

Executive – 4 December 2013

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Cavill, Hayward, Mrs Herbert, Mrs Stock-Williams and Mrs Warmington

Officers: Penny James (Chief Executive), Shirlene Adam (Strategic Director), Brendan Cleere (Strategic Director), Joy Wishlade (Strategic Director), Richard Sealy (Corporate and Client Services Manager), Maggie Hammond (Strategic Finance Officer), Dean Emery (Principal Revenues Officer), Heather Tiso (Head of Revenues and Benefits Service), Dan Webb (Performance Lead), Nick Tregenna (Principal Accountant, Southwest One), James Barrah (Health and Housing Theme Manager), Phil Webb (Housing Manager – Property Services), Richard Burge (Deane Helpline – General Manager), Stephen Boland (Housing Services Lead), Scott Weetch (Environmental Health Lead), Shari Hallett (Business Support Lead), Paul Hadley (Housing Manager - Lettings and Anti-Social Behaviour), Phil Bisatt (UNISON), David Evans (Economic Development Manager), Mark Green (Regeneration Delivery Manager), and Richard Bryant (Democratic Services Manager and Corporate Support Lead)

Also present: Councillors Coles, Gaines, Horsley, R Lees and A Wedderkopp
Bob Baber and Keith Jones from Bob Baber Associates
Mark Dawson and Val Hammond from the Taunton Theatre Trust
Michael Launchbury of David Pratley Associates
Graham Love, Taunton Town Centre Manager
Tim Ackland and Pat Mayhew from the Taunton Town Centre Company Limited

(The meeting commenced at 6.15 pm.)

52. Apology

Councillor Edwards.

53. Minutes

The minutes of the meeting of the Executive held on 13 November 2013, copies of which had been circulated, were taken as read and were signed.

54. Asset Strategy

Considered report previously circulated, concerning the Council's new Asset Strategy.

Central Government had provided a clear direction to local authorities to make better use of property assets in order to minimise Council Tax increases and protect services.

The Peer Review undertaken during 2012 had identified the need for the Council to make better use of its property assets.

The Executive had formally adopted a new Asset Management Plan (AMP) at the beginning of the year, but this had been subject to a more detailed and strategic review of the approach to asset management being undertaken following the agreement of the Corporate Business Plan.

The Business Plan had included an action to commission a review of the Council's approach to managing its property assets to identify and implement a new Asset Strategy which would assist the Council in achieving financial sustainability. It was recognised that to achieve this objective specialist external expertise would be needed to assist in developing the new Strategy.

Following a procurement exercise, Bob Baber Associates were appointed in August 2013 to develop the new Asset Strategy and Decision Making Framework.

The objective of the review was to develop a Strategy which maximised the return from Taunton Deane's assets and which provided a clear decision making framework for future property asset decisions.

Specifically the new Asset Strategy would:-

- i) Ensure the Council made best use of its property assets to deliver Taunton Deane's Corporate Objectives and to help deliver financial sustainability;
- ii) Clearly articulate the balance between financial return and wider objectives;
- iii) Clearly reflect the Council's appetite for risk and reward; and
- iv) Provide a clear framework for future decisions about acquisitions and disposals, with appropriate levels of delegations regarding decisions.

If agreed by Members, the new Asset Strategy and Decision Making Framework would need to be applied to our existing asset portfolio and future acquisitions and disposals.

The Strategy would encompass the Council's approach to all non-housing property assets, although certain Housing Revenue Account assets (for example, shops) would be included within the scope. Noted that the Asset Strategy project overlapped with and had helped to inform other projects such as the Customer Access and Accommodation Projects.

Further reported that the development of the Strategy by Bob Baber Associates had involved a two stage approach.

The first stage had involved data collection and meetings with key stakeholders to understand the current position and the aspirations for the future. Specifically this had involved:

- i) The collation and review of key documents such as the Asset Management Plan (AMP), Corporate Business Plan, Service Plans, property records, financial information and reports and Council reports;
- ii) Meetings with key stakeholders such as the Corporate Management Team, Deane DLO, Housing, Finance, Property Services, Legal Services, Economic Development, Project Taunton and the Customer Access and Accommodation Projects; and
- iii) Workshop sessions with Members.

The second stage had involved the detailed analysis of the information collected, stakeholder and Member feedback in order to inform the draft Strategy.

The research undertaken to inform the new Strategy had identified a number of key issues. These were outlined in detail in the draft Strategy document – a copy of which had been circulated to Members – and were summarised below:-

- The acute financial pressures on the Council to which the property portfolio would need to respond;
- The need for improvement in property data, especially financial data, to enable fact based decision making;
- A potential lack of capacity to implement the Asset Strategy;
- A need to re-organise the way property was strategically managed and strategic property recommendations and decisions were made in the Council;
- The need for a more rigorous analysis of the reasons for holding property;
- The need for a more rigorous analysis of the degree to which each property contributed to the Council's objectives;
- The need for a rapid and systematic review of all the Council's property to make the property portfolio more sustainable, to make it more focussed on the Council's priorities and to reduce net revenue expenditure. In particular:-
 - (a) To reduce the size of the operational portfolio, by undertaking service/ property reviews of each property category;
 - (b) To dispose of property for which there was no clear reason for holding it or where its contribution to Corporate Objectives was insufficient; and
 - (c) To increase income (or reduce costs) from income producing property.

The Council's gross spend on General Fund assets was in excess of £1,500,000 per annum. Consequently even a conservative savings target of 10% could yield minimum savings of £150,000 per annum.

The delivery of some of these savings was already being progressed through the implementation of projects such as the Customer Access and Accommodation Projects. However, to maximise the potential savings a rigorous and continuing review process across all of the Council's assets was required. These reviews needed to be undertaken quickly in order to maximise savings to help plug the budget gap.

The strategy development process, undertaken by Bob Baber Associates, had identified some fundamental areas where improvements were essential. Key amongst these were:-

- i) Council assets managed strategically and ideally by a single Property Team;
- ii) Adequate, appropriately skilled resource to implement the Strategy; and
- iii) Detailed cost and income data on an asset by asset basis to enable the prioritisation of assets for review and to facilitate accurate, fact based decision making.

