute by mediation, in accordance with the CEDR Model Mediation Procedure 2014 (the "Model Procedure") or such later edition as may be in force from time to time.
- 20.7 If the Parties do not agree on the identity of the Mediator then any Party may request CEDR to appoint one.
- 20.8 The procedure in the Model Procedure will be amended to take account of:
- 20.8.1 any relevant provisions in this Agreement; or
- 20.8.2 any other agreement which the Parties may enter into in relation to the conduct of the mediation.
- 20.9 The Parties in dispute must:
- 20.9.1 use their reasonable endeavours to ensure that the mediation starts within twenty (20) Working Days of service of the notice referred to in Clause 20.5? (above); and
- 20.9.2 pay the Mediator's fee in equal shares.
- 20.10 Any agreement the Parties reach as a result of mediation shall be binding on them, as set out in the Model Procedure, but if the dispute has not been settled by mediation within ten (10) Working Days of the mediation starting, a Party may commence litigation proceedings (but not before then).
- 20.11 Any Party shall be precluded by Clause 20.10 (above), from taking such steps in relation to court proceedings as it may deem necessary or desirable to protect their respective positions. This shall include:
- 20.11.1 issuing or otherwise pursuing proceedings to prevent limitation periods from expiring; and
- 20.11.2 applying for interim relief.



- 20.12 The use of the dispute resolution procedures set out in this Clause 20, (Dispute Resolution) shall not delay or take precedence over the provisions for termination set out in Clause 15 (Default) and Clause 16 (Termination).

## **21 Variations To The Agreement**

- 21.1 A variation to this Agreement shall only be valid if it has been agreed in writing and executed as a deed by duly authorised representatives of all Parties
- 21.2 If a Party wishes to vary this Agreement then it shall serve on the other Parties a Variation Notice which shall set out the nature of the variation sought and the reasons for it.
- 21.3 If a Party receives a Variation Notice then within twenty-eight (28) Working Days of receipt it shall notify the other Parties in writing whether or not it agrees to the variation and if not, the reasons.
- 21.4 If the variation is agreed by all Parties it will be incorporated into the Agreement.

## **22 Additional Clients and Extending the Partnership**

- 22.1 The Shared Legal Service shall be able to provide legal services to any organisations ("Additional Clients") in addition to MDC and the Clients subject to the provisions of this Clause 22 and provided that the engagement of Additional Clients shall not create any detriment to the cost and quality of services provided to TDBC and WSC nor otherwise be injurious to TDBC and WSC interests, including compliance with Public Procurement Regulations.
- 22.2 It is agreed by the Parties that requests from other Additional Clients to join the Shared Legal Service will be actively considered by the Contract Managers who will discuss any such requests taking into account:
- 22.2.1 whether the enlargement of the Shared Legal Service will improve the cost effectiveness and sustainability of the Shared Legal Service;
- 22.2.2 ensuring no detriment to the level and quality of service provided to MDC and TDBC and WSC;
- 22.2.3 the implications of additional councils joining the Shared Legal Service on this Agreement;
- 22.2.4 ensuring the Parties incur no additional costs and/or Charges;
- 22.2.5 the anticipated relative proportion of the overall Shared Legal Service turnover likely to be attributable to any Additional Client during any Financial Year.

22.2.6 any other factor which the Contract Managers consider is relevant to their decision.

22.3 Discussions on this issue will be approached in the spirit of partnership and good faith and the Contract Managers will seek to agree an outcome which will include measures to ensure that there is compliance with the Public Procurement Regulations and no detriment to the cost or quality of the Service provided to TDBC and WSC by the Shared Legal Service.

22.4 Prior to such a Contract Managers meeting, MDC will provide the monitoring officer of TDBC and WSC with the information relevant to Clause 22.2 and 22.3 at least twenty (20) Working Days before the relevant Contract Managers meeting or as soon as possible (but never less than five (5) Working Days) if the Contract Managers are due to meet within that period.

22.5 If the admission of Additional Clients cannot be agreed by the Contract Managers then the decision to admit Additional Clients shall be made jointly by the Parties' Chief Executives.

## **23 Waiver**

23.1 If a Party fails to exercise or delays in exercising any right or remedy to which it is entitled under this Agreement or at law then this shall not constitute a waiver of any such right or remedy.

23.2 If a Party waives a Default on the part of another Party then this shall not constitute a waiver of any future Default.

23.3 No waiver shall be effective unless it is:

23.3.1 expressly stated to be a waiver;

23.3.2 in writing; and

23.3.3 signed by the Contract Manager or Head of Partnership as appropriate.

## **24 Contracts (Rights of Third Parties) Act 1999**

No Party intends to confer any right or benefit upon a third party and the provisions of the Contracts (Rights of Third Parties) Act 1999 are expressly excluded from this Agreement.

## **25 Best Value**

MDC undertakes that it will seek to achieve a continuous improvement in economy, efficiency and effectiveness (including productivity of the Staff) in carrying out its obligations throughout the term of this Agreement to deliver the savings agreed by the Parties and will seek to deliver outcomes in less time and at less cost whilst maintaining quality; TDBC and WSC

undertakes that they will use their reasonable endeavours to assist MDC in achieving this on the basis that the improvements will benefit the communities of MDC, TDBC and WSC.

## **26 Notices**

- 26.1 Any notice or other communication under this Agreement must be in writing and can only be sent by:
- 26.1.1 Pre-paid 1st class post;
  - 26.1.2 Recorded delivery post;
  - 26.1.3 Personal delivery;
  - 26.1.4 No notices under this Agreement will accepted by email.
- 26.2 For the purposes of sending notices by post or personal delivery or other communication by post, or personal delivery TDBC and WSC's address is as first heretofore appearing in this Agreement .
- 26.3 For the purposes of sending notices by post or personal delivery or other communication by post, or personal delivery MDC's address is as set out in this Agreement and marked for the attention of the Business Services Manager
- 26.4 If the address of either MDC or TDBC and WSC changes, it must notify the other Parties within seven (7) Days of such change. .
- 26.5 Subject to Clauses 26.2 and 26.3, all notices and communications shall be deemed to have been served:
- 26.5.1 if posted, two (2) Working Days after the date when posted; or
  - 26.5.2 if personally delivered, on the date of delivery.
- 26.6 Notwithstanding Clause 26.5, if by applying its provisions a notice is deemed to have been served on a Day which is not a Working Day or it is not received between the hours of 9am to 5pm on a Working Day then it shall be deemed to have been served on the next immediately following Working Day.

## **27 Confidentiality and Data**

- 27.1 MDC undertakes that the Shared Legal Service will respect the confidentiality of information provided to it. Exceptionally the Shared Legal Service may need to disclose this information where required to do so by the Court or under the FOIA in which case MDC shall inform TDBC and WSC of such proposed disclosure as soon as reasonably practicable.
- 27.2 MDC shall ensure that all Records held on behalf of TDBC and WSC (save for such information as may be returned to TDBC and WSC on Expiry or Termination)

is retained for disclosure for at least six (6) years (from the date it is acquired) and shall permit TDBC and WSC to inspect such Data as requested from time to time.

- 27.3 MDC shall permit all Data to be examined and copied from time to time by TDBC and WSC's auditors (whether internal or external) and their representatives upon reasonable notice.

## 28 Data Protection, Freedom of Information and Environmental Information

- 28.1 The Parties shall comply with the DPA, the FOIA and the EIR.
- 28.2 TDBC and WSC shall co-operate with and provide assistance to MDC at its own cost in enabling MDC to comply with Clause 28.1 relating to disclosure of information arising from the performance of the Service by the Shared Legal Service.
- 28.3 Any Party on receipt of a request for information in relation to the FOIA or the EIR should, if the request relates to another Party, promptly refer the request to the other Party for comments before a decision whether to disclose is made.
- 28.4 The Party subject to any request for information in relation to the FOIA or the EIR will decide whether information should be disclosed and will make disclosure when that Party considers that such disclosure is proper and in accordance with this Clause.
- 28.5 The Parties will ensure that the information requested and comments sought is supplied to the relevant Party within sufficient time to comply with the timescales set out in the FOIA or the EIR.
- 28.6 In relation to all Personal Data supplied or created under or in connection with this Agreement, each Party shall at all times comply with the DPA, as a Data Controller and/or a Data Processor and/or as Data Controller in common with the other Parties as the case may be which includes (but is not limited to) maintaining a valid and up to date notification under the DPA covering the data processing activities to be performed by it in connection with this Agreement and/or the Shared Legal Service. The Parties may agree for any specific purpose which of them is Data Controller (or that they are both Data Controllers in common) but, in the absence of any such specific agreement, the Parties hereby agree that MDC shall, acting as (where both Parties are Data Controllers for the same Personal Data) Data Controller in common with TDBC and WSC and (where TDBC and WSC is not Data Controller for the relevant Personal Data) sole Data Controller, have primary control of all Personal Data processes by it for the purposes of or in connection with the provision of the Service (the **Service Data**) and that MDC shall be responsible for implementing appropriate technical and organisational measures to protect the security and integrity of that Service Data.
- 28.7 Each Party:

- 28.7.1 shall process Personal Data belonging to or supplied by another Party, or Personal Data derived from or created using Personal Data belonging to or supplied by another Party) only on the instructions of that Party (subject to compliance with applicable law); and
- 28.7.2 shall only undertake processing of Personal Data reasonably required in connection with the operation of this Agreement and shall not transfer any Personal Data belonging to or supplied by another Party (or derived from or created using Personal Data belonging to or supplied by another Party) to any country or territory outside the European Economic Area without the other Party's prior written consent.
- 28.8 No Party shall disclose Personal Data supplied or created under or in connection with this Agreement to any third parties other than:
- 28.8.1 to its employees to whom such disclosure is reasonably necessary in order for that Party to carry out its obligations under this Agreement; or
- 28.8.2 to the extent required under a court order binding on it or to comply with any applicable laws including (but not limited to) any statute, bye law, European Directive or regulation;
- provided that each Party shall give notice in writing to the relevant Party of any disclosure of Personal Data belonging to it which it is required to make under Clause 28.8.2 immediately upon becoming aware of such a requirement.
- 28.9 Each Party shall bring into effect and maintain all reasonable technical and organisational measures necessary to prevent unauthorised or unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data including but not limited to taking reasonable steps to ensure the reliability and probity of any employee having access to the Personal Data.
- 28.10 A Party may, at reasonable intervals, request a written description of the technical and organisational methods employed by the other Parties. Within five (5) Working Days of such a request, or such other period as the Parties may agree, the Party requested to do so shall supply written particulars of all such measures as it is maintaining detailed to a reasonable level such that the requesting Party can determine whether or not, in connection with the relevant Personal Data, the other Party is compliant with the DPA and/or its obligations under this Agreement.
- 28.11 Each Party shall ensure that any Personal Data it obtains and provides to another Party has been obtained lawfully in accordance with the DPA.
- 28.12 If:-
- 28.12.1 under the DPA a Party (the "required Party") is required to provide information to a data subject (as defined in the DPA) in relation to Personal Data when such data is in the possession or under control of another Party (the "controlling Party"); and

28.12.2 the required Party informs the controlling Party in writing that this is the case.

then the controlling Party shall, at its own expense, provide all reasonable and prompt co-operation to the required Party in meeting its obligations under the DPA including making and/or providing (as the case may be) copies of the relevant Personal Data, and other relevant information reasonably required by the required Party, to the extent the same are in its possession or under its control.

28.13 Each Party shall provide another Party, as soon as reasonably practicable, with such information in relation to Personal Data and their processing as the other Party may reasonably request in writing and the Party asked to provide the relevant data has in its possession or under its control in order for the other Party to:-

28.13.1 comply with its obligations under this Clause and/or the DPA; and

28.13.2 assess whether the processing of the relevant Personal Data in connection with this Agreement is breaching or may breach the DPA in a manner which is material and not effectively sanctioned by any guidance statement issued by the Information Commissioner.

28.14 Each Party shall take reasonable precautions (having regard to the nature of its obligations under this Agreement) to preserve the integrity of any Personal Data supplied or created under or in connection with this Agreement and in its possession or under its control.

28.15 The Parties agree to enter into the Information Sharing Protocol which is set out in Appendix 9 in respect of the Personal Data processed for the purposes of the Shared Legal Service and this Agreement and the Records.

## **29 Audit and Provision of Information**

29.1 Except where an audit is imposed on TDBC or WSC by a regulatory body, TDBC and WSC may, not more than once in any Financial Year and for a period of 12 months following the Term, conduct an audit for the following purposes unless otherwise agreed by the Contract Managers:

29.1.1 to verify the accuracy of Expenditure (and proposed or actual variations to them in accordance with this agreement) and any cost reduction and income generation initiatives carried out pursuant to clause 5.1;

29.1.2 to review the integrity, confidentiality and security of TDBC and WSC Data;

29.1.3 to review the Shared Legal Service compliance with the DPA, FOIA, EIR and any other legislation applicable to the Service;

29.1.4 to review the Shared Legal Service compliance with its obligations in Appendix 4;

- 29.1.5 to review any records created during the provision of Service;
  - 29.1.6 to review any books of account kept by the Shared Legal Service in connection with the provision of the Service;
  - 29.1.7 to carry out the audit and certification of TDBC and WSC accounts;
  - 29.1.8 to carry out an examination of the economy, efficiency and effectiveness with which the Shared Legal Service has provided the Service;
  - 29.1.9 to verify the accuracy and completeness of any management information delivered or required by this Agreement;
- 29.2 TDBC and WSC shall use its reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Shared Legal Service or delay the provision of the Service.
- 29.3 The Shared Legal Service shall on demand provide TDBC and WSC and any relevant regulatory body (and/to their agents or representatives) with all reasonable co-operation and assistance in relation to each audit, including:
- 29.3.1 all information requested by TDBC and WSC within the permitted scope of the audit;
  - 29.3.2 reasonable access to any premises controlled by MDC and to any equipment used (whether exclusively or non-exclusively) in the performance of the Service; and
  - 29.3.3 access to the Staff.
- 29.4 TDBC and WSC shall endeavour to provide at least fifteen (15) Working Days' notice of its intention to conduct an audit;
- 29.5 TDBC and WSC shall reimburse the Shared Legal Service's reasonable costs and expenses incurred in respect of compliance with their obligations under this Clause, unless the audit identifies a Fundamental Breach of the terms of this Agreement by the Shared Legal Service in which case the Shared Legal Service shall reimburse TDBC and WSC for all TDBC and WSC's reasonable costs incurred in the course of the audit.
- 29.6 If an audit identifies that:
- 29.6.1 the Shared Legal Service has failed to perform its obligations under this Agreement in any material manner, the Contract Managers shall agree and implement a remedial plan. If the Shared Legal Service's failure relates to a failure to provide any information to TDBC and WSC about the Charges, proposed Charges or the Shared Legal Service's costs, then the remedial plan shall include a requirement for the provision of all such information;

29.6.2 TDBC and WSC has overpaid any Charges, the Shared Legal Services shall pay to TDBC and WSC the amount overpaid within thirty (30) Days of the date on which the final audit report is published which identifies the overpaid Charges. TDBC and WSC may deduct the relevant amount from the Charges if the Shared Legal Service fails to make this payment; and/or

29.6.3 TDBC and WSC has underpaid any Charges, TDBC and WSC shall pay to the Shared Legal Service the amount of the under-payment less the cost of audit incurred by TDBC and WSC if this was due to a Default by the Shared Legal Service in relation to invoicing within thirty (30) Days of the date on which the final audit report is published which identifies the under-paid Charges.

