

Taunton Deane Borough Council

At a meeting of Taunton Deane Borough Council held in the John Meikle Room, The Deane House, Belvedere Road, Taunton on 12 July 2016 at 6.30 p.m.

Present The Mayor (Councillor Mrs Stock-Williams)
 The Deputy Mayor (Councillor Prior-Sankey)
 Councillors Mrs Adkins, M Adkins, Aldridge, Beale, Berry,
 Mrs Blatchford, Brown, Cavill, Coles, Coombes, Davies, D Durdan,
 Miss Durdan, Edwards, Farbahi, Gaines, Govier, Mrs Gunner,
 Habgood, Hall, Mrs Herbert, Mrs Hill, Horsley, Hunt, James, R Lees,
 Ms Lisgo, Martin-Scott, Morrell, Nicholls, Parrish, Mrs Reed, Ross,
 Ryan, Miss Smith, Mrs Smith, Stone, Sully, Townsend, Mrs Tucker,
 Mrs Warmington, Watson, Ms Webber, Williams and Wren

Mrs A Elder – Chairman of the Standards Advisory Committee

1. **Mayor's Cadet**

The Mayor introduced Lance Corporal Paul Bowler to the Council who had recently been appointed 'Mayor's Cadet'.

2. **Minutes**

- (a) The minutes of the meeting of Taunton Deane Borough Council held on 12 April 2016, copies having been sent to each Member, were signed by the Mayor subject to the resolution of Minute No. 7 being amended to read as follows:-

“**Resolved** that it be agreed to endorse:-

- (1) The additional text clarifying the current Regulation 123 infrastructure list;
- (2) The proposed draft Payment in Kind Policy;
- (3) The proposed draft CIL Charitable Relief Policy;
- (4) The proposed draft CIL Exceptional Circumstances Relief Policy; and
- (5) That the Taunton Unparished Area Advisory Panel be consulted in respect of the allocation / spending of the CIL Meaningful Proportion Payments (derived from the Payment in Kind Policy) passed to the Unparished Area following the approval of developments within Taunton.”

- (b) The minutes of the Annual Meeting of the Council held on 12 May 2016, copies having been sent to each Member, were signed by the Mayor.

3. **Apologies**

Councillors Bowrah, Mrs Edwards, C Hill and Wedderkopp.

4. **Declaration of Interests**

Councillors M Adkins, Coles, Govier, Prior-Sankey and Wedderkopp declared personal interests as Members of Somerset County Council. Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillor Wren declared a personal interest as the Clerk to Milverton Parish Council. Councillors Stone and D Durdan declared prejudicial interests as Tone Leisure Board representatives. Councillor Ms Lisgo declared a personal interest as a Director of Tone FM. Councillor Edwards declared a personal interest as the Chairman of Governors of Queens College. Councillor Farbahi declared a personal interest as the owner of land in Taunton Deane. Councillor Hall declared a personal interest as a Director of Southwest One. Councillor Parrish declared a personal interest as the District Councils' representative on the Somerset Pensions Committee. Councillor Mrs Hill declared personal interests as a representative on the Board of Directors of Apple FM and as a Trustee of both Hestercombe House and Gardens and the Somerset Building Preservation Trust. Councillor Federica Smith declared a personal interest as Chairperson of Refugee Aid from Taunton.

5. **Public Question Time**

Mr Alan Debenham asked whether there was any chance of extending the opening hours of the Priorswood Household Waste Recycling Centre in Taunton beyond 4 p.m. to 6 p.m. during the summer months?

Councillor Berry responded by stating that although there was a fine balance between costs and opening hours, he would arrange for this request to be seriously considered. He would respond to Mr Debenham in due course.

Mr Debenham went on to talk about the proposed devolution arrangements referred to in the agenda. He felt that devolution was a further step towards mergers and yet more public sector savings. In particular, he felt that an Elected Mayor to run a conglomeration of Local Authorities was wrong and hoped that this would be strongly resisted.

He went on to refer to potential problems with future Council funding especially when the Rate Support Grant and New Homes Bonus was phased out By the Government. This could only be mitigated by further austerity savings or by 'real' devolution where Councils could raise their own funding, for example via Business Rate retention, then deciding themselves how such funding should be spent.

In reply, Councillor Williams reported that the Government had confirmed that an Elected Mayor was not a pre-requisite to negotiating a devolution deal. Under this arrangement, funding provided by the Government would be prioritised by the Combined Authority to meet the cost of projects in the Heart of the South West Region. There were no plan to move any powers away from Local Councils to the Combined Authority.