The creation of a single Property Team was now in progress following the decisions recently made at Full Council in connection with the West Somerset Project. However, it was important to understand that implementing the Strategy would require additional staff resource and expertise, compared with the current situation.

Additionally, it was vital that action was taken now to provide for the provision of accurate property cost and income data in the future. This was vital for identifying priorities and accurate, fact based decision making.

The approach recommended for implementing the Strategy in two phases was submitted in detail for the information of Members.

Although elements of both Phases 1 and 2 could be delivered from within existing resources, there would be significant additional work involved in implementing the 'deep dive' reviews. This could not be delivered from within existing resources in the Property Service.

Consequently it was recommended that £90,000 from General Fund reserves be set aside to fund an additional specialist Estates Surveyor for a period of two years. This funding would be on an 'invest to save' basis.

Additionally, it was anticipated that the Head of the Property Service would also need to be significantly involved in this project. This would need to be factored into the current restructure process.

There would also potentially be additional costs for legal support during the implementation of the deep dive review process should this result in a significant number of property disposals. However, it was not realistic to estimate these costs at this stage. Detailed estimates would be identified during the 'deep dive' review process and further requests for funding would be made, if required.

Reported that the Corporate Scrutiny Committee had considered this matter at its meeting on 25 November 2013 and had endorsed the proposed new Strategy and recommendation for funding.

When the Executive considered the Strategy at its meeting on 4 December 2013, it was agreed that the wording of part of the Executive Summary and the sub-section titled 'Governance of the asset base' should be amended.

Resolved that Full Council be recommended to:-

- (a) Approve the new Asset Strategy and Decision Making Framework subject to the incorporation of the revised wording referred to above; and
- (b) £90,000 be allocated from General Fund Reserves to fund an additional specialist Estates Surveyor for a period of two years.

55. **Fees and Charges 2013/2014**

Prior to the report on this topic being presented, the Chairman invited Mr Mike Davis of A1 Taxis to address the meeting.

Mr Davis again expressed his concerns about the transparency as to how the Taxi Licensing Fees had been calculated in the past. He wondered whether it was safe to agree the proposed fees whilst the current figures were still under review?

The Chairman responded that if evidence showed that further adjustment of the fees was necessary, this would be done without having to wait for the next annual review to take place.

Considered report previously circulated, which set out the proposed fees and charges for 2014/2015 for the following services:-

- Cemeteries and Crematorium – It was proposed to increase the main cremation fee by £19 (2.8%) to £627 and make minor increases for other charges within the service. This did not reflect the % increase assumed within the Medium Term Financial Plan for fees and charges. A lower figure had been used to keep charges competitive in light of the new crematorium that had been constructed in Pawlett;
- Waste Services – The Somerset Waste Partnership proposed to increase only one of its charges - the Garden Waste Service Charge from £45 to £46.50. It was anticipated this would generate additional income of £13,160;
- Land Charges – It was proposed to keep Land Charges fees the same as the current year. The Regulations required local authorities to ensure that the price charged was an accurate reflection of the costs involved in providing the function and not for creating surpluses;
- Housing – The proposal was to increase charges by 3.2% (September Retail Price Index (RPI)) with the following exceptions:-
 - 1) Garage rents for private tenants and owner occupiers would be increased by 5%; and
 - 2) Hire charges for the sheltered scheme meeting halls and hire charges for sheltered scheme guest rooms would not be increased. This was again to increase take up of the facilities;
- Licensing – Fees for applications under the Licensing Act 2003 and Gambling Act 2005 were set by statute so increases under local arrangements were not possible. For those fees where local discretion existed they could not exceed the parameters set out within the appropriate statutes.

Guided by case law and through the results of the costs analysis detailed in the report, suggested fee levels were recommended to achieve, as far as possible, full recovery for the projected costs to the Council of unfettered administration and supervision of the various licensing regimes.

Noted that it would be unlawful for the Council to deliberately set fees to make a profit and any over (or under) recovery would need to be redressed in future fee levels.

In order to ensure fees levied were reasonable and lawful, consideration could only be given to setting fees at the level suggested or at a level lower than those set out within the report thereby subsidising those businesses regulated by the

Council's Licensing Service;

- Planning – It was proposed to increase the discretionary pre-application advice and charges by 10%. The majority of authorities now charged for this service, with the income being reinvested in the service. In setting the charges there needed to be a balance set between recouping the full cost of the service provided and encouraging developers to engage with the Council as early as possible. The charges continued to represent a tiny fraction of the cost of carrying out any form of development;
- Environmental Health – It was proposed to increase the charges for Pest Control by 11% to better reflect the costs of providing the service – even though this would still not achieve cost recovery;
- Recovery of Court Costs – Reasonable costs could be added to debts if recovery was assisted through the Magistrate's Court. The charge for a summons would remain at £63.50 and the charge for a liability order would remain at £10;
- Deane Helpline – It was proposed to increase the current charge for private customers by 10% - from £4.54 to £4.99 per week. The charge to Council Tenants would be frozen until a discount of £1 per week was achieved.
- Building Control - No changes to current charges were proposed for 2014/2015. This would ensure the provision of a price to customers for the Building Regulation Service which was a direct reflection of the Council's costs.
- Charging for Housing Act Notices and Immigration visits - The Somerset West Private Sector Housing Partnership currently charged £131.95 for the service of formal Housing Act 2004 Notices, namely Improvement and Prohibition Notices.

The Partnership also charged £129 for Immigration visits to provide evidence that applicants had suitable housing accommodation within the United Kingdom.

No increase in these charges was proposed.

This matter had been discussed by the Corporate Scrutiny Committee at its meetings on 21 and 25 November 2013 and comments on the proposals that had been made by Members were considered.

Resolved that Full Council be recommended to approve the proposed fees and charges for 2014/2015.