29.7 The Shared Legal Service shall respond to any reasonable request by TDBC and WSC to provide information in relation to the operation of the Shared Legal Service in order to assist TDBC and WSC in responding to reasonable and legitimate inquiries about the operation of the Shared Legal Service provided that the collection and provision of such information by the Shared Legal Service does not unreasonably disrupt the Shared Legal Service or delay the provision of the Service and the costs of the collection and provision of information are reimbursed by TDBC and WSC to the Shared Legal Services if these are considered by the Contract Mangers to be material.

### **30 Legal Professional Privilege**

30.1 The Parties shall treat communications relating to legal matters as confidential and take reasonable endeavours to avoid disseminating them more widely than is necessary beyond the original recipient; so as to prevent the protection relating to general legal professional privilege which will apply to communications between the Shared Legal Service and MDC or TDBC and WSC being lost or waived and thus potentially being subject to disclosure in litigation, under FOI Act or in other circumstances.

30.2 MDC undertakes that the Shared Legal Service will only disclose privileged information to third parties in circumstances where the Shared Legal Service is under a statutory obligation to do so or if ordered by a court or tribunal of competent jurisdiction and shall notify TDBC and WSC of the proposed disclosure unless to do so would contravene such obligation or order.

### **31 Money Laundering**

Should the Shared Legal Service be obliged to carry out identity checks on those instructing it to fulfil its obligations under the Proceeds of Crime Act 2002 or the Money Laundering Regulations 2007 the Parties will cooperate fully and in a timely manner.



**32 Counterparts**

This Agreement may be executed in any number of counterparts or duplicates each of which shall be an original but such counterparts or duplicates shall together constitute one and the same agreement.

**33 Law and Jurisdiction**

33.1 This Agreement shall be construed as a contract made in England and shall:

33.1.1 be governed by and shall be construed in accordance with English law; and

33.1.2 be subject to the exclusive jurisdiction of the courts of England, to which the Parties shall submit.

**In witness** whereof the Parties have executed this Agreement as a Deed the day and year set out above.

Executed **as a Deed** by )  
**Mendip District Council** )  
By affixing its **Common Seal** hereunto )  
In the presence of: )

.....

Authorised Officer

Executed **as a Deed** by )  
**Taunton Deane Borough Council** )  
By affixing its **Common Seal** hereunto )  
In the presence of: )

.....

Authorised Officer

Executed **as a Deed** by )  
**West Somerset Council** )  
By affixing its **Common Seal** hereunto )  
In the presence of: )

.....

Authorised Officer



## **APPENDIX 1 - DESCRIPTION OF THE SERVICE**

### **PART A – GENERAL**

- 1 This Appendix defines the legal services which are included within the Service to be provided by the Shared Legal Service under this Agreement and shall be interpreted so that the descriptions included within this Appendix 1 shall be taken to include the provision of legal advice and services which are incidental to the description contained within this Appendix 1.

### **PART B – EXCLUSIONS**

- 2 Certain legal services are excluded from the Service to be provided by the Shared Legal Service as follows:
- 2.1 legal advice or representation on any matter where in the opinion of any Party, to act for TDBC and WSC would create an actual or potential conflict of interest as set out in Chapter 3 of the SRA Code of Conduct 2011;
  - 2.2 any function of the Monitoring Officer for TDBC and WSC unless and until the Parties agree by way of a variation to this Agreement as provided in Clause 21 of the Agreement that such services relating to the Monitoring Officer function shall thereafter be included;
  - 2.3 any legal work or advice which relates to complex commercial cases;
  - 2.4 legal work on matters already outsourced
    - 2.4.1 where there is a contractual commitment to the outsourced provider; or
    - 2.4.2 where TDBC and WSC considers that the matter should continue to be outsourced because there is a natural extension to a contractual commitment to an outsourced provider or because it is in the interests of continuity of service and/or cost effectiveness, provided that before taking any such decision TDBC and WSC refers the matter to the Business Services Manager for discussion and the views of the Business Services Manager are taken into account by TDBC and WSC before the proposed decision is made, or where in the interests of the Client the matter requires a more expeditious decision than the next meeting of the Contract Managers TDBC and WSC may canvass the Business Services Manager's views informally and the Business Services Manager shall respond within five (5) Days of such referral.

## **PART C – CATEGORIES OF SERVICE**

3 The following areas of legal service shall constitute the Service

### **Corporate and Governance**

- Advice to Council, Cabinet, Committees (including attendance at meetings) and other decision making bodies of TDBC and WSC to the extent this is not excluded by Part B of this Appendix 1
- Advice on Constitutional matters

### **Commercial, Contracts and Procurement**

- Advice on the application of EU procurement rules and individual Council Financial Regulations and Standing Orders
- Advice on contract matters
- Drafting and negotiation of contracts
- Advice on State Aid
- Construction contracts

### **Property**

- Property law advice
- Encroachment/trespass
- Right to buy (prior to conveyance)
- Sales
- Purchases
- Leases
- Agreements
- Licences
- CPO

### **Enforcements/Prosecutions**

Advice and conduct of proceedings in relation to all Council enforcement functions including:

- Planning enforcement
- Licensing enforcement
- Anti-social behaviour
- Car parking fines
- Statutory and other nuisance
- Benefits
- Environmental
- Housing
- Food standards
- Advice on enforcement policy and procedures

### **Employment**

- Advice to the employer, its managers and HR advisers on employment law and procedure
- Conduct of disciplinary appeals and employment tribunal cases
- TUPE

### **Litigation**

- Advice on litigation and how to avoid it
- Advice to any Party on insurance claims
- Advice and conduct of proceedings in relation to negligence
- Personal injury
- Property damage
- Trespass
- Commercial litigation
- Professional negligence
- Judicial review and defending civil claims
- Debt recovery

- Housing repossessions and advice
- Statutory appeals
- Injunctions
- Warrants
- Judicial applications under RIPA
- Homelessness appeals
- Disrepair
- Benefit fraud

### Exclusions

Insured litigation for anyone other than TDBC and WSC that accesses legal representation for insured cases through its insurers.

### **Planning**

- Advice on town and country planning matters
- Road naming orders
- Building Regulations advice
- Advice on common land and village greens
- Orders and advice on and including drafting section 106 Planning Obligations, Enforcement Notices and Stop Notices
- Listed buildings (Enforcement and Repair Notices)
- Conservation Areas (Order and Enforcement) plus Article 4 Directions
- Tree Preservation Orders
- Compulsory purchase
- Rights of Way
- Public Inquiries
- Appeals
- Other orders etc under the Localism Act 2011

**Highways**

- Rights of Way

**Information and Complaints**

- Legal advice on FOIA and EIR requests for information and DPA subject access requests
- Legal advice on corporate complaints and Ombudsman investigations

**Electoral law**

- Legal advice on the conduct of elections

**Housing**

- General Advice all aspects of housing including policy and homelessness
- Homelessness
- Possessions

**Licensing**

- Advice
- Attendance at licensing hearings and committees where required

**Regulation of Investigatory Powers Act (“RIPA”)**

- Legal advice on the application of the Act to Council activities
- General legal advice including advice relating to legislation affecting local government
- Leading on inspections by the Information Commissioner
- Seeking Judicial approval for RIPA authorisations

**Training and Information**

- Updating and advice on forthcoming legislative changes; and

- Whatever legal advice and assistance the Parties may from time to time require.

### **Health**

- Advice and related work on public health.
- Advice and related work on partnership working in/with the NHS

### **Integration and Outsourcing**

- 4 TDBC and WSC are undertaking an extensive programme of service integration which will have an impact on a number of categories of the Service set out above. MDC may undertake outsourcing activities in the future.
- 5 Each Party shall ensure that it keeps the other Parties fully informed of the progress of such projects which will impact on the volume or nature of the Service in order that the Parties shall be able to assess the implications and consequences and make such changes and decisions as are needed to ensure the continuation of the delivery of the Service, provided always that no Party shall be required to disclose information to another Party which is of a commercially confidential nature or which, if disclosed, might prejudice the effective running of the procurement processes for the outsourcing(s).
- 6 It is agreed that any time spent by the Shared Legal Service in dealing with the implications and consequences of any integration or outsourcing project including managing staff and workloads, consultation on TUPE and redundancies, restructurings and SLA re-negotiations shall be charged to the Party undertaking the outsourcing as part of their agreed hours of Service.



## APPENDIX 2 – CHARGING PROVISIONS

This Appendix sets out the details of the charging arrangements agreed by the Parties

### 1 Key Principles

- 1.1 The Core Legal Budget and any Additional Expenditure will be channelled through the Shared Legal Service in order to maximise economies of scale and cost efficiencies for the Parties in accordance with the principles behind this Agreement. The Contract Managers will decide how the Core Legal Budget and any Additional Expenditure is best spent to deliver the legal service needs of the Parties.
- 1.2 The Parties all spend further amounts on legal services each year (in addition to the Core Legal Budget) which are funded from centrally controlled budgets for external legal spend, client department budgets, capitalisation on major projects and other sources ("Additional Legal Spend").
- 1.3 The Parties will use their reasonable endeavours to ensure that all Additional Legal Spend is channelled through the Shared Legal Service in the interests of economies of scale and cost efficiencies for all.

### 2 Charging arrangements

- 2.1 Each monthly invoice payable by TDBC and WSC to MDC shall include the following elements which together shall constitute a "Monthly Instalment":

$X+Y+Z+A$  where:

$X$  = 1/12 of TDBC and WSC's contribution to the Core Legal Budget (detailed in paragraph 2.5)

$Y$  = the cost of any additional hours charged in accordance with paragraph 2.13 of Appendix 2.

$Z$  = any agreed Additional Expenditure

$A$  = the extra hours required in the any Financial Year (detailed in paragraph 2.6)

Amounts included in the monthly invoice will be supported by invoices where relevant or any other supporting information.

Annual prices are detailed at Annex 1 hereto

- 2.2 The Monthly Instalment will be paid to MDC, in arrears, the first of which shall be paid on 30 April 2015 and each month following thereafter throughout the Agreement unless subject to deductions or varied in accordance with the terms of this Agreement.
- 2.3 MDC will apply the sums paid by TDBC and WSC under clause 2.2 above to the provision of the Service through the Shared Legal Service.

- 2.4 MDC agrees that from the Commencement Date to the end of the Financial Year **2017 / 2018** it shall commit annually the sum of £218,719 (net of predicted income) in respect of its own share of the Core Legal Budget and allocate it to the provision of the Service through the Shared Legal Service.
- 2.5 TDBC and WSC shall commit annually the sums of £200,915 and £113,977 respectively from the Commencement Date to the 31 March 2018, to the Core Legal Budget to reflect TDBC and WSC's total contribution to the Core Legal Budget up to 31 March 2018.
- 2.6 If TDBC and WSC have a requirement for extra hours in any Financial Year relating to specific one off projects. TDBC and WSC shall pay for these hours on the same basis as the Core Legal Budget and this shall be an element of the Monthly Instalment
- 2.7 In relation to the Financial Years 2018/2020 TDBC and WSC shall at least three months before the start of the relevant Financial Year request their required Core Hours for the relevant subsequent Financial Year and the Shared Legal Service shall propose how it intends to deliver the Service at the required level for the forthcoming Financial Year.
- 2.8 If, following agreement on the Core Hours and the Core Legal Budget for the ensuing Financial Year, there is a change in TDBC and WSC's requirements against the then current year, part X of the Monthly Instalments for the ensuing year may be adjusted accordingly by agreement between the Parties taking into account whether the change is likely to be repeated in the ensuing year. There will be no midyear variations to part X of the Monthly Instalment (other than in the circumstances of clause 2.13).
- 2.9 After 1 April 2018 the Core Hours to be provided by the Shared Legal Service shall be agreed on an annual basis taking due cognisance of the recorded data emerging from the Case Management system.
- 2.10 From 1 April 2015 the Charges relating to the Service in accordance with Appendix 2 shall be subject to annual adjustments in respect of inflation effected through the application of the agreed Office of National Statistics Index for Retail Prices (RPI) and taking due of any LGA awards where such LGA awards exceed the prevailing RPI rate.
- 2.11 If the Shared Legal Service is requested by MDC and/or TDBC and WSC to provide hours of Service in addition to the monthly allocation of Core Hours for any particular month, these additional hours shall be charged to the relevant Party at the rate of £65 per hour and invoiced at the end of the month in which the work has been undertaken. The hourly rate will be reviewed annually by the contract officers in accordance with the provisions of paragraph 2.10.
- 2.12 A profile shall be prepared by the Shared Legal Service based on historical data of usage of legal services in TDBC and WSC showing the likely demand for the hours of Service spread across a standard year and therefore the anticipated monthly allocation of hours – "the annual work profile".

- 2.13 The hours of Service provided to TDBC and WSC as part of the Core Legal Budget shall be monitored monthly against the annual work profile and to the extent to which the monthly allocation of hours has not been required by TDBC and WSC in any one month the same number of hours as unused shall be provided in any subsequent month in the same financial year to the extent that the Shared Legal Service has the capacity to do this within its core resources.
- 2.14 MDC shall maintain a record of all Core Hours allocated, accrued and used each month and each Financial Year and these records shall be available to review on request from TDBC and WSC and shall be reviewed by the Contract Managers on a quarterly basis showing the Core Hours used against the annual work profile.

### **3 Disbursements**

- 3.1 Any expenditure on disbursements or experts' or counsels' fees, whatsoever or howsoever incurred, in respect of the provision of the Service to the Parties and in excess of five hundred pounds (£500) shall be agreed beforehand with the relevant Contract Manager and Business Services Manager. Disbursements incurred by the Shared Legal Service in respect of TDBC and WSC matters shall be invoiced to TDBC and WSC at the end of the month in which the disbursement is authorised. Payment will be due at the end of the following month.

### **4 Set up costs**

- 4.1 The agreed items of set up costs together with an estimate of costs incurred "the set up costs estimate" are set out in Annex Two to this Appendix.
- 4.2 At the end of the first year of operation of the Agreement the Parties shall review the actual expenditure on set up costs and may either identify and agree any additional set up costs reasonably incurred but not identified at the Commencement Date. MDC shall recover all agreed set up costs before any surplus is made available to be shared between the Parties.
- 4.3 Where there is any dispute as to the eligibility of an item to qualify as a set up cost or a dispute as to the quantum involved, this will be resolved between the senior finance officers of the Parties or if the senior finance officers fail to reach agreement, in accordance with the Dispute Resolution provisions contained in Clause 20 of this Agreement.

### **5 Annual budgeting/reconciliation and Shared Surpluses**

- 5.1 At the end of each Financial Year of operation of the Shared Legal Service there will be a review by the Parties of the charging arrangements and budget figures. If any material inaccuracies are identified in the budget figures which were relied on as the basis for setting up or continuing to operate the Shared Legal Service these will be rectified and adjustments made to place each Party in the position they would have been in had the figures been accurate.