Councillor Williams added that it would be excellent if Councils could raise its

own funding. However, in terms of Business Rate retention there was little likelihood the Government would allow Councils to retain anywhere near 100% of Business Rates. If they did, the Councils current financial concerns would be considerably eased.

6. Motion - Hate Crimes

Moved by Councillor Mrs Warmington, seconded by Councillor Parrish.

“The recent open letter received from the Avon and Somerset Police and Crime Commissioner and the Chief Constable has been prepared in response to a reported increase in hate crime victimisation and racial or anti-immigrant abuse within the local area following the outcome of the European Union Referendum on 23 June 2016.

It is noted that the Police want those who are victims of hate crime to feel confident in the belief that their reports will be taken seriously and that the Police will provide protection and any support that is needed.

The Council is therefore asked to formally endorse the contents of the letter”.

The Motion was put and was carried.

7. Bishops Lydeard and Cothelstone Neighbourhood Development Plan - Formal adoption as a Development Plan Document for Taunton Deane Borough Council

Considered report previously circulated, concerning the Bishops Lydeard and Cothelstone Neighbourhood Plan.

Through the introduction of the Localism Act, Neighbourhood Development Plans had been introduced into the Planning system. The intention was to give communities direct power to develop a shared vision for their neighbourhood and shape a locally distinctive development plan which reflected growth needs and priorities.

From inception, Taunton Deane Neighbourhood Plans were community led development plan documents with the Local Planning Authority providing advice and assistance, and taking regulatory decisions at key legislative stages set out in the Acts and Regulations.

A Neighbourhood Plan was required to be predominantly land-use based. It could not be contrary to National and Local Planning Policy, nor could it conflict with European Legislation. A Neighbourhood Plan could not restrict development but it could shape development that had been allocated through local Planning Policy and allocate land for development.

The Bishops Lydeard and Cothelstone Parish Council began the process of developing a Neighbourhood Plan in 2012 and an application was subsequently received to produce a Neighbourhood Plan and the designation of the Parish as a Neighbourhood Plan Area. As required by the Regulations,

the application was published for statutory consultation.

Following this consultation exercise, Taunton Deane formally designated the entirety of the Parish of Bishops Lydeard and Cothelstone as a Neighbourhood Planning Area on 30 May 2013.

The Neighbourhood Plan was developed through an iterative process over two and a half years using quantitative and qualitative data. The Plan contained nine policies covering such areas as Housing for Older People and Families, Housing Design and Density, the Conversion of Existing Premises to Commercial Use, the Provision of Transport Infrastructure and Foot and Cycle Paths.

The Neighbourhood Plan process was also used to establish Parish Priorities for Community Infrastructure Receipts. However, as this was not purely a land-use matter, this appeared as an appendix in the draft Plan.

The Neighbourhood Plan and its supporting documents were submitted to the Council on 1 October 2015 and, in accordance with the regulations, it was subjected to regulatory consultation, also for a six week period. A total of ten representations were received during the period of consultation.

These representations were submitted to an Independent Examiner who was jointly appointed by Taunton Deane and the Parish Council, in accordance with the Regulations, to carry out an independent examination of the Neighbourhood Plan.

The Independent Examiner's report was received in January 2016 and stated that the Neighbourhood Plan was compliant and compatible, subject to a number of minor changes being incorporated.

These changes were accepted by the Portfolio Holder whose decision was reported through the Council's Weekly Bulletin on 4 February 2016.

Further reported that to comply with the Neighbourhood Planning (Referendum) Regulations and Neighbourhood Planning (Prescribed Dates) Regulations, the Neighbourhood Plan had to be subjected to a referendum. This took place on 5 May 2016. Those persons on the Electoral Register eligible to vote were asked whether they wanted Taunton Deane to use the Neighbourhood Plan for Bishops Lydeard and Cothelstone to help it decide planning applications in the neighbourhood area?

From the 2,336 electorate in the Neighbourhood Plan Area, 733 persons voted with 583 (79.54%) in favour.

Noted that the Planning Guidance stated that as soon as it was reasonably practical following a referendum, the Council - as the Local Planning Authority – was required to decide whether the Neighbourhood Plan should be adopted.

Resolved that the Bishops Lydeard and Cothelstone Neighbourhood Plan be formally adopted ("made") as a Taunton Deane Borough Council

Development Plan Document, and used in the planning application decision making process for the Bishops Lydeard and Cothelstone Parish area.

8. **Heart of the South West Formal Devolution Bid**

Considered report previously circulated, which sought approval to sign up 'in principle' to the pursuit of a Devolution Deal and the creation of a Combined Authority for the Heart of the South West (HotSW) sub-region to administer the powers and funding devolved through the Deal.