56. **Customer Access Strategy**

Considered report previously circulated, concerning the production of a new Customer Access Strategy for the Council. A copy of the draft Strategy had been circulated to the Members of the Executive.

The existing Customer Access Strategy had been prepared in 2005. It now needed to

be updated in the light of social and technological changes and the Council's current financial position. The updated Strategy proposed a significant shift towards self service and the use of technology for the majority of enquiries, whilst focussing resource for face to face provision on those with the most complex requirements.

It was vital for the Council, as it moved forward with less resource at its disposal, that technology was used wherever possible to provide access to services. For many of our population this would be an improvement on the current situation as it would enable access to key services on a 24/7 basis. The Council also had to make suitable provision for those who did not have access to technology and this was highlighted within the Strategy.

Clearly this change could not be made without cost and there was a Business Case made within the Strategy for the investment that was required which included:-

- The provision of a new, fit for purpose web site to provide full authenticated access to end to end transactional services using mobile devices;
- The ability for staff to access and deliver services whilst visiting key sites within the community;
- The provision of access points enabling customers to either self serve or interact with a member of staff to receive Council services; and
- The provision of all applicable Council data sets in an open data format.

The total cost of these items was estimated as £320,000 one off investment plus a continuing charge of £40,000 per annum.

Also reported that there was the requirement for each service, as part of its business re-engineering process, to implement a 'channel shift' process – moving its way of operating wherever possible to self service. A further cost that needed to be included was to resource the continuing change required to implement the channel shift work.

It was therefore suggested that £50,000 should be allocated as a corporate resource to help support this work. Examples of issues that might need to be resourced this way were expert help for services in setting up new systems and support for customers when they accessed services this way for the first time.

The total investment requirement was therefore £370,000. However, £190,000 of these costs would be covered within the joint services approach with West Somerset Council. Therefore, the Council would only need to find the balance of £180,000.

As approximately 20% of current customer contact costs for telephone and in person were currently funded from the Housing Revenue Account, it was proposed that 20% of the £180,000 (£36,000) should also be funded from the same source.

Further reported that one of the main purposes of implementing channel shift was to make financial savings for the Council. With this in mind it was estimated that a shift of 25% of both footfall numbers and telephone access numbers to web access and using the Society of Information Technology Management (SOCITM) approximate costs per transaction would bring an indicative saving to the Council of approximately £241,000 per annum.

These savings would be made by reduced officer time spent dealing with customers. To achieve these savings would require a rigorous Implementation Plan including new staffing structures reflecting the reduction in posts. For this reason it was recommended that the implementation occurred at the same time as the transforming of services as the Council moved forward into shared services.

This 25% shift was conservative and a higher shift could be achieved dependant on how robust the Council wished to be. In order to realise the savings as 'cashable', the Council would need to reduce staff costs as a result of the time saved and potentially seek to reduce its costs with Southwest One too.

Noted that even with a 25% shift, the payback on the one off investment of £180,000 would be made within 1 year with a continuing saving of over £200,000 in the years following if all the savings accrued to the Council or, based on a 50/50 split with Southwest One, 1.5 years payback with a saving in the region of £80,000 per annum (taking into account the extra £40,000 continuing revenue cost).

If approved, a detailed Implementation Plan would be drawn up by the end of 2014 to:-

- Agree a joint Implementation Plan with Southwest One;
- Commission and go live with a new transactional web site;
- Draw up a detailed Channel Migration Plan with each service as part of their service transformation planning; and
- Increase the use of automated telephone lines.

And by the end of 2015 to:-

- Provide a postal option but in a limited form;
- Be proactively providing information in a wide range of new ways;
- Up-skill officers to be able to deliver multi-departmental services around Taunton Deane; and
- Ensure all officers knew how to use and signpost customers to the simplest and most cost effective route.

At its meeting on 25 November 2013, the Corporate Scrutiny Committee recommended the adoption of the revised Customer Access Strategy to the Executive conditional on an extensive multi-media publicity exercise to enable public understanding and confidence in the new systems which must have provision for all disability needs.

During the discussion of this item, the importance of continuing to provide ways of assisting vulnerable residents and those with complex or urgent needs to access services whenever and however they needed to was acknowledged.

Resolved that Full Council be recommended to:-

- (1) Adopt the revised Customer Access Strategy appended to the report; and
- (2) Approve the release of £144,000 from General Fund Reserves and £36,000 from the Housing Revenue Account to enable the Strategy to be implemented. This

would include £50,000 to be allocated to revenue costs and £130,000 to be added to the Capital Programme, funded from revenue resources.

57. The Brewhouse Theatre, Taunton - Proposal to offer a lease and grant funding to the Taunton Theatre Association

Considered report previously circulated, concerning a proposal from the Taunton Theatre Association (TTA) to re-open The Brewhouse Theatre, Taunton.

The Brewhouse Theatre had entered Administration in February this year and the theatre had been closed since. The Council owned the freehold of the property, and a long lease had been held by the previous operator. That lease was transferred to the Administrator upon closure. The Administrator subsequently marketed the lease nationally to potential purchasers and theatre operators.

At the meeting of Full Council on 23 July 2013, Members agreed to buy the remainder of the lease and the contents of the theatre from the Administrator with a view to working with suitable parties that might be in a position to reopen and operate the facility. The surrender of the lease was completed on 4 October 2013, at which point the Council took over the control and management of the property.

The consultants, David Pratley Associates (DPA), were appointed to advise the Council on options for the future of The Brewhouse Theatre and on emerging interest and potential proposals to run the theatre. The work of the consultant had been overseen by a steering group comprising relevant lead Councillors and senior officers, and the Chairman of the Taunton Cultural Consortium.

Over the last four months, DPA had engaged with numerous local and national organisations with an actual or potential interest in either operating or using the theatre. In September the Council invited all interested parties to submit an outline Business Plan for the running of the theatre. One Business Plan was submitted, that being on behalf of the TTA.