- 5.2 At the end of each Financial Year of operation of the Shared Legal Service the Shared Legal Service will report to the Parties respective Chief Executives on the end of year accounts for the Shared Legal Service including any Surplus proposed to be carried forward into the next Financial Year. Within ninety (90) Days of the end of each Financial Year, the Contract Managers and the respective Chief Executives shall meet and consider whether and if so how much of the Surplus is appropriate for distribution to the Parties taking into account the requirements of the Shared Legal Service to retain sufficient working balances to operate effectively. The resulting Surplus shall be shared between TDBC and WSC and MDC in proportion to the total amount of hours of Service (including both Core hours and any additional hours of activity above the hours specified in paragraph 2.5 of this Appendix 2) that each Party has accrued during the Financial Year . MDC shall transfer any agreed amount by way of distribution of Surplus to the TDBC and WSC Account (account number [ ], sort code [ ]) within thirty (30) Days of the Contract Managers [and the respective Chief Executives] agreeing such distribution.

## **6 Surplus**

- 6.1 MDC acknowledges that it owes TDBC and WSC a duty of good faith, to use all reasonable endeavours and to act in a bona fide manner having regard to the liability on the part of MDC to TDBC and WSC in relation to Surplus.
- 6.2 If the Surplus for a Financial Year is less than zero, resulting in a shortfall for that Financial Year, MDC shall be entitled to carry forward and recover such shortfall, including the costs identified at Annex 2 hereto, pursuant to paragraph 6.4 of this Appendix.
- 6.3 If the Surplus for a Financial Year is greater than zero, then prior to calculating any Surplus, there shall be due to MDC any shortfall arising under a previous Financial Year in respect of which the Surplus calculation has arisen.
- 6.4 Following the calculation of the Surplus for a Financial Year, MDC shall pay into the TDBC and WSC Account the Surplus for the Financial Year (if any) in accordance with paragraph 5.2.
- 6.5 Where at any time during the operation of the Shared Legal Service there is a substantial sum standing to the credit of the Shared Legal Service Account and all Parties (acting reasonably) are of the opinion that all or part of such sum will not be required to assist with the delivery of the Service, then subject to the written agreement of the Parties, all or part of the sum held shall be distributed on a pro-rata basis between TDBC and WSC and MDC in accordance with the agreed surplus distribution formula.
- 6.6 Where this Agreement is terminated for any reason, then the provisions of Clauses 16 (Termination) 18 (Consequences of Termination) shall apply.

**APPENDIX 2 – ANNEX 1**

## TDBC Prices

Financial Year	TDBC core hours price	TDBC Estimated Core Hours
2015/2015	£200,915	N/A
2016/2017	£200,915	N/A
2017/2018	£200,915	N/A
2018/2019	£200,915	TBA *
2019/2020	£200,915	TBA *

- In accordance with the provisions of paragraphs 2.7 and 2.8 of Appendix 2

Charge rate for any Additional Hours shall be £65 per hour

NB

Prices are based as at 1 April 2014 and subject to inflation in accordance with paragraph 2.11 of Appendix 2

## WSC Prices

Financial Year	WSC core hours price	WSC Estimated Core Hours
2015/2015	£113,977	N/A
2016/2017	£113,977	N/A
2017/2018	£113,977	N/A
2018/2019	£113,977	TBA *
2019/2020	£113,977	TBA *

- In accordance with the provisions of paragraphs 2.7 and 2.8 of Appendix 2

Charge rate for any Additional Hours shall be £65 per hour

NB

Prices are based as at 1 April 2014 and subject to inflation in accordance with paragraph 2.10 of Appendix 2

**APPENDIX 2 – ANNEX 2**

## Set Up Costs

The estimated set up costs for the Legal Shared Service to be funded initially by MDC are:

MDC Absorbed Costs	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
	£	£	£	£	£
Management	55,000	25,000	25,000	25,000	25,000
Backfill of MDC Lawyer for Implementation	20,000	Nil	Nil	Nil	Nil
Marketing	10,000	Nil	Nil	Nil	Nil
Training	10,000	Nil	Nil	Nil	Nil
Branding	Nil	10,000	Nil	Nil	Nil
Overheads for 5.6 FTE TUPE staff at 50%	36,400	36,400	36,400	36,400	36,400
Total	131,000	71,400	61,400	61,400	61,400

NB

Prices are based as at 1 April 2014 and subject to inflation in accordance with paragraph 2.10 of Appendix 2.

### APPENDIX 3 – GOVERNANCE

- 1 The Parties shall set up the following governance arrangements:
  - 1.1 Contract Managers
    - 1.1.1 The Contract Managers shall be a senior level forum for oversight, consultation, discussion, resolution of issues and recommendation back to the Parties on all aspects of the delivery of the Service.
    - 1.1.2 The Contract Managers shall have no decision making powers vested in them by the Parties (except in relation to delivery of the Service) as documented in the Schemes of Delegation of the respective Parties.
  - 1.2 The terms of reference of the Contract Managers shall include but not be limited to responsibility to:
    - 1.2.1 monitor the delivery of the Service and in particular compliance with the Service Standards;
    - 1.2.2 receive, scrutinise and comment on regular reports on the performance of this Agreement;
    - 1.2.3 ensure and enforce the effective performance of the Service in accordance with the Service Standards and to identify Defaults;
    - 1.2.4 ensure Defaults are rectified to the satisfaction of the Parties;
    - 1.2.5 receive, scrutinise and comment on a report on the Initial Business Plan for the Service (the Business Services Manager shall have the responsibility to prepare this) and provided the report is acceptable recommend agreement of the proposed plan and Charges to TDBC and WSC and MDC;
    - 1.2.6 receive, scrutinise and comment on a report each Financial Year on the proposed Business Plan for the forthcoming year and provided the report is acceptable to recommend agreement of the proposed plan to TDBC and WSC and to MDC;
    - 1.2.7 receive, review and comment on any reports during each Financial Year where it is considered that a change in statutory requirements, a change in policy or a change in financial circumstances requires the Business Plan (and potentially the charges) to be revisited and to recommend appropriate action to MDC and to TDBC and WSC;
    - 1.2.8 receive, review and comment on reports on any proposed policy changes in connection with the delivery of the Service and to recommend any revised policy to MDC and to TDBC and WSC;
    - 1.2.9 consider, scrutinise and comment on any reports about issues, concerns or complaints relating to the delivery of the Service and to seek to resolve these;

1.2.10 stipulate any necessary action to MDC or to TDBC and WSC to resolve any concerns about the delivery or quality of the Service which may include but not be limited to recommending changes in practice or operational matters, further training, mentoring, disciplinary action or in severe cases, replacement redeployment or removal of staff or replacement of equipment or IT systems as appropriate; and

1.2.11 review of Client satisfaction surveys.

1.3 The Shared Legal Service shall pay due regard to any comments of the Contract Managers and ensure any adverse issues are fully addressed or any stipulated actions are implemented within the timescales to be agreed between the Parties.

2 The Business Services Manager of the Shared Legal Service shall attend relevant management meetings with client departments of TDBC and WSC as and when required by TDBC and WSC to ensure effective communication, accountability and feedback about the operation of the Service.

3 If the Contract Managers cannot agree an issue on which it is required to give a decision on, then such issue may be referred to a meeting with the Head of Partnership to resolve negotiating on the basis of good faith. If the Head of Partnership is unable to settle the issue then it may be referred to a meeting of the Chief Executive of TDBC and WSC (or a person appointed by him or her to act on his or her behalf) and the Chief Executive of MDC (or a person appointed by him or her to act on his or her behalf) to resolve, negotiating on the basis of good faith.



## APPENDIX 4 – OPERATIONAL MATTERS

### 1 Service Level Agreements

- 1.1 As soon as reasonably practicable after the Commencement Date and in any event before 1 April 2015 for each subsequent twelve months, the Shared Legal Service shall agree Service Level Agreements ("SLAs") including embodied service standards with the relevant client leads in each Party. The SLAs shall be in a form agreed between the Parties and shall set out the agreed volume of hours of legal services which shall be provided within the overall number of chargeable hours to be provided to the Party and any variation within the SLAs shall be managed within the respective Party always provided that the total number of hours for either Party shall not exceed the overall sum of core hours agreed as set out in Appendix 2.
- 1.2 The SLAs with TDBC and WSC shall cover the following areas of Service as described in Appendix 1 Part C:
- Corporate and Governance
  - Commercial, Contracts and Procurement
  - Property
  - Enforcements/Prosecutions
  - Employment
  - Litigation
  - Planning
  - Highways
  - Information and Complaints
  - Electoral law
  - Housing
  - Licensing
  - Regulation of Investigatory Powers Act
  - Training and Information
  - Health

or such other areas of Service as agreed from time to time with the Client to reflect changing requirements for the scope of SLAs and/or organisational change.

- 1.3 The legal services provided shall be monitored monthly against the anticipated workload levels in each of the SLAs, and the Business Services Manager of the Shared Legal Service will provide such reasonable information about the monthly workloads to the Contract Manager for TDBC and WSC.

## **2 Quality and Standards**

- 2.1 The Shared Legal Service shall comply with the standards required by the Solicitors Regulation Authority and the Chartered Institute of Legal Executives which apply to every aspect of the Service the Shared Legal Service provides.
- 2.2 The Shared Legal Service shall provide training to all Staff on all Parties' anti-money laundering, anti-bribery and FOI Act procedures.
- 2.3 The performance standards to which the Shared Legal Service will perform in the provision of the Service will be agreed as soon as reasonably practicable after the Commencement Date by the Business Services Manager.
- 2.4 In cases involving a dispute that may lead to court or tribunal proceedings the need to comply with court/tribunal rules places responsibilities on TDBC and WSC and the Shared Legal Service as TDBC and WSC's lawyers. Failure by TDBC and WSC to comply with its responsibilities may lead to the imposition of sanctions for which TDBC and WSC shall be responsible.
- 2.5 Where negligence or misconduct by the Shared Legal Service results in an adverse costs order being made against TDBC and WSC, the liability for meeting such costs shall be met by MDC and shall not be included within the Charges.
- 2.6 Any advice provided by the Shared Legal Service provided to WSC or TDBC is provided for the benefit of TDBC and WSC and solely for the purpose of the instructions to which it relates. It should not be used or relied on for any other purpose and may not be relied on by any other person without the prior written consent of the Business Services Manager.

## **3 Key Contacts**

- 3.1 The Key Representatives in respect of this Agreement for TDBC and WSC shall be the officer designated by TDBC and WSC as the Contract Manager as notified to MDC from time to time. The Key Representative in respect of this Agreement for MDC shall be the officer appointed by MDC as the Contract Manager as notified to TDBC and WSC from time to time.
- 3.2 The Key Representatives shall be responsible for the overall operation of this Agreement and the relationship between the Parties.
- 3.3 For day to day queries concerning financial matters including time spent on individual cases TDBC and WSC should contact the Business Services Manager .

- 3.4 In relation to individual matters TDBC and WSC should contact the person handling the matter or the person listed in Appendix 6 as responsible for the relevant area of work.
- 3.5 The Shared Legal Service shall keep updated full information as to its people and structure and the Service that the Shared Legal Service provide.

#### **4 Managing this Agreement**

- 4.1 The Shared Legal Service welcomes and shall actively seek feedback and comments from TDBC and WSC.
- 4.2 The Shared Legal Business Services Manager shall be responsible for dealing with any comments or complaints but the Shared Legal Service shall also have a formal complaints procedure. Where problems arise the Shared Legal Service shall review its working practices to reduce the risk of a reoccurrence. .

#### **5 Instructions and Communication**

- 5.1 As at the Commencement Date the Shared Legal Service shall continue to accept instructions in the ways in which it accepted them prior to the Commencement Date including accepting telephone instructions on urgent one-off pieces of advice. The Shared Legal Service will require written instructions from TDBC and WSC to enable the Shared Legal Service to be absolutely certain about TDBC and WSC's requirements. An e-mail shall suffice. The level of detail required shall depend on the complexity of the matter but should include:

- 5.1.1 The instructing officer and any relevant contact officer (if different);
- 5.1.2 The nature of the assistance required; and/or
- 5.1.3 The timescale in which the assistance is required.

TDBC and WSC should provide the Shared Legal Service with what TDBC and WSC considers to be the relevant background information. The Shared Legal Service shall discuss this with TDBC and WSC and identify any additional information requirements. If the Shared Legal Service require further instructions it shall let TDBC and WSC know.

The Shared Legal Service shall discuss with TDBC and WSC in more detailed protocols for the giving and receipt of instructions to enable the efficient allocation of work within the Shared Legal Service.

It is agreed that once the legal case management system is implemented then all instructions shall be standardised in accordance with that system and from the date of implementation only instructions in this form shall be accepted by the Shared Legal Service.

- 5.2 The Shared Legal Service shall accept instructions from any of TDBC and WSC's staff unless TDBC and WSC specifically restrict the authority to commission legal work to specified individuals or grades of staff in which case TDBC and WSC shall

provide the Shared Legal Service with a list of duly authorised instructing officers. The Parties shall work towards a consistent approach to a scheme of delegation in relation to the delivery of the Service, including by way of example, authority to institute proceedings.

- 5.3 When the Shared Legal Service need to communicate in writing the Shared Legal Service shall communicate through e-mail wherever possible. The Shared Legal Service shall meet with TDBC and WSC when a meeting will add value. Otherwise the Shared Legal Service shall speak to TDBC and WSC over the telephone. Attendance at meetings may exceptionally be required at short notice but wherever possible reasonable notice will be given.
- 5.4 If appropriate, the Shared Legal Service shall discuss with TDBC and WSC whether the proposed course of action shall justify the expense or risk involved including, if relevant, the risk of having to bear an opponent's costs. The Shared Legal Service shall inform TDBC and WSC in writing of any circumstances of which it becomes aware which will or may affect the degree of risk involved or cost benefit to TDBC and WSC of continuing with the matter.
- 5.5 The Shared Legal Service shall be committed to a culture which promotes equality and values diversity. The Shared Legal Service aims to make its service accessible to all. This shall include staff of TDBC and WSC who deal with the Shared Legal Service as a service and members of the public and other third parties who deal with the Shared Legal Service direct when the Shared Legal Service are representing TDBC and WSC.
- 5.6 The Shared Legal Service shall work with TDBC and WSC to ensure that no person is disadvantaged in accessing the Shared Legal Service services as a result of the way the Shared Legal Service is delivered to them.

## **6 Conflicts of Interests**

- 6.1 As an in-house legal service, the Shared Legal Service shall also have corporate governance responsibilities in order to protect the Client's position as a whole. In the event of conflict, these duties take precedence.
- 6.2 The Shared Legal Service has a duty to ensure that the Client acts legally and shall assist and advise at all times.
- 6.3 In any other situation where conflict may exist, the matter shall be discussed with the Client immediately and steps taken to address any conflict issues.

## **7 Refusing or Ceasing to Act**

- 7.1 There are certain circumstances where the Shared Legal Service may be required by the Codes of Conduct to refuse or cease to act for MDC, TDBC and WSC. The Shared Legal Service, acting by the Business Services Manager, may do so if to

act would involve the Shared Legal Service in a breach of law or of the Code of Conduct, cause an actual or potential conflict of interest or if the Shared Legal Service has insufficient resources or lacks the competence/specialist skills to deal with the matter.