Devolution for the HotSW was being led by the Leaders of Somerset and Devon County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and Exmoor National Parks, the Local Enterprise Partnership and the three Clinical Commissioning Groups. The group had become an 'informal partnership' working towards a Devolution Deal to secure greater powers and control and to have a stronger voice with the Government.

A shared Devolution Statement of Intent had been submitted to the Government on 4 September 2015. Since then, the partnership had strengthened and evolved, and jointly developed the HotSW Prospectus for Prosperity which built on the three basic ambitions:-

- To raise productivity levels;
- Improve health, care and wellbeing; and
- Improve connectivity and resilience.

The Prospectus for Prosperity had been submitted to the Government at the end of February 2016 and, following the receipt of an invitation, the Leaders from the upper tier authorities had met with the Secretary of State for the Department of Communities and Local Government to seek his views on the next steps forward towards a Devolution Deal.

Following the meeting, the Secretary of State had invited the partnership to come forward with a proposal and the following points were clarified:-

- **Geography** – That the Devon and Somerset area was the appropriate scale. The proposal would need to clearly demonstrate why this was the right geography for the Devolution Agreement and all Councils and Members of Parliament would be required to support the proposal.
- **Combined Authority** – That the partnership would move forward into the negotiation process based on a Combined Authority model. The Mayoral issue might be considered again at a later stage, within the timeline agreed by the partnership. A Mayor would not be imposed or be a pre-condition of any initial deal.
- **Extent of the Deal** – That areas that had agreed to have a Mayor would receive more powers than a non-Mayoral Combined Authority. However, the negotiation process would be an opportunity to push the limits of this

initial Deal, and the process should therefore be viewed as being incremental.

- **Timeline** – That the partnership would still work towards an Autumn

Statement timeline for the announcement of an initial Deal.

- **Growth Deal 3** – That the Local Enterprise Partnership (LEP) would not be penalised in Growth Deal 3 negotiations just because the area had decided to pursue a Devolution Deal based on a Combined Authority without a Mayor. The decision for allocation would be based purely on the quality of the Growth Deal bid.

The Secretary of State had further advised that if the partnership, backed by each Council and Members of Parliament, signed up to the principle of creating a Combined Authority by the end of July 2016, he would arrange for HM Treasury to open up negotiations towards a Devolution Deal.

Any final Devolution Deal with the Government would be subject to further approval / ratification by all partners individually. A Heads of Terms document would be used as a negotiating tool to draw down additional powers and funding to provide a significant boost to the HotSW economy by creating new jobs, accelerating the delivery of new homes and raising skills levels.

Further reported that the following alternative options had been considered and had been rejected for the reasons given:-

1. To decline the Secretary of State's offer and continue at the current pace - As far as it was known, this might be the first two tier area to be given the opportunity to enter into negotiation with the Government for a Devolution Deal without committing to a directly elected Mayor. This was a prime opportunity to push the Government as far as possible for powers to be devolved to the HotSW; and
2. To make separate approaches to Government, rather than as a partnership - Since the submission of the Statement of Intent, the partnership had worked very effectively together to create a strong and credible Prospectus that had been acknowledged by the Secretary of State. It was considered that the partnership should remain united moving forward into negotiations to have a stronger voice and secure a better Deal.

The HotSW partnership had already committed to develop a Productivity Plan which would guide the powers and resources received in the Devolution Agreement, together with local contributions. This plan represented a refresh of the LEP's current Strategic Economic Plan (SEP).

Regardless of whether the Government agreed to open up negotiations for a Deal, the development of a Productivity Plan for the HotSW sub-region would be an imperative to describe the long term future growth of the area, in order to provide a better quality of life for our residents. Therefore, work would continue on the development of a sub-regional Productivity Plan irrespective

of whether there is an announcement in the Chancellor's Autumn Statement.

The Productivity Plan would focus on each of the six 'golden opportunities' that had been identified in the Prospectus with detailed plans setting out the ambitions for the region and how these would be achieved.

Further reported that a Governance Review was already underway. This was examining existing structures and developing options for the best governance structure for the HotSW sub-region. As part of this review, the following key issues would be considered and all partners would be involved in this process:-

- The extent of the decision making powers to be vested in the Combined Authority;
- What decision making structures or advisory committees (including place-based arrangements) would be required under the Combined Authority – including any joint committee arrangements; and
- Proposed voting arrangements.