An annual grant, of £152,000 in 2012/2013, had been given to the previous operator. That amount had been maintained in the budget during the current financial year and had been allocated towards the acquisition of the lease and contents, property maintenance and holding costs and determining options for future operation. Should the Council resolve to support the TTA's proposal to run the theatre, officers would enter negotiations with that party to prepare a lease in relation to the property as well as a Service Level Agreement in relation to the annual grant.

A copy of the TTA's proposed Business Plan had been circulated to Members of the Executive for information. The document clearly set out the Association's vision and plans for the theatre and addressed issues that were of direct relevance to the operation. The Plan also presented a summary of the Association's forecast budgets and financial modelling for the period December 2013 to March 2017.

The Business Plan had been reviewed by the Council's consultant, DPA, and a number of detailed issues considered critical to its success had been raised. These related to:-

- a. Clarity of the TTA's vision for the theatre and culture in Taunton;
- b. The governance of the Trust;
- c. The options for the formal relationship with Taunton Deane for things such as governance, reporting and the lease;
- d. The balance and nature of the programme to be presented;
- e. The opportunities for trading and in particular bars and catering; and
- f. Marketing.

Detailed meetings had been held with the TTA with specific advice being given on the topics above. In particular DPA had brought in the specialist catering and retail consultant Mary Nightingale Associates to examine the TTA's plans for trading, bars and catering. DPA had offered its comments on the TTA's proposal which were reported in detail.

Further reported that in consideration of the TTA's Business Plan, the Executive needed to be mindful of the need to protect the Council's interest in the theatre in terms of its ownership of the property, its financial interest, and the economic, cultural and reputational contribution that a successful theatre would make to the County Town and wider region. The following measures were therefore recommended in order to protect the Council's interests and provide the basis for a strong and transparent partnership:-

- (a) **Governance and Scrutiny** - The Council needed to protect its financial and reputational interests in the theatre through robust governance and scrutiny arrangements. The following measures were proposed which, if agreed, would be included in the proposed annual Service Level Agreement (SLA):-
 - The Council should have two observers to The Brewhouse Board, comprising one elected Member and one senior officer;
 - In the first year of operation, key officers from the Council should meet with the senior theatre management on a monthly basis to review progress and accounts. The frequency would be subject to review after 12 months and might extend to quarterly;
 - Senior theatre management should attend the relevant Scrutiny Committee twice per year to provide an update on their Business Plan and general performance to Members.
- (b) **Lease arrangements on the occupancy of the property** - Advice from the Council's Solicitor and the Asset Management Client was that the most effective arrangement to secure the operation of the venue by the TTA would be through a lease founded upon the following headline terms:-
 - Five year term with a mid term break point;
 - Peppercorn rent;
 - Responsibility to rest with the tenant for internal repairs and maintenance of fixtures and fittings;
 - Demise of the lease to include the whole of the property including external

patio and seating area, performance area and landscaping;

- Responsibility to rest with the tenant for maintenance of all external areas;
- Should the operator face significant difficulties and be unable to continue the operation of the theatre the property would be surrendered to the Council at no cost.

The exact terms of the lease would be subject to agreement with the TTA.

The Council would work with the TTA to introduce potential new tenants and operators to parts of the property, for example, office occupants, information facilities and café / bar operators.

Such a lease arrangement would provide adequate security of tenure for the operator, whilst also protecting the Council's interests as owner of the building and contents.

- (c) **Maintenance and repair of the property** - The Council had commissioned urgent and essential maintenance required to pass the venue on in a safe and suitable condition for operation.

Based upon its survey of the property prior to purchase of the lease, the Council was aware of works to the external fabric of the property that were likely to be required within the next few years. Those works were estimated to be in the order of £350,000. Financial provision needed to be made in order to carry out those works as well as routine maintenance. Options to fund this additional work included the following:-

- The Addition to the Council's annual Asset Maintenance budget in the sum of £70,000 per year;
- Borrowing. This could result in a revenue impact, which would be dependant on the length of the loan;
- Prioritisation of Capital Receipts;
- Prioritisation of future New Homes Bonus Grant income;
- Prioritisation of current revenue provision for capital programme subject to confirmation of sufficient available funds at the time of any potential capital maintenance requirement; and
- Top-slice of future grant funding provision to the operator. This had not been modelled in the Business Plan and could be detrimental to the business, potentially putting the TTA into a deficit situation.

- (d) **Service Level Agreement in relation to the annual grant** - The TTA's Business Plan included reference to continuing financial support from the Council in the form of a grant. The level of the grant was the same as that given to the previous operator in 2012/2013 - £152,000. The TTA had also included reference to a Taunton Deane grant during the current financial year, in the sum of £50,668. This represented four months' worth of the annual grant and would contribute towards necessary start up costs before any income could be generated from the theatre operation itself.

Should the TTA's Business Plan and associated financial request be approved, the Council would enter a SLA with the TTA prior to any payment of grant being made. The SLA would be based on the Council's standard template for all SLAs with the community and voluntary sector, and would include the following notable provisions:-

- The Council's grant would be a contribution towards the core, operational costs of the theatre and a 'sinking fund' to fund essential repairs to the property;
- The Council's grant would be drawn down in instalments over the year;
- The TTA would be required to strive for a high quality artistic and cultural programme that sustained box office income and attracted additional and alternative income sources;
- The TTA would be required to ensure that appropriate governance and monitoring arrangements were in place to enable the Council to observe the strategic direction of the theatre, and to scrutinise the operator's financial accounts;
- The TTA would need to prepare an Equalities Impact Assessment to demonstrate how it would ensure that the theatre was accessible to, and providing services suited to the whole of the community; and
- The level of grant would be subject to annual review.

(e) **Ensuring high cultural and artistic standard** - The Council would expect the TTA to design a programme and offering that balanced sustainable income generation on the one hand and high artistic and cultural quality on the other (although the two were not necessarily mutually exclusive). The Taunton Cultural Consortium, which comprised all of the main organisations that were active in the funding and delivery of cultural events and activities, would be a useful ally and advisor to the TTA in this regard.