- 7.2 In such circumstances, the Shared Legal Service reserve the right to refuse to act for TDBC and WSC and the Shared Legal Service shall notify TDBC and WSC forthwith and subject to TDBC and WSC's prior consent, the Shared Legal Service shall pass the instructions directly to external solicitors chosen by TDBC and WSC. The Shared Legal Service shall use their best endeavours to ensure that the external legal advisers chosen to carry out the work do so at their agreed standard local authority rates.
- 7.3 TDBC and WSC shall be responsible for paying the cost of the external legal advisors unless the reason for the Shared Legal Service refusing to act has been an avoidable lack of capacity to carry out work which would normally be part of the Core Hours t. In these circumstances only, the amount of any fees paid by TDBC and WSC directly to the external legal adviser shall be deducted from the Charges paid by TDBC and WSC to the Shared Legal Service for the Service.

## **8 Dispute resolution**

If a dispute arises between the Parties the Key Representatives will normally be expected to resolve it. In the case of a serious complaint or any other special circumstances (such as the Key Representatives him or herself being involved in the disputes) then the matter will resolved in accordance with Clause 20 of the Agreement.

## APPENDIX 5 – EXIT ARRANGEMENTS

### 1 Overriding objectives

- 1.1 Within 3 (three) months of the date of this Agreement the Parties shall prepare a draft exit plan and shall have two overriding objectives in planning and implementing such exit plan, these are to ensure:
- 1.1.1 a smooth transition so that there is no interruption in the provision of the highest quality services to Clients, sufficient and comprehensive handover arrangements and business continuity for the Parties.
  - 1.1.2 that the Client and the staff affected by the exit are fairly treated, receive adequate communication, are involved in the process and are not adversely affected.

### 2 Procedure on termination or expiry

- 2.1 On receipt of notice that the Agreement is to be terminated (whether in whole or in part) in accordance with the terms of the Agreement, the Parties shall implement the exit plan which shall contain details as outlined below:
- 2.1.1 Governance structure for the transition phase;
  - 2.1.2 Subject to the provisions of this Agreement, identification of any equipment, files, file notes, correspondence, records, documents and other papers used by, produced by or stored by MDC to deliver the Services (which may include equipment not solely used for the provision of the Services);
  - 2.1.3 Transfer of any data (whether in hard copy or electronic);
  - 2.1.4 TUPE Lists, pension details (subject to data protection law);
  - 2.1.5 The roles of each Party during the period leading up to Termination;
  - 2.1.6 Sub licence or sub lease to TDBC and WSC to make use of any premises controlled by MDC as may be reasonably required.

### 3 Review of Exit Plan

- 3.1 The exit plan shall be reviewed by the Parties annually throughout the Term of the Agreement or at such other times as may be reasonably requested by a Party.
- 3.2 Such reviews shall examine the procedures and methodologies set out in the exit plan and assess their suitability in light of any changes to the Services that have

occurred since the later of the original approval of the exit plan or the most recent review.

#### **4 Handover Period**

The Parties shall take all such reasonable steps as shall be necessary for the orderly hand-over of the Services such that the Services can be carried on with the minimum of interruption and inconvenience to Clients and the Parties which shall include but not be limited to preparation of detailed handover notes summarising the status of each case or matter including relevant time limits and outstanding actions, undertakings given and client care issues.

#### **5 Employment issues during exit period**

- 5.1 The Parties will during the exit period jointly establish an exit group comprising staff of the Parties to manage transition of the Services, and to implement the provisions of the exit plan (the "Exit Group"). Each Party will make available sufficient resources to meet the requirements of the Exit Group. The Exit Group will manage all the activities needed for the transfer of the Returning Services from MDC to TDBC and WSC or any Future Provider so that the transition is carried out as seamlessly as possible.
- 5.2 On expiry or earlier termination of this Agreement, as part of the exit plan the Parties agree that it is their intention that TUPE shall apply in respect of the provision thereafter of any service equivalent to a Service to Clients by TDBC and WSC or any Future Provider but the position shall be determined in accordance with the Law during the exit period and this paragraph is without prejudice to such determination.
- 5.3 The Parties agree that during the exit period, the Exit Group shall work to identify those staff engaged by MDC who would:
- 5.3.1 if they remained employed by MDC at the end of the exit period, be the subject of a Relevant Transfer to TDBC and WSC or any Future Provider in respect of the Returning Services for which TDBS and WSC or any Future Provider shall become responsible at the end of the exit period, or
  - 5.3.2 be offered employment pursuant to the provisions of clause 5.8 below, (together "the Potential Returning Employees").
- 5.4 During the exit period, to the extent that any Potential Returning Employees resign or their employment is terminated by MDC, the Exit Group will agree that in the event that this creates any vacancies within the workforce delivering the Returning Services during the exit period, such vacancy shall to the extent possible in light of service delivery requirements in relation to the Returning Services either:
- i not be filled by MDC during the exit period; or

- ii be filled by the engagement by MDC of agency staff or staff engaged on fixed term contracts of employment; or
- iii TDBC and WSC or any third party shall instead recruit a suitable individual in relation to that vacancy and then second such individual to MDC for the remainder of the exit period to deliver the Returning Services with such secondment to end at the end of the exit period; or
- iv where MDC recruits any suitable individuals in relation to that vacancy, such recruitment shall be on the basis that the individual will only be engaged in the delivery of the Returning Services and it shall be made clear as part of such recruitment that the individual will be subject to a Relevant Transfer to TDBC and WSC or any third party at the end of the exit period.

- 5.5 At the start of the exit period, to the extent possible under TUPE and/or the applicable Law at the relevant time, the Exit Group shall use all reasonable endeavours to consult upon and agree a reorganisation process with the Potential Returning Employees and/or their appointed employee representatives or trade unions, to confirm who will be the subject of a Relevant Transfer to TDBC and WSC or any Future Provider at the end of the exit period;
- 5.6 The Exit Group shall use all reasonable endeavours to agree and implement any other steps, measures, processes and/or procedures in order to minimise the potential for any Potential Returning Employees not being the subject of a Relevant Transfer to TDBC and WSC or any Future Provider at the end of the exit period.
- 5.7 Where, despite the requirements of paragraphs 5.4 – 5.6 having been complied with, there remain any Potential Returning Employees who may not be the subject of a Relevant Transfer, the provisions of paragraphs 5.8 to 5.11 below shall apply.
- 5.8 If TUPE does not apply on the expiry or termination of this Agreement to any Potential Returning Employees, TDBC and WSC shall or shall procure that each Future Provider shall as far as possible offer employment to the Potential Returning Employees employed by MDC in the provision of the Returning Services immediately before the end of the exit period.
- 5.9 If an offer of employment is made in accordance with paragraph 5.8, the employment shall be on the same terms and conditions (except for entitlement to membership of an occupational pension scheme) as applied immediately before the expiry or earlier termination of this Agreement including full continuity of employment.
- 5.10 Where any such offer as referred to in paragraph 5.8 is accepted, MDC shall indemnify and keep indemnified in full TDBC and WSC and/or any Future Provider on the same terms and conditions as those set out in paragraph 5.17 as if there had been a Relevant Transfer in respect of each and every employee who has accepted any such offer and for the purposes of paragraphs 5.14 - 5.19 each and every such employee shall be treated as if they were a Returning Employee.



- 5.11 Where TDBC and WSC or any Future Provider does not make any such offer or any such offer as referred to in paragraph 5.8 is not accepted and TUPE does not apply, the provision of paragraph 5.12 below shall apply regarding any redundancy or reorganisation costs incurred by MDC.

***Redundancy and Reorganisation Costs***

- 5.12 Where TDBC and WSC or any Future Provider does not make any such offer or any such offer as referred to in paragraph 5.8 is not accepted and TUPE does not apply to any Potential Returning Employee, then:

- (a) MDC shall be entitled to dismiss any or all of the Potential Returning Employees by reason of redundancy or for some other substantial reason provided that TDBC and WSC shall carry out in the required manner any obligation to consult with the Potential Returning Employees or any of them, or their respective representatives, and shall use all reasonable endeavours to mitigate the amount of any costs payable in respect of the said employees or their dismissal; and
- (b) TDBC and WSC shall indemnify MDC against all Losses and/or Employment Claims relating to the dismissals referred to in paragraph 5.12(a) above reasonably incurred by MDC (including any additional costs incurred in relation to the Local Government Pension Scheme).

- 5.13 Without prejudice to the provisions of clauses 5.1 - 5.12 above, and in any event,

- 5.13.1 during the twelve (12) months prior to the expiry of this Agreement or after TDBC and WSC has given notice to terminate this Agreement and within twenty one (21) Days of being requested to do so, MDC shall fully and accurately disclose to TDBC and WSC any and all information in relation to all persons engaged in providing the Service including:

- (a) a list of employees employed by MDC or any sub-contractor in the provision of the Services;
- (b) a list of agency workers, agents and independent contractors engaged by MDC or any sub-contractor in the provision of the Services;
- (c) the total payroll bill (i.e. total taxable pay and allowances including employer's contributions to pension schemes) of those persons; and
- (d) the terms and conditions of employment or other contract with such persons

and shall notify TDBC and WSC as soon as reasonably practicable of any variation in the information provided under this clause 5.13 and shall provide TDBC and WSC with the revised and accurate information. MDC shall warrant that such information is complete and accurate as far as it is aware or should reasonably be aware as at the date it is provided.

- 5.13.2 during the twelve (12) months prior to expiry of this Agreement or where notice to terminate this Agreement for whatever reason has been given, save where it is as a result of a decision by the Exit Group, MDC shall not and shall procure that any sub-contractor shall not without the prior written consent of TDBC and WSC (such consent not to be unreasonably withheld or delayed) unless in the ordinary course of business:
- (a) vary or purport or promise to vary the terms and conditions of employment of any employee employed in connection with the Services;
  - (b) materially increase or decrease the number of employees employed in connection with the Services; or
  - (c) assign or re-deploy any employee employed in connection with the Services to other duties unconnected with the Services or assign or re-deploy any employee employed to carry out duties unconnected with the Services to the duties connected with the Services.
- 5.14 MDC shall be responsible for all remuneration, benefits, entitlements and outgoings in respect of the Returning Employees, including without limitation, all wages, holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions, pension contributions and otherwise, up to the date of any Relevant Transfer in respect of such Returning Employees on expiry or termination of this Agreement.
- 5.15 TDBC and WSC shall be responsible for all remuneration, benefits, entitlements and outgoings in respect of the Returning Employees, including without limitation, all wages, holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions, pension contributions and otherwise, for the period on or after the date of any Relevant Transfer in respect of such Returning Employees on expiry or termination of this Agreement.
- 5.16 MDC shall indemnify and keep indemnified TDBC and WSC and any Future Provider against any Losses caused to TDBC and WSC or any Future Provider by any inaccuracy or incompleteness in such information as is provided under 5.13 above or by any changes in the information which have not been communicated to TDBC and WSC (whether relating to the number, identity or details of the Returning Employees or otherwise) which occur prior to the Relevant Transfer Date.
- 5.17 MDC shall indemnify TDBC and WSC and any Future Provider in full from and against all Losses and/or Employment Claims which TDBC and WSC and/or any Future Provider incurs arising from:
- (a) any act or omission of MDC or any sub-contractor in relation to the Returning Employees,

- (b) subject to the provisions of paragraph 5.12 above, any claim by an employee or former employee of MDC or any sub-contractor who is not a Returning Employee, and
  - (c) any representations made by MDC or any sub-contractor in relation to employment by TDBC and WSC and/or any Future Provider, provided that such Losses and/or Employment Claims are not payable as a result of any act or omission by TDBC and WSC and/or any Future Provider.
- 5.18 TDBC and WSC shall indemnify MDC against all Losses and/or Employment Claims incurred by MDC in connection with or as a result of any claim or demand
- (a) by an employee of MDC who would, had it not been for the termination of that employee's employment pursuant to the provisions of TUPE Regulation 4(9) and/or 4(11), have been an employee with a right to transfer to TDBC and WSC under TUPE,
  - (b) arising out of TDBC and WSC's failure to comply with its obligations under TUPE Regulation 13(4).
- 5.19 TDBC and WSC shall indemnify MDC in full from and against all Losses and/or Employment Claims which MDC incurs arising from any act or omission of TDBC and WSC and/or any Future Provider in relation to the Returning Employees.

## APPENDIX 6 – CABINET DECISIONS

Relevant resolutions given by the Parties executives and Councils are as follows:

### **MDC:**

The 12<sup>th</sup> January 2015 Cabinet resolved that:

1. Endorsed the business case to establish a Shared Legal Services Partnership to support MDC, WSC and TDBC including the governance structure outlined in the business case and the costs identified therein.
2. Noted the Council will consider the Inter Authority Agreement relating to the Partnership in February 2015.
3. Noted that proposed commencement date of 1 April 2015 for the Partnership.
4. Noted the resource implications for the Council in leading an initiative of this nature, particularly for the Manager of corporate Support Services and Corporate manager for Governance, Assets and Public Spaces, but also for support functions such as Human Resources and Business Information Systems.
5. Noted the intention to develop a second stage business case to develop the Partnership and to explore the feasibility of increasing its breadth to include further Corporate Support Services.
6. Agreed to accept the TUPE of staff from WSC and TDBC to MDC.

The 23<sup>rd</sup> February 2015 Full Council resolved that:

To be inserted before signature

### **TDBC**

The 14<sup>th</sup> January 2015 Executive resolved that:

“TDBC Executive it was agreed to recommend full council to approve the legal shared services business case subject to the inclusion of a 6 month termination option in the inter authority agreement as requested by corporate scrutiny. Mendip advised that they were prepared to accept this clause subject to the agreement also including a clause requiring TDBC, should they choose to exercise this clause, being required to reimburse MDC for their apportionment of receipted start- up costs for establishing the shared legal service.”

The 24<sup>th</sup> February TDBC Full Council resolved that:

To be inserted before signature

**WSC**The 7<sup>th</sup> January 2015 Cabinet resolved that:

The Lead Member for Resources and Central Support presented the report, highlighting the key objectives of the project which included a 15% budget saving for WSC, and she went on to propose the recommendation which was seconded by Councillor S J Pugsley.

Members were supportive of the proposal and during the discussion clarification was provided regarding staff being TUPE'd to MDC and it was noted that the legal staff would have the opportunity to be located at any of the three bases, or work remotely, where convenient and there was not expected to be any less presence of legal staff at WSC. In addition, following the meeting, the Monitoring Officer noted the minor amendments raised regarding Appendix A to the report.

RESOLVED that it be recommended to Council to adopt the draft business case for a legal shared service – as set out in Appendix A to the report – with an implementation date of 1 April 2015 – and that Council consider and agree the full terms of the associated Authority Agreement.