Noted that it was possible that one or more partners might choose not to proceed with a formal bid. Although this would be unfortunate, it would still be possible for a Devolution Deal to go ahead. There was significant discussion underway between partners to produce proposals that were acceptable to all, and this would be fully explored as the bid was developed.

Resolved that:-

- (1) The current approach to devolution be endorsed and it be agreed to sign up to the principle of creating a Combined Authority for the Heart of the South West, as set out in the Prospectus for Productivity, as the basis for negotiation with the Government towards a Devolution Deal for the area;
- (2) It be noted that giving this endorsement did not commit the Council to entering into a Devolution Deal or becoming a member of a Heart of the South West Combined Authority. This would be subject to future debate and agreement by the Council and subject to negotiations with the Government.

9. **Tone Leisure Merger with Greenwich Leisure Limited**

Considered report previously circulated, concerning the proposed merger of Tone Leisure (Tone) with Greenwich Leisure Limited (GLL).

Since July 2014 Tone had been in discussion with the United Kingdom's largest leisure charitable social enterprise, GLL, to explore the potential for Tone's responsibility for the provision of leisure services within Taunton Deane being merged.

It had been recognised by the Tone Board Trustees that a strategy needed to

be identified, which would provide the organisation with the best chance of achieving sustainability and longevity as a service provider in the leisure sector. This had been triggered by the shifting market for Local Authority provision and the recognition that Tone was a small local trust and therefore disadvantaged in terms of competing successfully to win contracts.

The discussions with GLL had been undertaken in order to explore the potential for Tone to utilise the national expertise of GLL, their financial strength and skills whilst maintaining local networks and employees. By considering a merger rather than remaining as an owned subsidiary had enabled Tone to become the lead for the South West Region as GLL expanded on their regionalisation strategy.

If the Council chose to support the proposed merger, this could be achieved in one of two ways. The simplest approach would be for the assignment of the existing leases from Tone to GLL or the more complex approach which would involve Tone being converted into a community benefit society, which would then be formally transferred to GLL via the statutory transfer process. The recommended approach was the former.

In terms of service, GLL would continue to be required to provide the services in the same manner as Tone had to date, in full accordance with the current service agreement. Overall customers would see no change to the services which they enjoyed and they would benefit from the ability to use other GLL sites across the country if they held a membership.

Noted that GLL would only be able to continue with the provision of services on this basis until 2019, at which point the entire service would need to be subjected to a full formal procurement exercise. This would be for a different offering than was in place now.

Following the transfer to GLL, the annual grant management fee that was currently paid by the Council to Tone would be payable to GLL, but there would be no change to how this payment was administered, which was through quarterly instalments. The Council would continue to control the level of payment set at each budget.

Following transfer and absorption, it was proposed that GLL would operate via an Advisory Board, which would have the purpose of maintaining the connection of service delivery with the community through Councillor Representation.

The requirement within the current funding agreement, which stipulated that an annual Business Plan should be produced setting out the key areas of work for each forthcoming year would also remain in force, as would the requirement for a company representative to attend the Community Scrutiny Committee on a quarterly basis.

Tone staff would transfer via TUPE to GLL and new employees would have access to GLL's current pension provision.

Overall, the merger would lead to a situation in which Council leisure services

would be provided by a major operator with a significant position in the market, which it was argued would make leisure services within Taunton Deane more resilient to economic and financial pressures, whilst securing significant benefits in terms of access to capital, cash flow support and general risk management.

Resolved that:-

- (1) The proposed merger between Tone Leisure and Greenwich Leisure Limited be approved; and
- (2) In order to facilitate the transfer of leisure service provision from Tone Leisure to Greenwich Leisure Limited, that for the three years remaining of the current arrangements with Tone Leisure:-
 - The assignment of relevant property leases from Tone Leisure to Greenwich Leisure Limited be agreed; and
 - The transfer of the funding agreement from Tone Leisure to Greenwich Leisure Limited be also agreed.

10. **Housing Revenue Account Business Plan Review**

Considered report previously circulated, which provided an update on the progress of the review of the Housing Revenue Account (HRA) Business Plan.

The Business Plan contained the aims and objectives of the HRA, and included a financial model of the next 30 years. A number of largely external changes had meant that a full refresh of the Business Plan was necessary. The report therefore identified the changes and the impact of these changes.

The new Business Plan was more robust than previously with the inclusion of better quality data, in particular around the Council's assets. However, the financial margins were now much tighter with the plan relying on the delivery of savings, which would require the imposition of continuing management vigilance in order to maintain a viable Business Plan.

The Business Plan had brought everything together and had set out the aims and objectives of the HRA. The review had updated strategic objectives for the service, which were to provide quality homes, support the most vulnerable, provide a better service and build a stronger business.