Reported that the Corporate Scrutiny Committee considered this item at its meeting on 21 November 2013. Members welcomed the progress made by the TTA in its proposal to operate The Brewhouse Theatre and approved its appropriateness to reopen the theatre. The Committee expressed concern however over some aspects of the Business Plan and asked the Executive to recommend support for the proposal, subject to the resolution of those concerns by the Brewhouse Steering Group.

Like the Corporate Scrutiny Committee, the Executive acknowledged that ideally it would be preferable for a ten year lease to be granted to the TTA to increase its chances of obtaining longer-term grant funding from other providers. However, further negotiations would need to take place with the TTA to establish whether this was achievable. Both the Strategic Director, Brendan Cleere, and the Section 151 Officer, Shirlene Adam, stated that the maintenance costs of the theatre should become wholly the responsibility of the TTA beyond a period of five years, should a lease beyond this period be negotiated.

Resolved that:-

- (a) Authority be delegated to Executive Councillor Norman Cavill, the Economic Development, Asset Management, Arts and Tourism Portfolio Holder, to grant a lease to the Taunton Theatre Association for the operation of The Brewhouse Theatre and Arts Centre, the terms of which would be determined in consultation the Brewhouse Steering Group;
- (ii) Final authority be also delegated to Executive Councillor Norman Cavill to sign off the Taunton Theatre Association's Business Plan, following further consultation with the Brewhouse Steering Group;
- (iii) Subject to (i) and (ii) above, the award of a grant to the Taunton Theatre Association in the sum of £50,668 in 2013/2014 and £152,000 in 2014/2015, which would be subject to a Service level Agreement, be approved. The level of grant thereafter being subject to annual review; and
- (iv) The Council's General Fund budget be updated to add £70,000 per year to the general Assets Maintenance budget, to provide funding of £350,000 over the next five years for unavoidable maintenance costs. Any works that were of a capital nature would be added to the capital programme, to be funded from this maintenance budget provision.

58. **Financial and Performance Monitoring – Quarter 2 2013/2014**

Considered report previously circulated, concerning the update on the financial position and the performance of the Council to the end of Quarter 2 of 2013/2014 (as at 30 September 2013).

The detailed 2013/2014 financial position for Quarter 2 was set out in the report although a high level summary was also included in the Scorecard. The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets was an important part of the overall performance management framework.

The overall financial position of the Council remained within 0.64% of the approved budget.

The current forecast outturn for the Council's General Fund services was an under spend of £84,000 (0.64% of net Budget) for the financial year 2013/2014. The significant variances to the forecast in this quarter were:-

- a) **Rent Allowances/Rent Rebates to Housing Revenue Account (HRA)** : Adverse variances of £146,000 for Rent Allowances and £55,000 for Rent Rebates were predicted.
- b) **Somerset Waste Partnership** : Under spend of £116,000.
- c) **Dealing with Planning Applications** : The positive variance had increased to £81,000 since Quarter 1.

Details as to why these variances had occurred were submitted.

Reported that the General Fund Reserves balance at the start of the year was £3,943,000. Following approved budget allocations during 2013/2014 the budgeted balance at the end of the current financial year had reduced to £1,331,000.

Likely movements in the current year were reported which meant that the projected balance at the end of the current financial year was likely to be £1,709,000 based on budget approvals. This was above the current minimum balance of £1,500,000 required in the Council's Financial Strategy.

Noted that budgets and forecasts were based on known information and the best estimates of future spending and income of the Council. The income and expenditure of the Council over the financial year was estimated by the budget holders in the Council and then reported through the budget monitoring process. During this process, risks had been identified which could affect the financial projections but the likelihood and/or amount were uncertain. Details of a number of risks identified during the Quarter 2 process were provided.

Further reported that the current forecast outturn for the Council's Housing Revenue Account (HRA) was a surplus of £129,000 for the financial year. This included some additional rental income and the ability to reduce the revenue spend on capital without which there would be a forecast deficit of £824,000.

The significant variances to the forecast in this quarter were:-

- (a) **Non-recurring rent income** – This was due to an additional week of rental income which equated to £456,000 additional income.
- (b) **Revenue contribution to capital** – A one-off reduction of £497,000 against budget was expected because of the use of capital reserves from the 2012/2013 under spend to fund part of the capital programme, the funding of capital procurement savings by a reduction in the capital budget along with the reduction in the capital works on garages in this financial year.
- (c) **Spend on responsive maintenance** – This was £1,404,000 higher than budgeted, a significant variance, with spend on void properties making up £916,000 of this.
- (d) **Provision for bad debt** – This was expected to show an under spend of £330,000 due to prudent budgeting of the impact of Welfare Reform.

The HRA General Reserves "working balance" at the start of the year was £2,247,000. Following approved budget allocations during 2013/2014, the projected balance at the end of the current financial year was currently £2,167,000.

The forecast year end outturn for the Deane DLO Trading Account showed no significant departure at the end of June from the budgeted position. There was currently a great deal of work underway to more accurately align budgets within both Grounds Maintenance and Building Maintenance, and this would improve the ease and accuracy of reporting during the remainder of the financial year.

The Deane Helpline Trading Account was predicted to make a full year loss of £49,000, based upon the position at the end of the second quarter. The fundamental service

review to address the costs to the General Fund of operating the service was continuing.

The current forecast outturn for the Council's General Fund Capital Programme was Net Expenditure of £14,155,000, compared to the budget of £14,155,000. The forecast variance was therefore zero against total approved budgets for capital schemes. However, £6,900,000 had been reported as slippage on projects into 2014/2015, meaning actual capital expenditure in the current year was forecast to be around £7,200,000.

The main areas of risk and uncertainty in the General Fund Capital Programme were submitted for information.

The current forecast outturn for the Council's Housing Revenue Account Capital Programme was net expenditure of £20,364,000 against a budget of £20,364,000. The forecast variance was therefore zero. However, £11,177,000 had been reported as slippage on projects into 2014/2015, which meant actual capital expenditure in the current year was forecast to be around £9,200,000.