The 25<sup>th</sup> February 2015 Council resolved that:

To be inserted before signature

**APPENDIX 7 – THE EMPLOYEES**

To be inserted prior to signature



**APPENDIX 8 - "the Policies"**

- Anti Fraud and Corruption Policy
- Communications and Operational Management policy
- Computer Telephony and Desk Use Policy
- Email Acceptable Use Policy
- Equalities Policy
- Health and Well being at Work Policy
- Information Governance Policy ( including FOIA , and DP Policies)
- Information Protection Policy
- Information Security Incident Management Policy
- Internet Acceptable Use Policy
- IT Access policy
- IT Infrastructure Security Policy
- IT Legal Responsibilities Policy
- Misuse of Alcohol and Substance Abuse policy
- Officers Code of Conduct
- Removal of Media Policy and Protocol for the Storage of Media and Image Files
- Remote Working Policy
- Respect Fairness and Dignity at Work Policy
- RIPA Policy
- Safeguarding Policy – Safeguarding children and Vulnerable Adults
- Sickness Absence Management policy
- Social Media Staff Policy
- Software Policy
- Whistle Blowing Policy

**APPENDIX 9 - "Data Sharing Protocol"**

- **CONTENTS**
- Preface
- Introduction
- The scope
- Aims and objectives
- The legal framework
- Information covered by the protocol
- Responsibilities when sharing information
- Restrictions on use of information shared
- Consent – applies to personal data only
- Indemnity
- Security
- Information quality
- Training
- Individual responsibilities
- General principles
- Review arrangements



## 1. INTRODUCTION

- 1.1 This document is an Information Sharing Protocol (for the purpose of this protocol, the terms data and information are synonymous). The aim of this document is to facilitate sharing of all personal, sensitive and non personal data between the public, private and voluntary sectors so that members of the public receive the services they need.
- 1.2 Organisations involved in providing services to the public have a legal responsibility to ensure that their use of personal data is lawful, properly controlled and that an individual's rights are respected. This balance between the need to share personal data to provide quality service and protection of confidentiality is often a difficult one to achieve.
- 1.3 The legal situation regarding the protection and use of personal data can be unclear. This situation may lead to information not being readily available to those who have a genuine need to know in order for them to do their job properly.
- 1.4 There are fewer constraints on the sharing of non-personal data, that is data which either does not identify a living individual or when combined with other information that is in or may come into the organisation's possession will not identify a living individual.
- 1.5 Each partner to this protocol should ensure that all of their staff who are affected by it are:
- aware of its contents and
  - the obligations it and any information sharing agreements (ISA) which are created between the organisation signed up to it bring to them.
- 1.6 Each partner should also ensure that revisions to the protocol and ISA raised in it are signed in good time, which should be before any sharing takes place.

## 2. SCOPE

- 2.1 This overarching protocol sets out the principles for information sharing between the Parties (referred to the Partner Organisations for the purposes of this protocol).
- 2.2 This protocol sets out the rules that all people working for or with the Partner Organisations must follow when using and sharing information.
- 2.3 This protocol applies to all information shared by Partner Organisations. Sharing is **not** restricted solely to information classified as Personal Data by the Data Protection Act 1998. This includes the following information:
- a) All information processed by the organisations including electronically (e.g. computer systems, CCTV, Audio etc), or in manual records;
  - b) Anonymised, including aggregated data. The considerations, though less stringent, must take into account factors such as commercial or business, sensitive data, and the effect of many data sets being applied.

- 2.4 This Protocol will be further extended to include other public sector, private and voluntary organisations working in Partnership to deliver services.
- 2.5 The specific purpose for use and sharing information will be defined in the Information Agreements that will be specific to the Partner Organisations sharing information.

### **3. AIMS AND OBJECTIVES**

3.1 The aim of this protocol is to provide a framework for the Partner Organisations and to establish and regulate working practices between Partner Organisations. The protocol also provides guidance to ensure the secure transfer of information, and that information shared is for justifiable legal purposes (see 6.3 and 11.5).

3.2 These aims include:

- a. To guide Partner Organisations on how to share personal information lawfully.
- b. To explain the security and confidentiality laws and principles of information sharing.
- c. To increase awareness and understanding of the key issues.
- d. To emphasise the need to develop and use Information Sharing Agreements.
- e. To support a process that will monitor and review all information flows.
- f. To encourage flows of information.
- g. To protect the Partner Organisations from accusations of wrongful use of personal data.
- h. To identify the legal basis for information sharing.

3.3 By becoming a Partner to this Protocol, Partner Organisations are making a commitment to:

- a. Apply the Information Commissioner's Code of Practice's 'Fair Processing' and 'Best Practices' Standards;
- b. Adhere to or demonstrate a commitment to achieving the appropriate compliance with the Data Protection Act 1998;
- c. Develop local Information Sharing Agreements (ISA) that specify transaction details.

3.4 Partner Organisations are expected to promote staff awareness of the major requirements of Information Sharing. This will be supported by the production of appropriate guidelines where required that will be made available to all staff via the Partners' Intranet sites and/or via other communication media.

### **4. THE LEGAL FRAMEWORK**

4.1 The principal legislation concerning the protection and use of personal information is listed below and further explained in:

- Human Rights Act 1998 (article 8)

- The Freedom of Information Act 2000
- Data Protection Act 1998
- The Common Law Duty of Confidence
- Computer Misuse Act
- Civil Contingencies Act 2004

4.2 Other legislation may be relevant when sharing specific information.

4.3 As part of each ISA, Partner Organisations should identify how they will meet its legal obligations and the legal basis (legislation and appropriate section(s)) under which information may be shared.

## 5. INFORMATION COVERED BY THIS PROTOCOL

5.1 All Information, including personal data and sensitive personal data as defined in the Data Protection Act 1998 (DPA).

In order to reduce the risks of DPA compliance and security breaches where possible anonymised data should be used.

### 5.2 Personal Data

5.2.1 The term 'personal data' refers to **any** data held as either manual or electronic records, or records held by means of audio and/or visual technology, about an individual who can be personally identified from that data.

5.2.2 The term is further defined in the DPA as:

- Data relating to a living individual who can be identified from those data;
- or
- Any other information which is in the possession of, or is likely to come into the possession of the data controller (person or organisation collecting that information).

5.2.3 The DPA also defines certain classes of personal information as 'sensitive data' where additional conditions must be met for that information to be used and disclosed lawfully.

5.2.4 An individual may consider certain information about themselves to be particularly private and may request other data items to be kept especially confidential e.g. any use of a pseudonym where their true identity needs to be withheld to protect them.

### 5.3 Anonymised Data

- 5.3.1 Organisations should ensure anonymised data, especially when combined with other information from different agencies, **does not** identify an individual, either directly or by summation.
- 5.3.2 Anonymised data about an individual can be shared without consent (subject to certain restrictions regarding health/social care records), in a form where the identity of the individual cannot be recognised i.e. when:
- Reference to any data item that could lead to an individual being identified has been removed;
  - The data cannot be combined with any data sources held by a Partner to produce personal identifiable data.

## 6. RESPONSIBILITIES WHEN SHARING INFORMATION

### 6.1 General

Each Partner Organisation is responsible for ensuring that their organisational and security measures protect the lawful use of information shared under this Protocol.

- 6.1.1 Partner Organisations will ensure a reasonable level of security for supplied information, personal or non-personal, and process the information accordingly.
- 6.1.2 Partner Organisations accept responsibility for independently or jointly auditing compliance with the Information Sharing Agreements in which they are involved within reasonable time-scales.
- 6.1.3 Every organisation should consider making it a condition of employment that employees will abide by their rules and policies in relation to the protection and use of confidential information. This condition should be written into employment contracts and any failure by an individual to follow the policy should be dealt with in accordance with that organisation's disciplinary procedures.
- 6.1.4 Every organisation should ensure that their contracts with external service providers include a condition that they abide by their rules and policies in relation to the protection and use of confidential information.
- 6.1.5 The Partner Organisation originally supplying the information should be notified of any breach of confidentiality or incident involving a risk or breach of the security of information.
- 6.1.6 Partner Organisations should have a written policy for retention and disposal of information.
- 6.1.7 Partner Organisations must be aware that a data subject may withdraw consent to

processing (i.e. Section 10 DPA) of their personal information. In this case processing can only continue where an applicable Data Protection Act Schedule 2, and if relevant Schedule 3, purpose applies.

- 6.1.8 Where the Partner Organisations rely on consent as the condition for processing personal data then withdrawal means that the condition for processing will no longer apply. Withdrawal of consent should be communicated to Partner Organisations and processing cease as soon as possible.

## 6.2 Personal Data

Personal data should only be shared for a specific lawful purpose or where appropriate consent has been obtained.

- 6.2.1 Staff should only be given access to personal data where there is a legal right, in order for them to perform their duties in connection with the services they are there to deliver.
- 6.2.3 This agreement does not give licence for unrestricted access to information another Partner Organisation may hold. It sets out the parameters for the safe and secure sharing of information for a justifiable **need to know** purpose.
- 6.2.4 Each signatory organisation to an ISA is responsible for ensuring every member of its staff is aware and complies with the obligation to protect confidentiality and a duty to disclose information only to those who have a right to see it.
- 6.2.5 Each signatory organisation should ensure that any of its staff accessing information under an ISA is trained and fully aware of their responsibilities to maintain the security and confidentiality of personal information.
- 6.2.6 Each signatory organisation should ensure that any of its staff accessing information under an ISA to follow the procedures and standards that have been agreed and incorporated within this Information Sharing Protocol and any associated Information Sharing Agreements.
- 6.2.7 Each Partner Organisation will share information in compliance with the principles set out at section 4 and any other obligations detailed in both the ISP and relevant ISA.
- 6.2.8 Personal data shall not be transferred to a country or territory outside the EEA without an adequate level of protection for the rights and freedoms of the data subject in relation to the processing of personal data.

## 6.3 Non-Personal Data

- 6.3.1 Partner Organisations should not assume the non-personal information is not sensitive and can be freely shared. This may not be the case and the partner from

whom the information originated from should be contacted before any further sharing takes place.

## **7. RESTRICTIONS ON USE OF INFORMATION SHARED**

- 7.1 All shared information, personal or otherwise, must only be used for the purpose(s) specified at the time of disclosure(s) as defined in the relevant Information Sharing Agreement unless obliged under statute or regulation, or under the instructions of a court or as agreed elsewhere. Therefore any further uses made of this data will not be lawful or covered by the ISA.
- 7.2 Restrictions may also apply to any further use of non-personal information, such as commercial sensitivity or prejudice to others caused by the information's release, and this should be considered when considering secondary use for non-personal information. If in doubt the information's original owner should be consulted.
- 7.3 Additional Statutory restrictions apply to the disclosure of certain information for example Criminal Records, HIV and AIDS, Assisted Conception and Abortion, Child Protection etc. Information about these will be included in the relevant ISA.

## **8. CONSENT – APPLIES TO PERSONAL DATA ONLY**

- 8.1 Consent is not the only means by which personal data can be disclosed. Under the Data Protection Act 1998 in order to disclose personal data at least one condition in schedule two must be met. In order to disclose sensitive personal data at least one condition in both schedules two and three must be met.
- 8.2 Where a Partner Organisation has a statutory obligation to disclose personal data then the consent of the data subject is not required; but the data subject should be informed that such an obligation exists.
- 8.3 If a Partner Organisation decides not to disclose some or all of the personal data, the requesting authority must be informed. For example the Partner Organisation may be relying on a lawful exemption from disclosure or on the inability to obtain consent from the data subject.
- 8.4 Consent has to be signified by some communication between the organisation and the Data Subject. If the Data Subject does not respond this cannot be assumed as implied consent. When using sensitive data, explicit consent must be obtained subject to any existing exemptions. In such cases the data subject's consent must be clear and cover items such as the specific details of processing, the data to be processed and the purpose for processing.
- 8.5 If consent is used as a form of justification for disclosure, the data subject must have the right

to withdraw consent at any time.

- 8.6 Specific procedures will apply where the data subject is either not considered able to give informed consent itself because of either the data subject's age (Gillick Competency) or where the data subject has a condition which means the data subject does not have the capacity to give informed consent. In these circumstances the relevant policy of the Partner Organisation should be referred to.

## **9. INDEMNITY**

- 9.1 Each Partner Organisation will keep each of the other partners fully indemnified against any and all costs, expenses and claims arising out of any breach of this agreement and in particular, but without limitation, the unauthorised or unlawful access, loss, theft, use, destruction or disclosure by the offending partner or its sub-contractors, employees, agents or any other person within the control of the offending partner of any personal data obtained in connection with this agreement.

## **10. SECURITY**

- 10.1 It is assumed that each Partner Organisation has achieved or will be working towards ISO 27001, the International Standard for Information Security Management, compliance or a similar level of compatible security. Partner Organisations should ensure that the minimum standards of security, that they require, are agreed with Partner Organisations with whom their information will be shared and included in the ISA. This should take account of the security classification of the information.
- 10.2 It is accepted that not all Partners will have security classification in place.
- 10.3 Each partner signing this protocol and any individual signing the confidentiality agreement, agrees to adhere to the agreed standards of security. If there is a security breach in which information received from another party under this ISA is compromised, the originator will be notified at the earliest opportunity via the postholder identified at 3.2 of the ISA, who must forward details to the Information Security Section.
- 10.4 Where a partner has regular, specific security requirements, for example a corporate policy, either these or, if available, a hypertext link to the protocol should be included. This should help to avoid reviewing standards agreed previously when each new ISA is set up.
- 10.5 Security requirements will not be included in individual Information Sharing Agreements except where they are unique to that Agreement. This will ensure requirements are kept current, as notified, and avoid errors arising from having more than one copy of a Partner's standard requirements.

## **11. INFORMATION QUALITY**

- 11.1 Information quality needs to be of a standard fit for the purpose information is to be used for, including being complete, accurate and as up to date as required for the purposes for which it is being shared. Without this any decision made on the information may be flawed and inappropriate actions may result. Partner Organisations are expected to ensure that the Personal Data and Sensitive Personal Data that it holds is processed in accordance with DPA principles: this includes ensuring that the Data is accurate, complete and up-to-date and is not kept any longer than is necessary.
- 11.2 Where Partner Organisations share information under this Protocol it is expected that Partner Organisations will either have an Information Quality Strategy and the supporting processes and procedures in place or be formally working towards this.
- 11.3 All Partner Organisations are expected to give undertakings that information meets a reasonable quality level for the proposed purposes for which it is being shared and be able to evidence this.
- 11.4 It is expected that all partner organisations will have or be working towards an organisational Information Quality Strategy. In generating and maintaining this policy due regard should be paid to the Information Quality Assurance Strategy.

#### 11.5 **Audit**

Where a partner requires the ability to audit a Partner Organisation's Information Quality standards, for example as part of a Local Area Agreement (LAA) in which the receiving partner is the lead LAA partner, this and the obligations on the partners should be identified in the contract or ISA relevant to the sharing.

## 12. **TRAINING**

- 12.1 All Partner Organisations staff processing information shared under this Protocol and its associated ISA are expected to be trained to a level that enables them to undertake their duties confidently, efficiently and lawfully. This is an obligation on each Partner Organisation and responsibility for it cannot be assigned to another organisation, although delivery of training can with that third party's consent.
- 12.2 To minimise the costs associated with training and to ensure that all staff participating in activities based on information shared under a specific ISA it is strongly advised that partners collaborate in the development and delivery of training. Obligations and costs arising out of such collaborative working should be clearly identified in the ISA.
- 12.3 For the avoidance of doubt, where collaborative training is not adopted this should be stated in the ISA.