The review had also detailed the way in which the HRA would work in the future, including setting out a new operating model that would allowed tenants, where appropriate, to move into additional services such as shared ownership. This model showed the way in which the HRA would support tenants into and through the Housing service.

Following consultations with Members, the Tenant Services Management Board, the Tenants Forum and all staff members in the Housing and

Communities Directorate, the following conclusions had been established:-

- The HRA's Core Business should be social rented housing for the most vulnerable in our communities.
- The proposed new objectives for the HRA were appropriate.
- That much could be done to improve the customer experience of the Housing Service.
- Subject to continuing commitments with repairs and maintenance service standards, that it would be acceptable to prioritise new build projects over some maintenance expenditure.
- The priority for the tenants groups was not to allow standards in the Council's existing housing to fall.
- To make better use of current repairs and maintenance service in order to free up resources.
- There was an appetite for looking at housing products closer to the market in order to generate additional income on new build/regeneration schemes.
- The current revised debt repayment approach was acceptable based on treasury management advice and to achieve a viable Business Plan and protect services.

Due to a number of changes driven by both internal and external factors, which included a reduction in rent by 1% for four years, rental income by 2042 was likely to be reduced by 39%. Noted that there was likely to be a reduction in income of £185,000,000 over the next 30 years. This substantial impact on the financial position of the Business Plan had meant the Council had to consider some corrective action to mitigate these impacts within the updated Plan.

The new financial position and baseline assumptions of the HRA Business Plan included the following:-

- Right to Buy (RtB) – This had been updated to include 60 sales per annum for a three year period, followed by a reduction to 30 sales a year. This would result in a reduced number of dwellings in the Housing stock and reduced rental income.
- Pay to Stay – The introduction of this meant that tenant households of local authorities earning over £31,000 per annum must be charged a higher rent, depending on their income, up to market, or near market rents.
- Welfare Reform – This included a provision for lower income for a period of three years due to an increase in bad debt. This would cover the roll out of Universal Credit in Taunton Deane.
- Maintenance – Inclusion of a slight increase to major works spend following the recent Stock Condition Survey as well as a reduction over five years to the day to day spend on maintenance.
- New Developments – Committing a budget over the full 30 years of £77,000,000, which equated to 15 units per year at an average rate of £130,000 per unit, rising with inflation.
- Disabled Facilities Grant – A budget reduction from £435,000 per annum to £300,000 per annum over a five year period.
- Capital Improvements - This once separate budget for Sustainable

Energy had been 'mainstreamed' into the heating replacement programme and would now be included within the core capital programme. The Estate Improvements annual budget of up to £50,000 would be continued, which the Council had acknowledged was very important to tenants.

- Management Costs – This included efficiency savings of £253,000, which had been identified from management and service costs as well as a new permanent provision of £140,000 per annum was being included for schemes currently being covered with temporary funding.
- Debt – Where the Council's reserves allowed debt was being repaid, otherwise it would be refinanced. Also included were provisions for long term debt repayment to be spread over 60 years. This should result in the debt being reduced to less than £50,000,000 by year 30.

Further reported that the Business Plan faced a number of risks and uncertainties that were not currently quantifiable and so had not been included within the Business Plan finances. These included the introduction of Pay to Stay, selling off Higher Value Void Stock, the introduction of Local Housing Allowance Rates and the full roll out of Universal Credit replacing Housing Benefit.

The HRA had a well-established development programme and to ensure a continuing and deliverable programme, and the best use of the funding, a Development Strategy had been established which would allow opportunities for the development pipeline and other new challenges to be identified. A copy of the Development Strategy was attached as an appendix to the Business Plan for the information of Members.

The review had also identified some future drivers for the HRA priorities, which included dealing with the loss of housing stock through Right to Buy, the Council's investment priorities and dealing with non-traditional stock and poor performing stock as identified in the Asset Management Strategy.

Through the Asset Management Strategy, the Council had identified its objectives and principles in relation to active asset management and these included:-

- Objectives:-
 - Good quality homes and environmental standards;
 - Strengthening financial viability; and
 - Improving social sustainability.
- Principles:-
 - Using information on performance to target investment; and
 - The use of Options appraisals where performance was poor – prior to long term investment decisions.

This strategy had been developed so that decisions could be made in order to fund the contribution to Government, but also to start active asset management and stock churn. This was in order to make sure that the

housing held was right for both the HRA and tenants.