Analysis of the overall performance of the Council had revealed that 67% of all performance measures were on target. This was a better position compared to the previous quarter (Quarter 1 was 59%). A summary / overview of the Quarter 2 scorecard was shown in the table below:-

Section	No. of measures	☺ Green	☹ Amber	⊗ Red	N/A	Trend (from last quarter)
Aim 1 - Quality Sustainable Growth and Development	9	5 (56%)	3 (33%)	1 (11%)		↑
Aim 2 - A Vibrant Economic Environment	8	6 (75%)	2 (25%)			↓
Aim 3 - A Vibrant Social, Cultural and Leisure Environment	10	6 (60%)	3 (30%)	1 (10%)		↔
Aim 4 - A Transformed Council	5	5 (100%)				↑
2) Managing Finances	14	10 (71%)	4 (29%)			↑
3) Corporate Health	12	7 (58%)	5 (42%)			↑
TOTALS	58	39 (67%)	17 (29%)	2 (3%)		↑

KEY:

↑ = Improving (ie more Green, less Amber and/or Red alerts)

↓ = Worsening (ie less Green, more Amber and/or Red)

↔ = No change

Further reported that with regard to Theme and Service Performance Monitoring, performance scorecards were in place for each 'Theme'. These were reviewed by the Corporate Management Team as part of the overall corporate performance monitoring process. An 'Exception/Highlight' report for each 'Theme' was appended to the report for the information of Members.

As part of changes made to the performance framework for 2013/2014, in addition to the corporate overview provided in the scorecard, one Theme Manager each quarter would attend meetings to provide a more in-depth report on that Theme's performance and progress of key projects and activities. This quarter's 'feature' Theme was Health and Housing and a presentation on the Welfare Reforms and dealing with anti-social behaviour was made by the Housing Manager, Paul Hadley, to Members of the Executive.

A summary of the whole performance reporting framework was also submitted. This indicated where other performance information could be obtained relating to a wide variety of services, partnerships, projects, and strategic aims and objectives.

Resolved that:-

- (1) The report be noted; and
- (2) The proposed budget virements highlighted within the report be noted and supported.

59. **Future Options for Council Accommodation**

Considered report previously circulated, which considered the options for the Council's future office accommodation requirements.

The Deane House had been built in 1987 and other than some minor internal changes, had had little refurbishment since then. It performed at EPC (Energy Performance Certificate) Level E and some of its infrastructure was coming to the end of its natural life. The building now needed significant investment.

At the same time the Council had to meet an unprecedented budgetary challenge and was considering all ways of cutting overhead costs in order to safeguard investment in front line services. This included looking at the future options for the Council's office requirements.

The Deane House was currently occupied by 408 staff mainly from Taunton Deane and Southwest One all of whom currently had a desk that they considered "theirs". Occupancy surveys showed that desks were vacant for 39% of the time.

Staying at The Deane House would not be without cost. A full Condition Survey had been carried out on the building with recommendations of what work was needed to make it fit for purpose office accommodation for the next 10+ years.

Other organisations which had chosen to rationalise their office accommodation had at the same time incorporated new ways of working. The outcome of introducing these

ways of working was to reduce the amount of office space provided utilising the fact that desk spaces were occupied on a 60-70% basis. These programmes were often described as “Smart Office” or “Agile Working” and relied on investment to enable savings to be made.

Many authorities had embraced this change, including several within Somerset - Somerset County Council, Mendip District Council and Sedgemoor District Council. All had found that it was possible to reduce desk space requirements by approximately 40% by introducing new ways of working and investing in modern office space and equipment. All had then sought to share accommodation with other public and community sector colleagues in order to minimise overhead costs. This sharing had brought the additional significant benefit of closer working between organisations and improved access for customers by introducing one stop shop approaches.

The vision for Smart Office was to provide a flexible, cost effective and efficient workplace for use by all employees that would facilitate new working practices and maximise the benefit to service users and the taxpayer.

The introduction of flexible ICT and Electronic Document Records Management systems would enable staff to work effectively from different locations according to their work patterns and reduce the need to provide expensive storage space. The provision of workstations / desks would no longer be on a 1:1 ratio but on a 6:10 ratio.

To model the different options for Taunton Deane assumptions about what was required had been made to enable evaluation of options to be as robust as possible. These assumptions were:-

- Provision of 272 workstations (60% of the current numbers);
- Space allocation based on a maximum 6 sq m of net internal floor area average standard per individual work space;
- Provision of ICT / Telephony and office equipment to support Smart Office;
- Open plan layout throughout;
- Provision of a Council Chamber and appropriate Committee Rooms;
- Provision of flexible meeting rooms / break out areas;
- Provision of a reception area fit for purpose for Taunton Deane;
- Provision of car parking based on current planning guidance (25 spaces).

Key Principles had been identified to allow the options to be assessed. Therefore any decision about future accommodation had to provide the following benefits:-

- (b) Produce financial savings and provide Value for Money;
- (c) Premises that were able to change as the authority changed (expand / contract);
- (d) Provide an improvement in environmental sustainability;
- (e) Be deliverable within the next three years;
- (f) Be located within Taunton;
- (g) Make sense for the public purse / taxpayer (public perception);
- (h) Offer opportunities to add value by close working or shared / integrated services with other partners; and
- (i) Support the regeneration of Taunton.

Further reported that four options had been modelled as part of this review, each of which illustrated a different principle. However, it was recognised that there were other options which could be considered should Members decide to amend the Key Principles.

The four options modelled were:-

- A baseline of the Council staying at The Deane House with only essential maintenance;
- Refurbishment of existing offices in need of modernisation – in this case The Deane House;
- Sharing another partner's premises – in this case renting offices from Somerset County Council at County Hall; and
- New build - in this case at Firepool.

Either option to stay at The Deane House would not be a cost free option as the Condition Survey had shown. The results of the survey were submitted for the information of Councillors.

In addition, a valuation of The Deane House site had been carried out. This had returned an estimated value of between £2,000,000 and £3,000,000.