## 13. **INDIVIDUAL RESPONSIBILITIES**



- 13.1 Every individual working for the organisations listed in this Partnership Agreement is personally responsible for the safekeeping of any information they obtain, handle, use and disclose.
- 13.2 Every individual should know how to obtain, use and share information they legitimately need to do their job.
- 13.3 Every individual has an obligation to request proof of identity, or takes steps to validate the authorisation of another before disclosing any information requested under this protocol and associated ISA's.
- 13.4 Every individual should uphold the general principles of confidentiality, follow the guide-lines set out in this Protocol and seek advice when necessary.
- 13.5 Every individual should be aware that any violation of privacy or breach of confidentiality is unlawful and a disciplinary matter that could lead to their dismissal. Criminal proceedings might also be brought against that individual.

#### **14. GENERAL PRINCIPLES**

- 14.1 The principles outlined in this protocol are recommended good standards of practice or legal requirements that should be adhered to by all Partner Organisations.
- 14.2 This protocol sets the core standards applicable to all Partner Organisations and should form the basis of all Information Sharing Agreements established to secure the flow of personal information.
- 14.3 This protocol should be used in conjunction with local service level agreements, contracts or any other formal agreements that exist between the Partner Organisations.
- 14.4 All parties signed up to this protocol are responsible for ensuring that organisational measures are in place to protect the security and integrity of personal information and that their staff are properly trained to understand their responsibilities and comply with the law.
- 14.5 This protocol has been written to set out clear and consistent principles that satisfy the requirements of the law that all staff must follow when using and sharing personal information.
- 14.6 The specific purpose for use and sharing information will be defined in the Information Sharing Agreements that will be specific to the Partner Organisations sharing information.

#### **15. REVIEW ARRANGEMENTS**

- 15.1 This overarching agreement will be formally reviewed annually.

- 15.2 Any of the signatories can request an extraordinary review at any time where a joint discussion or decision is necessary to address local service developments.



LEGAL SHARED SERVICESREQUIRED AMENDMENTS TO CONSTITUTIONSWEST SOMERSET

Page	Ref	Original	Amended version	Reason(s) for amendment
41	Article 14.03	<u>Legal Proceedings</u> The Proper Officer is authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where the Proper Officer considers that such action is necessary to protect the Council's interests	<u>Legal Proceedings</u> The <b><u>Solicitor to the Council (being the person designated as such in the Council's Inter Authority Agreement with Mendip District Council and Taunton Deane Borough Council relating to the provision of a shared legal service)</u></b> is authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where the <b><u>Solicitor to the Council</u></b> considers that such action is necessary to protect the Council's interests	From the introduction of the Shared Legal Service on 1 April 2015, these responsibilities will pass to the Service and be discharged by the officer designated as the Solicitor to the Council within the IAA relating to the service
99	Scheme of Delegations Table 3	<u>Job Title</u> Support Adviser – Legal <u>Service Area</u> Legal Services	<u>Job Title</u> <b><u>Assistant Chief Executive (formerly Corporate Director)</u></b> <u>Service Area</u> Legal Services	From the introduction of the Shared Legal Service on 1 April 2015, there will be no specific role of "Support Adviser – Legal". Therefore it is necessary to reallocate this responsibility
111	Scheme of Delegations Table 3	<u>Delegated Action</u> Authority to seal deeds on behalf of the Authority <u>Post delegated to undertake the action</u> Proper Officer; Legal/Support Officer	<u>Delegated Action</u> Authority to seal deeds on behalf of the Authority <u>Post delegated to undertake the action</u> <b><u>The Chief Executive, the Assistant Chief Executive, any Director, or the Democratic Services Manager</u></b>	From the introduction of the Shared Legal Service on 1 April 2015, there will be no specific role of "Legal/Support Officer". Therefore it is necessary to amend the arrangements relating to the sealing of documents (with the amendments also reflecting the new JMASS structure)



REPORT NUMBER WSC 44/15  
 PRESENTED BY CLLR K V KRAVIS, LEAD MEMBER FOR RESOURCES AND CENTRAL SUPPORT  
 DATE 25 FEBRUARY 2015  
 Author of report: Fiona Wills, HR & OD Manager  
 Contact details: [f.wills@tauntondeane.gov.uk](mailto:f.wills@tauntondeane.gov.uk)  
 Direct dial: 01823 356450

Report to a meeting of: Council

## PAY POLICY STATEMENT 2015/16

### 1. PURPOSE OF REPORT

1.1. To seek approval from Council for the 2015/16 Pay Policy Statement.

### 2. RECOMMENDATIONS

2.1. That Council approve the Pay Policy Statement 2015/16 as set out in Appendix A to the report.

### 3. RISK ASSESSMENT (IF APPLICABLE)

#### Risk Matrix

Description	Likelihood	Impact	Overall
Failure of Council to approve a Pay Policy Statement by 31 March 2014 will mean that the Council is in breach of the Localism Act 2011 which could damage the Council's reputation or lead to challenge.	2	2	4
<i>The HR Section proactively manages the Policy Review Schedule and the annual requirement to approve a Pay Policy Statement has been added to this Schedule.</i>	1	1	1

The scoring of the risks identified in the above table has been based on the scoring matrix below.

#### Risk Scoring Matrix

Likelihood (Probability)	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)

	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			<b>Impact (Consequences)</b>				

- ▶ 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.

#### **4. BACKGROUND INFORMATION**

**4.1** The Localism Act 2011 requires that a relevant authority must approve, through Full Council, a pay policy statement for the following financial year and this must set out the authority's policies for the financial year relating to a range of factors. This is the fourth year that the Council has needed to approve a pay Policy Statement.

**4.2** The statement for 2015/16 has met the existing requirements of the Localism Act 2011 and statutory guidance from the Department for Communities and Local Government and has been provided to reflect the decisions made by Full Council on 12 November 2013 to enter into the Joint Management and Shared Services Project with Taunton Deane BC.

**4.3** Whilst all employees in the Joint Management and Shared Services Project are now employed by Taunton Deane Borough Council, a written statement on the Local Government Pension Scheme Employers Discretions and Key Pensions Policy has been included as it remains relevant to employees who have previously left employment with the Council.

#### **5. FINANCIAL/RESOURCE IMPLICATIONS**

**5.1** There are no financial implications associated with this report.

#### **6 SECTION 151 OFFICER COMMENTS**

**6.1** The Localism Act requires councils to prepare and publish a pay policy statement for each financial year. The next statement is due for publication before the end of March 2016, which is important in ensuring compliance with statutory requirements.

#### **7. EQUALITY & DIVERSITY IMPLICATIONS**

**7.1** There are no equality and diversity implications arising from this report.

**8. CRIME AND DISORDER IMPLICATIONS**

8.1. There are no crime and disorder implications arising from this report.

**9. CONSULTATION IMPLICATIONS**

9.1. The Council's UNISON Branch have been consulted on this report and has not provided any comments on the Pay Policy Statement for 2015/16.

**10. ASSET MANAGEMENT IMPLICATIONS**

10.1. There are no asset management implications associated with this report.

**11. ENVIRONMENTAL IMPACT IMPLICATIONS**

11.1. There are no environmental implications associated with the content of this report.

**12. LEGAL IMPLICATIONS**

12.1. The Council are required to comply with the provisions of the Localism Act 2011.







## West Somerset Council

### Full Council –

### Pay Policy Statement 2015/16

#### 1. Executive Summary

This pay statement describes the pay arrangements and policies that relate to the pay of the workforce which serves the Joint Management and Shared Services (JMASS) Partnership between Taunton Deane Borough Council and West Somerset Council. This statement describes in particular the arrangements for the JMASS senior staff and its lowest paid employees.

The statement will be considered by elected members of the two councils at Full Council meetings.

#### 2. Background

Section 38 (1) of the Localism Act 2011 requires local authorities to prepare and publish a pay policy statement for each financial year.

The pay statement is intended to bring together sufficient information about the different elements of the local authority's pay policies to enable local taxpayers to reach an informed view about local decisions on all aspects of pay and reward for employees. It also provides the context for the more detailed financial information that is already published by local authorities under the Code of Recommended Practice for Local Authorities on Data Transparency and by the Accounts and Audit (England) Regulations 2011.

#### 3. The Joint Management and Shared Service partnership between Taunton Deane Borough Council and West Somerset Council

In November 2013 the two councils entered into an agreement by which services will be delivered by a single workforce across the two local authority areas.

In order to reduce costs and increase efficiency for the two councils the workforce is led by a single Chief Executive and team of senior staff which replaces the two separate management teams which served the two councils

before the agreement was approved. The two councils share the salary costs of senior employees set out in this statement.

This pay statement has been produced following a period of transition for the workforce. The transfer of staff into new posts in a reorganised single workforce has been completed and all staff, on behalf of the Partnership, are now employed by Taunton Deane Borough Council. Negotiations with UNISON on terms and conditions of employment for the whole of the shared workforce will commence shortly with a view to these new terms being in place by 1 April 2016.

Elected members, at respective Council meetings on 12 November 2013, considered and approved the details of senior salary packages for the Joint Management Team and a revised pay and grading scheme for the single workforce.

This pay statement represents the position on the pay structures and other elements of the remuneration package for staff as at 31 March 2015.

#### 4. **Policy statement**

The Partnership is committed to ensuring transparent, fair and equitable pay and reward arrangements that provide value for money and enable the recruitment and retention of employees with the skills and motivation to deliver high quality services for Taunton Deane Borough Council and West Somerset Council and its communities. The policies that support these objectives are summarised in this document.

#### 5. **Scope**

The pay statement describes the pay arrangements that apply to the Joint Management Team (the senior employees) and the lowest paid employees.

For the purpose of this pay statement **senior employees** are defined as those staff in the top three tiers of management; the Chief Executive, three Directors, the Assistant Chief Executive and seven Assistant Directors.

The pay and grading of employees, other than senior employees, are currently set using pay structures divided into grades within which there are spinal column points setting the pay rates. Posts are allocated to a pay grade through a process of job evaluation.

The current pay and grading structure for the workforce is set out in the attached Appendix B. As agreed by the two Councils, the Taunton Deane Borough Council pay and grading structure will be used when appointments are made to the workforce.

For the purpose of this statement **lowest paid employees** for the two councils are defined as follows:

- Those who receive a salary equivalent to Grade B on the councils' pay structure. This is because no employee of the councils is paid at a grade lower than Grade B (Point 11).

The Councils are required, for the purposes of this statement, to define 'its lowest paid employees' and also to explain why they have adopted this definition.

Other than the posts set out in above (senior management) and recognised apprentices, all posts within the councils have been subject to Job Evaluation to assess the value of the job content and then, subject to that value, have been placed in an agreed grade.

The councils will therefore define their lowest paid employees as those on the minimum pay points as these (apart from apprentices) are the lowest hourly rates paid to employees of the councils. The Councils have adopted this definition, as it can be easily understood.

It should, however, be pointed out that the Taunton Deane Borough Council pay scales were amended by Members to commence from the current 'Living Wage' (outside of London) in December 2013 and therefore the lowest hourly rate paid to employees is now in excess of the Living Wage.

## **6. Remuneration of senior employees**

As part of the annual Pay Policy Statement each council must state:

- (a) The elements of remuneration for each senior employee and these are set out in Appendix A.
- (b) The policy for determining the remuneration of senior employees on recruitment.

The Joint Management Team are employed on fixed pay points for all posts within the top three tiers and therefore remuneration in terms of salary will be fixed on appointment if these remained unaltered.

Any other elements of remuneration, as set out in Appendix A, that are relevant at the point of recruitment are highlighted accordingly.

The Leaders will, after taking independent pay advice from South West Councils or similar, recommend the remuneration package on appointment to the above posts to Full Council prior to advertisement of any vacancy. The remuneration package will then be subject to the approval of Full Council.

- (c) How any increases and additions to remuneration for each senior employee are made?

Annual cost of living pay awards are negotiated nationally by the Local Government Employers organisation and, where a pay award is agreed, these will be applied to the fixed pay point of the employee.

The Councils have the ability to determine certain Local Government Pension Scheme discretions and the Discretions which have been adopted by each authority are attached in Appendices C (Taunton Deane Borough Council) and F (West Somerset Council).

The post of Chief Executive is employed on the Terms and Conditions of Employment agreed by the Joint Negotiating Committee (JNC) for Chief Executives and all other senior employees are covered by the Terms and Conditions of Employment agreed by the JNC for Chief Officers all of which are supplemented by local terms and conditions agreed by Taunton Deane Borough Council as the employer.

- (d) The use of performance-related pay for chief officers.

The councils do not operate Performance Related Pay schemes for any of its staff.

- (e) The use of bonuses for senior employee.

The councils do not operate Bonus Schemes or Bonus Payments for any of its staff.

- (f) The approach to the payment of senior employees on their ceasing to hold office under or to be employed by the authority

Any termination payments to senior employees on ceasing office will comply with the policies current at that time, which will have been approved by Full Council of the employing authority. No additional termination payments will be made without the approval of the Executive/Cabinet, this will include any Settlement Agreements, which may be subject to a confidentiality clause. The current joint redundancy policy is attached at Appendix F and retirement policies are attached as Appendices G (Taunton Deane Borough Council) and H (West Somerset Council).

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

- (g) The remuneration of senior employees who return to Local Authority employment.

Where the senior employee:

- (i) Was a previously employed senior employee who left with a severance payment and applies to comeback as a senior employee.

Executive/Cabinet approval would be required to authorise re-employment within the authority of a previously employed senior employee who had left with a severance payment and is seeking re-employment.

- (ii) Was previously employed by the same authority and have comeback as a senior employee under a contract for services.

Executive/Cabinet will be required to approve any award of a 'contract for services' to a senior employee who has previously been employed by the authority.

- (iii) Is in receipt of a Local Government Pension Scheme Pension.

If an employee receiving a pension from the Local Government Pension Scheme becomes re-employed then their pension could be affected. If their pension plus the earnings from their new job is higher than the final pay their pension was calculated on, then their pension will be affected. For every pound that their earnings plus pension exceed previous pay, then their pension will reduce by a pound. This abatement will last for as long as the person exceeds their limit (so either when the new job ends or they reduce their hours so their earnings drop down below the acceptable level).

However, abatement is not applied where the member's pension is less than £3000 per annum.

The Chief Executive is the appointed Returning Officer for Taunton Deane whilst the Assistant Chief Executive is the appointed Returning Officer for West Somerset Council and both receive a fee for County, District and Parish Council and for Parliamentary Election duties. The fee for undertaking this role varies from year to year and is not subject to this policy since fee levels are set regionally and nationally.

## **7. Remuneration of other employees**

As explained in paragraph 5 above, the pay structure for all other employees consists of grades and incremental points set out in the attached appendices. Grades are allocated to jobs through a process of job evaluation which establishes the relative value of different jobs within the workforce. Both councils previously operated the same job evaluation scheme (the Greater London Provincial Council Scheme) and both Councils have agreed to continue to use this Scheme for the shared workforce. Salaries for all employees (including senior employees) are subject to increases agreed under national pay award settlements.