This tool had been created to take all of the data and assess the Housing stock using this information. This did not indicate what stock should be sold but showed which groups should have an options appraisal. Following an appraisal, it was the Council's intention that decisions should be made regarding the disposal of vacant dwellings or related assets through an Executive Portfolio Holder decision in conjunction with the Director of Housing and Communities.

The financial position of the HRA Business Plan had changed considerably from a forecasted reserves balance of £156,000,000 at 2042 (year 30 of the existing Business Plan) to £18,000,000 at 2046 (year 30 of the new Business Plan). This was largely due to external changes such as the national rent policy, which had greatly reduced income expectations.

These changes meant that the HRA would not be able to continue the financing of the repayment of the current self-financing loans by year 2030 (year 18 of the Business Plan 2012) without a significant reduction in service quality.

The Council's Treasury Advisors had confirmed that the HRA would have a shortfall in cash when the loans were repaid. It would not therefore be beneficial to refinance the existing loans immediately and replace them with new longer term loans. Instead, it had been recommended to refinance the loans on maturity as and when needed, over the period required.

The current balance of HRA General Reserves was £2,686,000, which was £886,000 over the minimum recommended balance of £1,800,000. These forecasted deficits would reduce the HRA general reserves balance to £1,800,000 in 2018/2019. This meant that all of the available funding in general reserves (over the minimum balance) was needed over the next two years, and no further allocations would be possible.

As a result of the review, an Action Plan had been developed based on the HRA Business Plan's key priority areas of providing quality homes, supporting

the most vulnerable, providing a better service and building a stronger business. This detailed the future action for each priority and the sponsor for that priority.

Resolved that:-

Business Plan:

- (1) The Housing Revenue Account Business Plan 2016-2046 be approved;

Finance:

- (2) The policy for voluntary revenue provision for the repayment of capital debt in the Housing Revenue Account be changed to be over the

average life of Housing Revenue Account assets (estimated at 60 years);

Development Strategy:

- (3) The new Housing Revenue Account Development Strategy be adopted;
- (4) A supplementary estimate of £950,000 be added to the Housing Revenue Account Social Housing Development Fund capital programme in 2016/2017. This would bring the total development programme to £1,950,000 which represented the 15 units in the new Development Strategy to be delivered in 2017/2018. This would be funded through capital receipts and revenue funding in line with the Business Plan; and

Asset Strategy:

- (5) The new Housing Revenue Account Asset Strategy be adopted.

11. Recommendations to Council from the Executive

(a) Delivery of Electronic Car Park Signage and Pay on Foot Systems to Key Car Parks

The Executive had recently considered the introduction of a proposed new approach to car park signage in Taunton.

This proposal had three key components which were:-

- A comprehensive signage package for Taunton incorporating electronic parking signage (VMS – Variable Message Signage) which would improve the flow of traffic to key car parks, create an early warning system for events and enable improved traffic flow management;
- Improvements to seven key car parks by the installation of pay on foot systems which would enable customers to pay on exit from car parks; and
- Connecting the electronic signage and the pay on foot systems together for key car parks together to create a comprehensive and informative way-finding system for motorists.

A comprehensive Signing Strategy had also been commissioned to examine how effective the existing signage package would be in serving the needs of Taunton. The strategy focussed on three significant component parts of the network which were mentioned in the Council's Corporate Strategy - the park and ride provision, car park signage and tourist (brown) signage. The proposals were a defined project within the Council's growth programme which supported delivery of the Council's Growth Agenda.

The broad benefits of this investment included:-

- (1) A reduced time in finding a space. The signage would reduce unnecessary circulation to car parks and minimise queuing at car parks through influencing driver behaviour;
- (2) Improving user experience as pay on foot would remove the time limitation created by pay and display car parks. The inference was that people would spend more money into the economy whilst shopping; and
- (3) The installation of these systems had seen revenue rise in other towns generated by the car parks. This was in the order of 15-20% so would enable the Council to invest further in car park improvements.

The likely costs of implementing the electronic car park signage and pay on foot systems, were as follows:-

Capital Costs and Funding

The estimated capital costs are:-

	£
<u>Total costing</u>	
Variable Message Signage (VMS)	486,283
Pay on Foot (POF)	555,927
Fees, Contingency	157,790
Total Capital Budget Requirement	1,200,000
Funded by	£
Approved in current 2016/2017 Capital Programme	400,000
Revenue Budget Contributions	450,000
From New Homes Bonus	350,000

Intrinsic to this Business Case were IT interface revenue costs of approximately £36,000 per annum. Approval was therefore sought to set aside these funds from the anticipated additional parking revenues generated annually to address this budget pressure.