The report set out in detail an assessment of the four options under the headings of Description, Financial Appraisal, Overall Assessment using the Key Principles (set out above) and Risks.

The Overall Assessments for each of the Options were as follows:-

Option 1: Stay at The Deane House with minimal maintenance - This option did not produce continuing significant financial savings and was not considered to provide Value for Money. It also did not provide flexible accommodation due to the current layout or provide an opportunity to add value by shared / integrated services with other partners. However, it was deliverable, was located in Taunton Town Centre and had no impact either way on the regeneration of Taunton. It provided a minimal improvement in sustainability. Officers considered this option as neutral in terms of making sense to the public purse / taxpayer.

Option 2: Stay at The Deane House and completely refurbish, freeing up space to rent out - This option did not produce continuing financial savings or provide Value for Money. It did provide flexible accommodation but independent advice was that the excess accommodation would be difficult to let in the current market. However, it was deliverable, was located in Taunton Town Centre and potentially provided an opportunity to add value by shared / integrated services with other partners. It had no impact either way on the regeneration of Taunton. It provided a small improvement in sustainability. Officers considered this option to be slightly towards the more controversial side in terms of making sense to the public purse / taxpayer.

Option 3: Move to County Hall - This option produced the highest level of continuing financial savings and delivered Value for Money. It also provided flexible

accommodation, it was deliverable, was located in Taunton Town Centre and provided a highly deliverable opportunity to add value by shared / integrated services with other partners. It had no impact either way on the regeneration of Taunton and provided an improvement in sustainability. Officers considered it would be seen positively as making sense to the public purse / taxpayer.

Option 4: New build at Firepool for exclusive Taunton Deane offices - This option produced the second highest level of continuing financial savings and delivered Value for Money. It did not provide flexible accommodation as once built it would be difficult to flex if the Council changed. There might be the opportunity to sub-divide and let out space but there were risks associated with this. It did not offer the opportunity to add value by shared / integrated services with other partners. It was deliverable, was located in Taunton Town Centre and provided a positive impact on the regeneration of Taunton. It provides the highest improvement in sustainability. Officers considered this option fared less well in meeting the objective of making sense to the public purse / taxpayer.

Further reported that each proposal had been modelled over a 25 years year time horizon. This had involved estimating the probable future revenue cost of maintaining the various office accommodation options and then taking account of the revenue implications of financing the capital spending requirements.

A summary of each of these calculations was provided below in descending order from the lowest cost option:-

Option	Net Present Cost (Based on estimated costs / incomes over 25 years) £'000	Average Net Annual Cost Including Capital costs (at Net Present Cost) £'000	Increase in average annual cost (at Net Present Cost) £'000	Difference from least expensive annual cost option (at Net Present Cost) £'000
Rent of accommodation at Somerset County Council Option 3	11,381	455	0	Least expensive option
New Build Firepool: Owned Option 4a	14,892	596	+ 141	+ 141
New Build Firepool:	17,071	683	+ 87	+ 228

Leased Option 4b				
Refurbish The Deane House Option 2	18,543	742	+ 59	+ 287
Continue with The Deane House Option 1	18,877	755	+ 13	+ 300

Noted that the modelling had incorporated a number of key assumptions and considerations:-

1. That continued ICT infrastructure replacement would be of a similar cost regardless of which option was chosen, and had therefore not been built into the models;
2. Similarly, building maintenance programmes would be required for all options (except County Hall), and had been excluded from the models;
3. Any capital receipts arising from the sale of The Deane House (if it was determined that relocation was appropriate), would be used initially to offset the capital costs associated with an office relocation; and
4. No estimate of the costs of relocation whilst works were conducted to The Deane House had been included in either the Option 1 or Option 2 models, although these were potentially quite considerable.

Reported that the option that best met the Key Principles and which performed best financially appeared to be the proposed move to County Hall.

At its meeting on 25 November 2013, the Corporate Scrutiny Committee recommended that a full feasibility report on all of the options be undertaken.

During the discussion of this item, Members accepted that either continuing to operate from The Deane House with minimum maintenance or seeking to refurbish The Deane House would both be too expensive to contemplate further. It was agreed that in-depth investigations into the proposed sharing of accommodation at County Hall and the new build at Firepool should be undertaken.

Resolved that:-

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

60. Presentation by the Taunton Town Centre Company Limited of its proposal for a Business Improvement District and request for support to lead to a local referendum

Considered report previously circulated, detailing the Draft Business Improvement District (BID) proposal on behalf of the Taunton Town Centre Company Limited (TTCC).

The BID proposal would form part of a BID Submission to the Council. The involvement of the Council, providing information, guidance and support to the TTCC in its intention to develop the BID Submission was also sought.

On receiving the BID Submission the Council would be asked to hold a local referendum in the form of a postal ballot of all payers of non-domestic rate within the proposed BID area in early 2014 under the Business Improvement District Regulations (England) 2004.

A BID was a business-led and business funded body formed to improve a defined commercial area.

The TTCC first proposed a BID for Taunton Town Centre in 2007. During the five year term the BID secured over £1,100,000 from the businesses.

The services of the first Taunton BID were focussed upon:-

- Enhancing safety and reducing fear of crime;
- Enhanced cleansing and physical improvements;
- Better signage and visitor interpretation; and
- A limited number of events and modest marketing of Taunton to visitors and shoppers.

A successor BID programme had previously been proposed by the TTCC, which should have been commenced at the end of the first BID programme. However, the proposal was rejected by the ballot and the BID programme therefore ceased at the end of the five year term on 30 September 2012.

A review of the failed ballot had subsequently been submitted to Members and questions had been asked of the TTCC about the apparent divided support for the company amongst businesses and the reputational issues that had contributed to the failed BID proposal. However, the importance of securing a further BID programme was acknowledged and the TTCC was supported in progressing another BID proposal at the right time.

Reported that over the past 12 months the TTCC had undertaken a process of radical overhaul of its membership structures and governance in order to make it more relevant to the needs of Taunton's businesses. Specifically the TTCC now had a management board directly appointed by the Company membership. A membership recruitment drive had also been launched to increase engagement and garner support from all

sectors within the business community and the cost of Company membership had been radically reduced in support of that aim.