The councils' pay structures create the basis of the relationship between the pay of all employees within the scope of the Pay Policy Statement.

The maximum salary for the post of Chief Executive is approximately 7.23:1 times the maximum salary of the lowest paid employee in the workforce. The maximum salary of the Directors is 5.37:1 times the maximum salary of the lowest paid employee. The maximum salary of the Assistant Directors is 4.02:1 times the lowest paid employee.

The maximum salary for the post of Chief Executive is approximately 4.23:1 times the mean FTE salary.

## **8. Transparency and Publication of Data**

The councils will publish the Pay Policy Statement on the Taunton Deane Borough Council and West Somerset Council websites alongside other information relating to transparency/open government and this can be found on:

<https://www.westsomersetonline.gov.uk/transparency>  
[http://www.tauntondeane.gov.uk/irj/public/council/consultations/consultation?rid=/wpccontent/Sites/TDBC/Web%20Pages/Council/Consultations/Transparency%20Open%20Data\\_0](http://www.tauntondeane.gov.uk/irj/public/council/consultations/consultation?rid=/wpccontent/Sites/TDBC/Web%20Pages/Council/Consultations/Transparency%20Open%20Data_0)

## **9. Review**

The Localism Act requires councils to prepare and publish a pay policy statement for each financial year. The next statement is due for publication before the end of March 2016.

**Appendices**

- Appendix A Remuneration to senior staff
- Appendix B Taunton Deane Borough Council Pay and Grading Structure
- Appendix C Taunton Deane Borough Council Local Government Pension Scheme Discretions
- Appendix D Taunton Deane Borough Council redundancy policy
- Appendix E Taunton Deane Borough Council Flexible Retirement Policy
- Appendix F West Somerset Council Local Government Pension Scheme Discretions

## Appendix A – Remuneration to Senior Staff

### The Level and Remuneration for each Chief Officer

Post	Statutory Role	Terms and Conditions and JE Status	Salary	Salary Progression	Bonus or Performance related pay	Other Benefits	Pension Enhancement in Year
Chief Executive	Head of Paid Service	JNC Chief Executives – Out of JE	£110,000	No	No	Lease Car  Payment of Professional Subscription  *Election payments – Returning Officer  Payments relating to LGPS Employer Contributions	No
Strategic Director of Operations and Deputy Chief Executive	Section 151 Officer	JNC Chief Officers – Out of JE	£86,700	No	No	Lease Car  Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Strategic Director of Housing and Communities		JNC Chief Officers – Out of JE	£81,600	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Strategic Director Growth and Development		JNC Chief Officers – Out of JE	£81,600	No	No	Lease Car  Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No



Post	Statutory Role	Terms and Conditions and JE Status	Salary	Salary Progression	Bonus or Performance related pay	Other Benefits	Pension Enhancement in Year
Assistant Chief Executive	Monitoring Officer	JNC Chief Officers – Out of JE	£64,770	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Housing and Community Development		JNC Chief Officers – Out of JE	£61,200	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Corporate Services		JNC Chief Officers – Out of JE	£61,200	No	No	Lease Car  Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Planning and Environment		JNC Chief Officers – Out of JE	£61,200	No	No	Lease Car cash allowance  Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Resources		JNC Chief Officers – Out of JE	£61,200	No.	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No

Post	Statutory Role	Terms and Conditions and JE Status	Salary	Salary Progression	Bonus or Performance related pay	Other Benefits	Pension Enhancement in Year
Assistant Director Business Development		JNC Chief Officers – Out of JE	£61,200	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Operational Delivery		JNC Chief Officers – Out of JE	£61,200	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Property & Development		JNC Chief Officers – Out of JE	£61,200	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No

- \* Additional payments are made by Central Government to officers carrying out additional duties at elections. These payments will only be received when elections take place and vary according to the responsibility undertaken.
- \*\* These thresholds relate to the publication of salary information as required under the Code of Recommended Practice for Local Authorities on Data Transparency (£58,200 is the minimum of the Senior Civil Service minimum pay band) and the Audit and Accounts Regulations (£50,000)
- \*\*\* JNC Chief Officers – Out of JE. The job evaluation scheme does not cover the evaluation of Chief Officer posts. These posts are evaluated against market data provided by South West Councils detailing comparable Chief Officer posts within similar sized district councils.

**Appendix B Taunton Deane Borough Council Pay and Grading Structure**  
applicable from 1.01.2015

<b>Grade</b>	<b>SCP</b>				
<b>A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>B</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>11</b> £15,207
<b>C</b>	<b>12</b> £15,523	<b>13</b> £15,941	<b>14</b> £16,231	<b>15</b> £16,572	<b>16</b> £16,969
<b>D</b>	<b>17</b> £17,372	<b>18</b> £17,714	<b>19</b> £18,376	<b>20</b> £19,048	<b>21</b> £19,742
<b>E</b>	<b>22</b> £20,253	<b>23</b> £20,849	<b>24</b> £21,530	<b>25</b> £22,212	<b>26</b> £22,937
<b>F</b>	<b>27</b> £23,698	<b>28</b> £24,472	<b>29</b> £25,440	<b>30</b> £26,293	<b>31</b> £27,123
<b>G</b>	<b>32</b> £27,924	<b>33</b> £28,746	<b>34</b> £29,558	<b>35</b> £30,178	<b>36</b> £30,978
<b>H</b>	<b>37</b> £31,846	<b>38</b> £32,778	<b>39</b> £33,857	<b>40</b> £34,746	<b>41</b> £35,662
<b>I</b>	<b>42</b> £36,571	<b>43</b> £37,483	<b>44</b> £38,405	<b>45</b> £39,267	<b>46</b> £40,217
<b>J</b>	<b>47</b> £41,140	<b>48</b> £42,053	<b>49</b> £42,957	<b>50</b> £43,881	<b>51</b> £44,778
<b>K</b>	<b>52</b> £45,690	<b>53</b> £46,596	<b>54</b> £47,508	<b>55</b> £48,210	<b>56</b> £48,915
<b>L</b>	<b>57</b> £49,614	<b>58</b> £50,319	<b>59</b> £51,021	<b>60</b> £51,723	<b>61</b> £52,428

## **Appendix C - Written Statement on Local Government Pension Scheme Employers Discretions and Key Pensions Policy**

**Taunton Deane Borough Council**

**April 2015 to 31 March 2016**

### **LGPS (Administration) Regulations 2008**

#### **Regulation B30 (2)**

The Council will allow individual former employees leaving employment on or before 31 March 2014 the option to request early payment of benefits after on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

#### **Regulation B30 (5)**

With regard to the early payment of benefits on or after age 55 and before age 60 made under B30 (2) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

#### **Regulation B30A (3)**

The Council will allow the option to request an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 which will be considered on a case-by-case including the production of evidential support. This applies to employees leaving service on or before 31 March 2014.

#### **Regulation B30A (5)**

With regard to an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 made under B30A (3) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

## **Local Government Pension Scheme Regulations 1997 (as amended) in relation to active councillor members and pre 1 April 2008 scheme leavers.**

### **Regulation 31 (2)**

The Council will allow a post 31 March 1998/pre 1 April 2008 leaver or from a councillor member the option to request early payment of benefits after on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

### **Regulation 31 (5)**

With regard to the early payment of benefits made in accordance with Regulation 31 (2) the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

### **Regulation 31 (7A)**

The Council will allow councillor optants out and pre 1 April 2008 employee optants out the option to request payment of benefits at normal retirement date and these will be considered on a case-by-case basis following the production of a business case.

## **The Local Government Pension Scheme Regulations 2013**

### **Regulation 100 (6)**

It is not Council policy to extend the 12-month limit on transfer of previous pension rights into the LGPS.

### **Regulation 9 (1) and 9 (3)**

It is Council policy to allow employee contribution rates to be determined as changes occur during the financial year.

### **Regulation 16(2)(e) and 16(4)(d) Funding of Additional Pension**

It is not the policy of the Council to fund additional pension and will not enter into a shared cost additional pension contributions arrangement.

### **Regulation 30(6) Flexible Retirement**

The Council will allow benefits to be paid to a member of staff if they reduce their hours/grade (known as flexible retirement) and this is set out in the Council's Retirement Policy. Each case will be decided individually after the consideration of a detailed business case and only applies to those aged 55 and over.

**Regulation 30(8)**

With regard to flexible retirement and requests from staff aged 55 or over for retirement the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

**Regulation 31 Award of Additional Pension**

It is not the policy of the Council to award Employer APC for active member leaving on redundancy/efficiency other than by allowing employees leaving on grounds of redundancy/efficiency to use compensation payments to fund additional pensions.

**The Local Government (Early Termination of Employment) Discretionary Compensation Regulations 2006**

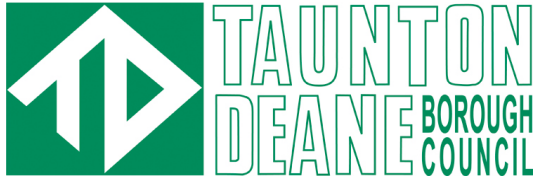
As set out in the Redundancy Policy the Council do not limit redundancy payments to the statutory maximum weekly pay threshold and instead use actual weekly pay of the employee.

The Council does not offer a minimum payment with regard to redundancy. Benefits are calculated using actual weekly pay and the statutory number of weeks as calculated against continuous local government service (and service covered by the Modification Order).

The Council provides up to 60 weeks compensation, in addition to any redundancy payment as set out in both the Compensation Policy.

Where additional compensation is paid the employee has the option to augment pension benefits by using all of the additional compensation unless specific criteria are met.

## Appendix D – Taunton Deane Borough Council and West Somerset Council Redundancy Policy



Implementation date of policy      13 November 2013

Review date                                      April 2015

### **Redundancy and Redeployment (transition) Policy**

#### **Introduction**

This policy covers any redundancy situations that may arise following the approval of the business case for joint management and shared services between Taunton Deane Borough Council and West Somerset Council (the Councils).

The Councils recognise a responsibility to safeguard the job security and prospects of their employees as far as possible. They also recognise that they must adapt to change and that this process of combining two sets of employees will inevitably affect the structure and size of the workforce.

#### **Scope**

The policy applies to the employees of both of the Councils and will cover the period following the approval at Full Council of the business case for joint management and shared services between the Councils.

The policy will be reviewed in April 2015 with UNISON to ensure its continued relevance and effectiveness. An extension may be applied with agreement of UNISON.

#### **Aims**

The aim of this policy is to set out one procedure that will be followed by both Councils throughout the transition period. In doing so, it ensures employees, managers and UNISON are clear of the procedure that is being followed through any redundancy process.

As far as possible, the Councils will seek to avoid or minimise the need for compulsory redundancies, this policy sets out the ways in which the Councils will do this.

## **Redundancy Procedure**

### **Consultation**

Where the possibility of redundancies is identified the Councils will inform and consult with the relevant trade union representatives as early as possible and before any formal decisions have been made. As part of the consultation the Council will provide the following information:

- the reasons for the proposed redundancies;
- the numbers and descriptions of employees it proposes to make redundant;
- the total number of employees of those descriptions employed at the establishment in question;
- the proposed method of selecting those who may be dismissed;
- the proposed method of carrying out the dismissals, including the period over which the dismissals are to take effect;
- the proposed method of calculating any redundancy payments;
- the number of agency workers working temporarily for, and under the supervision and direction of, the employer;
- the parts of the employer's business in which the agency workers work; and
- the type of work that the agency workers carry out.

Formal consultation shall be deemed to commence on the date when these details are given in a letter to the Branch Secretaries of both Branches.

Consultation timescales will depend upon the scale of potential redundancies and will be as follows:

- A minimum of 30 days before the first dismissal takes effect, where up to 99 employees are to be made redundant over a period of 90 days or less; or
- A minimum of 45 days before the first dismissal takes effect, where more than 100 employees are to be made redundant over a period of 90 days or less

Any consultation responses received in time will be included in any committee reports to be considered by the appropriate Committee.

### **Measures to avoid or minimise compulsory redundancies**

The Councils will, in consultation with the appropriate trade union representatives explore any options to avoid or minimise the need for compulsory redundancies. Alternatives may include (not in order of priority):

- Reductions through natural staff turnover (ie not automatically replacing employees who leave);
- Seeking volunteers for redundancy;
- Redeployment, including retraining where appropriate;
- Stopping or reducing overtime other than contractual or emergency overtime;
- Restrictions on permanent and/or external recruitment;
- Termination of casual or agency worker arrangements;
- Flexible retirements/voluntary reduction in hours.



## **Employees ‘at risk’ of redundancy**

### **Notification of ‘at risk’ status**

As soon as practicable after the unions have been informed of the potential for redundancies, any individuals affected will be informed that they are ‘at risk’ of redundancy and that consultation has commenced. An individual will be identified as being ‘at risk’ of redundancy if their current post does not exist in a new structure or there will be a reduction in the number of the same post in a new structure. This will be confirmed in writing with an estimate of any redundancy payment and if applicable, pension payment due.

Throughout the consultation period, further meetings (usually mid consultation and at the end of the consultation period) will be arranged with individuals ‘at risk’ of redundancy to discuss any concerns, redeployment opportunities, any selection processes etc. Records of any discussions will be kept on the employee’s personal file.

### **Rights of employees ‘at risk’**

Employees ‘at risk’ of redundancy have certain rights. The Councils will make every effort to redeploy the individuals within the Councils services.

Employees are entitled to reasonable paid time off to look for alternative employment. This may include time off to attend interviews or attend relevant training courses. A reasonable amount of time is considered to be up to two days per week (pro rata for part-time employees). Such time off must be arranged in advance with the line manager.

A central register of employees ‘at risk’ of redundancy will be held in HR and those employees put ‘at risk’ will be informed by HR of all relevant vacancies arising within the Councils. Efforts will be made to redeploy employees within the Councils to retain skills, knowledge and experience and reasonable training will be provided if necessary.

The Councils will make every effort to facilitate employees search for new employment, either through in-house support or, on occasions, outplacement specialists. Support may include; advice on writing application forms or preparing CVs, interview tips, coaching etc.

### **Selection for redundancy**

Once a proposal for a restructure or reduction in headcount is approved and where compulsory redundancies are unavoidable, the ring fence arrangements and process of selection for redundancy will be agreed with UNISON. It may include some or all of the following criteria:

- Attendance records (other than absences covered by the Equality Act 2010);
- Disciplinary records (‘live’ warnings only);
- Skills and experience;
- Past performance records;
- A selection interview.

If a function or service is to be discontinued all employees directly related to the provision of that function will automatically be selected for redundancy.

If there is to be a reduction in the number of posts but the job descriptions remain largely unchanged, (i.e. duties are more than 80% the same). Selection will be based on agreed criteria and made by a selection panel that comprises of a higher level of management, at least one member of Corporate Management Team (CMT) and a representative from HR.

If a restructure involves the creation of new roles, selection for redundancy will be dependant on success at interview for those new roles. A new role is one where the duties are more than 20% different. A ring fence of employees that can apply for the new posts will be agreed with UNISON and will be based on job type, grade and/or salary levels. The appointment panel should consist of managers from a higher level of management, at least one member of CMT and a representative from HR.