Within the Business Case the projected replacement cost of the system had been factored in before arriving at the “Net Present Value” of the estimated cash flows over a 15 year period. In order to ensure the funds were available to fund this replacement, approval was sought to earmark sufficient funds from each year’s parking income and to hold this in an earmarked reserve. The current projected cost would be £972,000 and the projected increase in forecast income of £300,000 per annum would be more than adequate to make this affordable.

This proposal clearly represented a significant investment for Taunton and was also one which was supported widely by the business community. The aim would be to complete delivery of this investment by the end of 2017.

On the motion of Councillor Habgood, it was

Resolved that:-

- (i) An increase to the Major Transport Schemes Capital Budget of £800,000, from £400,000 to £1,200,000 be approved;
- (ii) The earmarking of parking income to the value of approximately £36,000 per annum to fund the annual revenue expense of the IT interface, when these costs had been formalised through the procurement process, be approved; and
- (iii) The setting aside on an annual basis an appropriate sum of approximately £70,000 from parking income to fund the replacement system in 15 years' time, which was currently estimated to be £972,000 in total, be also approved.

(b) Corporate Debt Policy

Consideration has been given to the Council's Corporate Debt Policy which had been adopted in 2012. In line with good practice, the policy had recently been reviewed to ensure it remained fit for purpose.

The Corporate Debt Policy covered the management of all debts owed to the Council. This included the billing/invoicing, collection, enforcement and write offs for the five income streams of Council Tax, Business Rates, Housing Rents, Housing Benefit Overpayments and all other debts (known as Sundry Debts).

It was essential that all monies owed to the Council were actively pursued. The Policy therefore reflected a range of measures to help customers pay sums due, therefore maximising the level of resources available to support service delivery.

The Policy followed the debt recovery principles of Proportionality, Consistency, Transparency, Offset and Appropriate Costs/Fees.

It had been noted that a small proportion of the Council's overall income might not be collectable due to matters outside its control. Where a debt was assessed to be irrecoverable it would be subject to a write off process that was in accordance with the Council's Financial Regulations.

A range of indicators had been developed to monitor performance against agreed targets and to ensure the Corporate Debt Policy achieved its objectives. These would continue to be included in the Council's performance reporting updates.

On the motion of Councillor Parrish, it was

Resolved that the revised Corporate Debt Policy be adopted.

(c) Financial Monitoring - Outturn 2015/2016

A report relating to the Council's financial performance for the 2015/2016 financial year had recently been considered by the Executive. The outturn figures included were provisional subject to external audit review, the findings of which would be reported to the Corporate Governance Committee in September 2016.

Monitoring the budget was an important part of the Council's performance management framework. Crucially it enabled remedial action to be taken in response to significant budget variances, some of which might be unavoidable. It also provided the opportunity to assess any consequent impact on reserves and the Council's Medium Term Financial Plan.

The revenue outturn position for the financial year 2015/2016 was as follows:-

- The General Fund (GF) Revenue Outturn position for 2015/2016 was a net underspend of £280,000 (2.07%). The underspend had increased since the end of quarter 3 due to significant variances in the Street Cleansing budget and Interest Costs and Income.
- The Housing Revenue Account (HRA) was a 'Self-Financing' account for the Council's Housing Landlord function, which was budgeted to 'break even' (net of approved transfers to/from HRA Reserves). The HRA Outturn for 2015/2016 was a net underspend of £476,000 (1.8% of gross income).

The year-end financial statements reported that Deane DLO had made an overall profit of £47,000 after contributing £101,000 to the GF. This surplus had been transferred to the DLO Trading Account Reserve which had increased the reserve balance to £365,000.

The Deane Helpline had reported a net deficit of £67,000 for the year, which was an underspend of £13,000 against the final budget and represented the net cost of the service to the GF.

With regard to the budget for the Unparished Area of Taunton, although £46,170 had been allocated to a variety of schemes during the 2015/2016 financial year, £55,610 was available for allocation during the current year.

The capital outturn position for 2015/2016 was as follows:-

- The General Fund profiled Capital Programme at the end of 2015/2016 was £17,345,000. The actual expenditure on the Capital Programme during 2015/2016 was £7,244,000, with £9,976,000 being carried forward to support delivery of approved schemes in 2016/2017. This would leave a net underspend of £125,000 (0.7%) against the overall programme.
- The HRA approved Capital Programme at the end of 2015/2016 was £23,759,000. This related to schemes which would be completed over the next five years. The actual expenditure on the Capital Programme during 2015/2016 was £11,391,000, with £10,214,000 for planned investment to implement approved schemes in future years. A net

underspend of £2,154,000 (9%) was reported against the overall programme.