The stage had now been reached where the TTCC was formally asking for the support and input of the Council, including the provision of information held by the Council necessary for the development of the new BID proposal.

Once developed, the BID proposal would form the basis of the formal BID Submission to be made to the Council early in 2014. On receiving the BID Submission it would be incumbent on the Council to make onward arrangements and to instruct the ballot.

The latest draft of the BID Plan had been circulated to Members of the Executive. In summary, the key proposals within the Plan were as follows:-

- The income generated would enable the provision of the following projects:-
 - Enhanced marketing of the town to visitors and shoppers and the provision of additional cultural events;
 - Effective business support to help businesses to reduce their costs;
 - Lobbying and representation on behalf of businesses to the Council, Somerset County Council and other relevant authorities.
- The Proposed BID area would include the major shopping and commercial streets in Taunton, extending from the Railway Station in the north to High Street in the south, and from Victoria Gate in the east to County Hall in the west. The Deane House, along with other Council and other public sector properties, were included in the BID area.
- The proposed BID levy would be 1% of the Rateable Value of each hereditament, as valued on the 2010 Rating list.
- Businesses with a Rateable Value of £6,000 or less on the 2010 Rating List would be exempt from the BID levy. Businesses that were exempt would not have a vote in the BID ballot but would still be encouraged to become members of the TTCC.
- The BID would include approximately 700 hereditaments, generating a total income of £1,300,000 over the five year term.
- The BID ballot would be held in February 2014.
- The BID Term would be five years, commencing April 2014.

Further reported that it was clear that the company had learned many of the lessons from the last, failed BID process. As a result, the new proposal was business led and had emerged from a process of consultation held widely across the business community. The new proposal had been drafted by a sub group of the TTCC Board who appeared to be in touch with the needs of their fellow businesses.

A number of observations had been made to the TTCC on the first draft of the BID Plan with the request that they were taken into account in drafting the proposal. These

observations were in connection with lobbying and representation, the Council as a BID levy payer and the need to provide a clear BID map.

Under the BID Regulations, the BID funding had to be exclusively additional to those already being provided by the Local Authority and other relevant service providers. The Council already delivered and coordinated events in Taunton and provided extensive services to market the town to shoppers and visitors.

In advance of the BID ballot officers would therefore work with the TTCC to draft a Baseline Agreement, which would define those services of relevance to the BID proposal that were currently provided.

The Corporate Scrutiny Committee had considered this matter at its meeting on 25 November 2013. Members were satisfied with the progress made by the TTCC in learning the lessons from the last failed BID proposal and recommended support for the current BID proposal.

Resolved that the Taunton Town Centre Company be supported in the development of a new Business Improvement District submission, and that the Council:-

1. Anticipated the future request to instruct the ballot holder to hold a ballot on behalf of the Taunton Town Centre Company;
2. Made future provision for the collection of the annual levy and any liability for payment of the levy for its own hereditaments within the Business Improvement District area under a new Business Improvement District term;
3. Approved the acquisition of software to operate the Business Improvement District levy estimated at £13,900, should the ballot prove successful. This cost to be recovered from the Taunton Town Centre Company; and
4. Budgeted for an annual revenue provision of £15,000 to meet the cost of future Business Improvement District levies on its properties within the Business Improvement District area, should the ballot prove successful.

61. **Somerset Growth Plan – Strategic Framework**

Considered report previously circulated, concerning the Somerset Growth Plan. The same report had recently been discussed at a meeting of Somerset County Council's Cabinet.

Since August 2013 the Somerset Local Authorities, business representative organisations and other key stakeholders had been working to develop a Somerset Growth Plan. The Growth Plan would set out Somerset's plans to promote growth between now and 2020 by attracting and guiding investment, overcoming barriers and maximising sustainable growth from local opportunities, benefiting Somerset's communities, businesses and residents.

A key purpose of the Growth Plan was to inform the Heart of the South West Local Enterprise Partnership's (LEP) Strategic Economic Plan. This would be used during

negotiations with the Government to agree the allocation of funding from the Local Growth Fund over which the LEP would have control.

The process of developing and agreeing a Growth Plan for Somerset aimed to:-

- Create a shared ambition and vision for growth and progression across enterprises, residents and the public sector;
- Support the delivery of infrastructure to enable growth to take place;
- Increase the scale, quality and sustainability of economic opportunity in Somerset; and
- Ensure participation and access to these opportunities for local residents.

Each of the Somerset Local Authorities had been asked to endorse the Strategic Framework through local governance processes early in December to ensure that Somerset could influence the LEP's outline strategic economic plan submission to the Government on 19 December 2013.

Agreement was also sought as to the next steps in developing and endorsing the full version of the Somerset Growth Plan. Discussions were in progress with Regeneration Directors to prioritise projects, in parallel, technical work would be undertaken on the investment details. It was hoped to obtain endorsement of the Growth Plan during February 2014.

Resolved that:-

- (1) The Strategic Framework for the Somerset Growth Plan be endorsed; and
- (2) The next steps for finalising the Somerset Growth Plan be agreed.

62. Executive Forward Plan

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

63. Exclusion of the Press and Public

Resolved that the press and public be excluded from the meeting for the following items because of the likelihood that exempt information would otherwise be disclosed relating to Clause 3 of Schedule 12A to the Local Government Act, 1972 and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

64. Wood Street, Taunton

Considered report previously circulated, which explored the options of exchanging an area of land in the Castle Street area of Taunton for a site in Wood Street.

Submitted full details of the three options which appeared to be available. Reported that a developer had recently expressed an interest in the Wood Street site and this was currently the subject of negotiation.

Resolved that:-

- (1) The proposed Equality of Exchange Agreement be approved; and
- (2) Subject to the receipt of further details, the principle of selling the Wood Street, Taunton site to a developer be agreed.

(The meeting ended at 9.42 pm.)