This appointment process does not apply to posts named as Scheduled Posts on the constitution, (i.e. Joint Chief Executive, Strategic Directors, Corporate Directors, Theme Managers and Corporate Managers). As these appointments require an Appointments Committee, comprising of at least one member of each of the Councils Executive/Cabinet Committees.

The employee/s selected for redundancy will receive written notification of the reasons for their selection as well as their proper contractual notice in accordance with their contract of employment or statutory notice whichever is greater.

**NB:** The cost of redundancy is not a factor that will be taken into account when selection for redundancy is made.

### **Calculation of redundancy payments**

Employees will be notified personally about their redundancy entitlements as soon as possible after they have been notified that they are 'at risk' of redundancy, including the compensation/severance payment in writing and details of any pension due where applicable.

The qualifying service in respect of redundancy payments is two years continuous local government service (in accordance with the Redundancy Payments (Local Government) Modification Order. Reckonable service is limited to the last 20 years before redundancy.

Statutory redundancy payments are made according to the following scale:

- (a) one and a half week's pay\* for each year of employment during which the employee was aged 41 and over;
- (b) one week's pay\* for each year of employment during which the employee was aged 22 to 40 inclusive;
- (c) half a week's pay\* for each year of employment in which the employee was aged 21 and under.

\* A week's pay is based on contractual pay and does not include occasional overtime or additional payments.

Appendix one includes a table with the number of statutory weeks entitlement according to age and continuous service.

If prior to the expiry of the employee's notice of dismissal an individual receives an offer of employment with a related employer (in accordance with the Redundancy Payments Continuity of Employment in Local Government Modification Order 1999) to start immediately or within four weeks of the end of the previous employment, a redundancy payment cannot be made by the Council.

### **Compensation/severance payments**

The Councils operate a discretionary enhanced redundancy payment scheme under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, as compensation for the loss of employment on redundancy grounds. Details of the Council's schemes are available from the HR representatives.

Employees will be entitled to the discretionary compensation/severance payments in accordance with the existing policy of their employing Council.

Redundancy and compensation/severance payments will be made to employees within 4 weeks of the date of leaving employment.

### **Local Government Pension Scheme Payments**

Employees that have been members of the LGPS for 3 month's or more and are aged 55 or over, are entitled to the immediate unreduced payment of their LGPS benefits if dismissed on the grounds of redundancy.

### **Redeployment Procedure**

Wherever possible employees will be redeployed to avoid compulsory redundancy.

The Councils reserve the right in agreement with UNISON to apply a ring fence to new roles that are created as a result of any proposed restructures and offer them in the first instance to those employees at a similar job type grade/salary level within the existing structure and who have the relevant skills and experience that match the job description or person specification.

Where there is only one individual matched with the new position they will be slotted in.

Where there is more than one employee that matches the role or a group of employees to more than one role, a selection procedure panel will take place that involves a formal interview and other recruitment selection procedures.

All other vacancies arising within the Council where a suitable ring fence is not identified will be offered to employees 'at risk' of redundancy in the first instance.

Such vacancies will be sent initially to the HR Team who will check them against the 'at risk' register for any suitable candidates. Employees will be matched according to the essential criteria on the person specification, salary levels and preferred hours of work. Consideration must also be given to any reasonable appropriate training that will enable them to perform the duties of the role.

Any employees that meet the essential criteria will be made an offer of redeployment. Where more than one employee is matched to a vacancy a selection process will apply.

Any offer of redeployment will be made in writing and will include reference to a trial period, any training available, terms and conditions and protection arrangements if applicable.

Any employees that are redeployed into a new role will be given a 4 week trial period. This period may be extended by mutual agreement.

If the trial period is successful the employee will be sent written confirmation of any changes to terms and conditions. If the trial period is deemed unsuccessful by the manager, contractual notice will be reduced by the length of the trial period.

If an offer of redeployment is made by the Councils and the employee decides during the trial period that they wish to reject the offer, they must advise HR in writing within the trial period.

An employee who believes that a job offer is not suitable alternative employment may claim a redundancy payment. However, this will only be paid where the Councils agree that the job is unsuitable. The decision will be made by a Member of CMT, taking account of any changes to terms and conditions and the level of seniority.

### **Pay Protection and Trickle Down**

As part of this policy there will be no protection for employees who are redeployed into another post.

Once agreed, ringfences will operate distinctly from one another without the ability to trickle down or across.

### **Appeals**

If an employee is aggrieved about their selection for redundancy they have the right of appeal. The appeal must be received in writing by HR within 10 working days of the decision being made. Refer to Council Appeal Procedure.

If the selection for redundancy was made by the Joint Chief Executive the employee will have the right of appeal to be heard by an Appeal Committee comprising of at least one member of each of the Councils Executive/Cabinet Committee.

If the selection for redundancy was made by a Member of CMT other than the Joint Chief Executive the employee will have a right of appeal to be heard by the Joint Chief Executive.

All decisions made by the appeal panel are final.

**Appendix one – Table to show entitlement to statutory weeks redundancy based on age and continuous service**

		Years Service																		
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Age	18																			
	19																			
	20	1.0	1.0	1.0	1.0															
	21	1.0	1.5	1.5	1.5	1.5														
	22	1.0	1.5	2.0	2.0	2.0	2.0													
	23	1.5	2.0	2.5	3.0	3.0	3.0	3.0												
	24	2.0	2.5	3.0	3.5	4.0	4.0	4.0	4.0											
	25	2.0	3.0	3.5	4.0	4.5	5.0	5.0	5.0	5.0										
	26	2.0	3.0	4.0	4.5	5.0	5.5	6.0	6.0	6.0	6.0									
	27	2.0	3.0	4.0	5.0	5.5	6.0	6.5	7.0	7.0	7.0	7.0								
	28	2.0	3.0	4.0	5.0	6.0	6.5	7.0	7.5	8.0	8.0	8.0	8.0							
	29	2.0	3.0	4.0	5.0	6.0	7.0	7.5	8.0	8.5	9.0	9.0	9.0	9.0						
	30	2.0	3.0	4.0	5.0	6.0	7.0	8.0	8.5	9.0	9.5	10.0	10.0	10.0	10.0					
	31	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	9.5	10.0	10.5	11.0	11.0	11.0	11.0				
	32	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	10.5	11.0	11.5	12.0	12.0	12.0	12.0			
	33	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	11.5	12.0	12.5	13.0	13.0	13.0	13.0		
	34	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	12.5	13.0	13.5	14.0	14.0	14.0	14.0	
	35	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	13.5	14.0	14.5	15.0	15.0	15.0	15.0
	36	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	14.5	15.0	15.5	16.0	16.0	16.0
	37	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	15.5	16.0	16.5	17.0	17.0
	38	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	16.5	17.0	17.5	18.0
39	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	17.5	18.0	18.5	
40	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	18.5	19.0	
41	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	19.5	
42	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	
43	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	

		Years Service																		
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Age	44	3.0	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5
	45	3.0	4.5	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0
	46	3.0	4.5	6.0	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5
	47	3.0	4.5	6.0	7.5	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0
	48	3.0	4.5	6.0	7.5	9.0	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5
	49	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0	24.0
	50	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5
	51	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0	24.0	25.0
	52	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
	53	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.0	20.0	21.0	22.0	23.0	24.0	25.0	26.0
	54	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
	55	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.0	23.0	24.0	25.0	26.0	27.0
	56	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	23.5	24.5	25.5	26.5	27.5
	57	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.0	26.0	27.0	28.0
	58	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	26.5	27.5	28.5
	59	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.0	29.0
	60	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	29.5
	61	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0
	62	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0
	63	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0
	64	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0

## **Appendix E – Taunton Deane Borough Council Flexible Retirement Policy**

### **Taunton Deane Borough Council**

#### **Full or Partial Flexible Retirement Policy**

1. Employees aged 55 (aged 50 up to 31 March 2010) who are members of the Local Government Pension Scheme are able to request payment of early retirement benefits whilst remaining in the Council's employment on reduced hours or a lower grade.
2. This right does not apply to employees who are in receipt of a redundancy payment and early pension benefits or who have taken early retirement in the interests of the efficiency of the service.
3. As a guide, a business case for flexible retirement where any reduction is minimal (e.g. less than 20% either in terms of reduced hours or lower grade) may be difficult to objectively justify.
4. Requests for flexible working may be instigated by employees who meet the criteria set out in 1. above at anytime but will only be able to make one request in any 12 month period.
5. An employee should, in the first instance, approach their line manager with a request for reduced hours, more flexible working patterns by putting their request in writing.
6. The line manager will notify the HR Advisory Team and a meeting will be arranged within 21 days to discuss the request from the employee.
7. At this point the HR Advisory Team will request an estimate of early retirement benefits from the Pension Section of Somerset County Council which will be provided to the employee and be used to complete the Flexible Retirement Approval Request Form.
8. The meeting between the employee, line manager and a member of the HR Advisory Team will discuss the request and business case and will only be referred for approval if it is operationally viable.
9. If the request is referred for approval this will be considered by the relevant Theme Manager/Service Unit Manager and the HR Manager.
10. It should be noted that employees who are retiring in this way before their normal retirement age will suffer an actuarial reduction in their benefits to reflect early payment. In exceptional compassionate circumstances the Council has the right to waive this actuarial reduction.
11. If the request is not referred for approval this will be confirmed to the employee in writing to the employee within 14 days of the meeting. The

employee would have the right of appeal against this decision which should be made in writing to the Retained HR Manager within 10 days of receipt of the reason for refusal of the request or refusal to waive the actuarial reduction on compassionate grounds where the request is approved.

12. Appeals will be heard by a Strategic Director advised by the Retained HR Manager.

Approved by Council – October 2009



**Retirement in the Interest of Efficiency Pay – Ready Reckoner**

Age	Complete Year's Service																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
18		1																		
19		1	1.5																	
20		1	1.5	2																
21		1	1.5	2	2.5															
22		1	1.5	2	2.5	3														
23		1.5	2	2.5	3	3.5	4													
24		2	2.5	3	3.5	4	4.5	5												
25		2	3	3.5	4	4.5	5	5.5	6											
26		2	3	4	4.5	5	5.5	6	6.5	7										
27		2	3	4	5	5.5	6	6.5	7	7.5	8									
28		2	3	4	5	6	6.5	7	7.5	8	8.5	9								
29		2	3	4	5	6	7	7.5	8	8.5	9	9.5	10							
30		2	3	4	5	6	7	8	8.5	9	9.5	10	10.5	11						
31		2	3	4	5	6	7	8	9	9.5	10	10.5	11	11.5	12					
32		2	3	4	5	6	7	8	9	10	10.5	11	11.5	12	12.5	13				
33		2	3	4	5	6	7	8	9	10	11	11.5	12	12.5	13	13.5	14			
34		2	3	4	5	6	7	8	9	10	11	12	12.5	13	13.5	14	14.5	15		
35		2	3	4	5	6	7	8	9	10	11	12	13	13.5	14	14.5	15	15.5	16	
36		2	3	4	5	6	7	8	9	10	11	12	13	14	14.5	15	15.5	16	16.5	17
37		2	3	4	5	6	7	8	9	10	11	12	13	14	15	15.5	16	16.5	17	17.5
38		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16.5	17	17.5	18
39		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17.5	18	18.5
40		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18.5	19
41		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19.5
42		2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5
43		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44		3	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5
45		3	4.5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46		3	4.5	6	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5
47		3	4.5	6	7.5	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48		3	4.5	6	7.5	9	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5
49		3	4.5	6	7.5	9	10.5	12	13	14	15	16	17	18	19	20	21	22	23	24
50		3	4.5	6	7.5	9	10.5	12	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5
51		3	4.5	6	7.5	9	10.5	12	13.5	15	16	17	18	19	20	21	22	23	24	25
52		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
53		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19	20	21	22	23	24	25	26
54		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
55		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22	23	24	25	26	27
56		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	23.5	24.5	25.5	26.5	27.5
57		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25	26	27	28
58		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	26.5	27.5	28.5
59		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28	29
60		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	29.5
61 plus		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30

**APPENDIX F****WRITTEN STATEMENT ON LOCAL GOVERNMENT PENSION SCHEME EMPLOYERS  
DISCRETIONS AND KEY PENSIONS POLICY****WEST SOMERSET COUNCIL****April 2014 to 31 March 2015****LGPS (Administration) Regulations 2008****Regulation B30 (2)**

The Council will allow individual former employees leaving employment on or before 31.03.14 the option to request early payment of benefits after on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

**Regulation B30 (5)**

With regard to the early payment of benefits on or after age 55 and before age 60 made under B30 (2) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

**Regulation B30A (3)**

The Council will allow the option to request an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 which will be considered on a case-by-case including the production of evidential support. This applies to employees leaving service on or before 31 March 2014.

**Regulation B30A (5)**

With regard to an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 made under B30A (3) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

**Local Government Pension Scheme Regulations 1997 (as amended) in relation to active  
councillor members and pre 1.4.08 scheme leavers.****Regulation 31 (2)**

The Council will allow a post 31/3/98/pre 1/4/08 leaver the option to request early payment of benefits after on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

**Regulation 31 (5)**

With regard to the early payment of benefits made in accordance with Regulation 31 (2) the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

**Regulation 31 (7A)**

The Council will allow pre 1/4/08 employee optants out the option to request payment of benefits at normal retirement date and these will be considered on a case-by-case basis following the production of a business case.

**The Local Government Pension Scheme Regulations 2013****Regulation 100 (6)**

It is not Council policy to extend the 12-month limit on transfer of previous pension rights into the LGPS.

**Regulation 9 (1) and 9 (3)**

It is Council policy to allow employee contribution rates to be determined as changes occur during the financial year.

**Regulation 16(2)(e) and 16(4)(d) Funding of Additional Pension**

It is not the policy of the Council to fund additional pension and will not enter into a shared cost additional pension contributions arrangement..

**Regulation 30(6) Flexible Retirement**

The Council will allow benefits to be paid to a member of staff if they reduce their hours/grade (known as flexible retirement) and this is set out in the Council's Retirement Policy. Each case will be decided individually after the consideration of a detailed business case and only applies to those aged 55 and over.

**Regulation 30(8)**

With regard to flexible retirement and requests from staff aged 55 or over for retirement the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

**Regulation 31 Award of Additional Pension**

It is not the policy of the Council to award Employer APC for active member leaving on redundancy/efficiency other than by allowing employees leaving on grounds of redundancy/efficiency to use compensation payments to fund additional pensions..

**The Local Government (Early Termination of Employment) Discretionary Compensation Regulations 2006**

As set out in the Redundancy Policy the Council do not limit redundancy payments to the statutory maximum weekly pay threshold and instead use actual weekly pay of the employee.

The Council does not offer a minimum payment with regard to redundancy. Benefits are calculated using actual weekly pay and the statutory number of weeks as calculated against continuous local government service (and service covered by the Modification Order).

The Council provides up to 30 weeks compensation, in addition to any redundancy payment as set out in both the Redundancy and Retirement Policies.

Where additional compensation is paid the employee has the option to augment pension benefits by using all of the additional compensation.