The GF Reserves balance as at 31 March 2016 stood at £2,113,000. The balance remained above the minimum reserves expectation within the Council's Budget Strategy (£1,600,000).

The HRA Reserves balance as at 31 March 2016 stood at £2,675,000, which was above the minimum level (£1,800,000) set within the Council's Budget Strategy and the HRA Business Plan.

The total General Fund Earmarked Reserves balance as at 31 March 2016 was £16,722,000, and for HRA Earmarked Reserves the balance was £4,985,000, representing funds that had been set aside for specific purposes to be spent in 2016/2017 or later years. This had grown largely in respect of funds committed to support growth and infrastructure development, future capital programme spending, the Business Rates funding volatility, and funding set aside to support service restructuring and Transformation Projects.

On the motion of Councillor Parrish, it was

Resolved that:-

- (1) The Council's financial performance and end of year position for the General Fund and the Housing Revenue Account, including pre-approved carry forwards and transfers to earmarked reserves be noted; and
- (2)
 - (a) The reported General Fund Revenue Budget underspend of £280,000 in 2015/2016 and the General Reserves Balance of £2,113,000 as at 31 March 2016 be noted;
 - (b) The General Fund Revenue Budget Carry Forwards totalling £892,000 be approved;
 - (c) A General Fund Capital Programme Budget Carry Forward totalling £9,976,000 be approved;
 - (d) A Housing Revenue Account Capital Programme Budget Carry Forward totalling £10,214,000 be approved;
 - (e) Supplementary Budget allocations of £333,000 in 2016/2017 for the Housing Revenue Account be approved, utilising 2015/2016 underspends, for the following areas:-
 - i. £33,000 to fund an extension to the employment of the Welfare Reform Officer to March 2018;
 - ii. £38,000 to fund an extension to the additional Debt and Benefit Advisor to March 2018;

- iii. £198,000 to increase the Estate Officer capacity by one in each area until March 2018;
- iv. £21,000 to fund an extension to the Mental Health support until March 2017;
- v. £25,000 to provide funding to Pilot a dedicated part-time resource to roll-out, drive and oversee the 'Chill and Chat' peer support group to vulnerable women across all three One Team areas; and
- vi. £18,000 to increase funding available to Community Development Officers in each of the One Team Areas for 2016/2017.

12. Reports of the Leader of the Council and Executive Councillors

(i) Leader of the Council (Councillor Williams)

Councillor Williams's report covered the following topics:-

- The Referendum – Decision to Leave European Union;
- Heart of the South West Devolution;
- Shared Services and Management with West Somerset Council;
- Proposed Firepool Development;
- Junction 25 (J25) and A358 Improvements with Access to Employment;
- Merger of Bridgwater College and Somerset College;
- Blackbrook Swimming Pool; and
- Deane DLO Relocation.

(ii) Economic Development, Asset Management, Arts and Tourism and Communications (Councillor Edwards)

The report from Councillor Edwards covered:-

- Business Development
 - Economic Development Service Plan;
 - Support for Digital Innovation;
 - The Glass Box;
 - Wiveliscombe Business Park;
 - Taunton Deane Business Awards;
 - Heart of the South West Growth Hub;
 - Wiveliscombe Business Showcase; and
 - Business Communications.
- Marketing the Area to Businesses and Visitors
 - Marketing to Visitors;
 - Somerfest;
 - Taunton Live;
 - Arts and Events Grants; and

- Social Media and Website.
- Asset Management Service General Fund Activities
- Asset Development Sites in Taunton
 - Lisieux Way (Thales Site);
 - New footbridge at Longrun Meadow; and
 - Unlocking Employment Land.

(iii) **Planning, Transportation and Communications (Councillor Habgood)**

The report from Councillor Habgood provided information on the following areas within his portfolio:-

- Planning Policy
 - Core Strategy Development;
 - Site Allocation and Development Plan (SADMP);
 - Neighbourhood Planning;
 - Bishops Lydeard and Cothelstone to be 'made' (adopted);
 - Two New Neighbourhood Plan Areas Designated;
 - Neighbourhood Planning Grant;
 - Timescales for Decisions on Neighbourhood Plans;
 - Sharing Information and Experience; and
 - Custom/Self Build Register.
- Development Management
 - Major Planning Applications;
 - Local Development Order; and
 - Making Saving Bringing Benefit.
- Transportation
 - 20 Year Transport Strategy;
 - Car Park Performance; and
 - Signage.

(iv) **Sport, Parks and Leisure (Councillor Mrs Herbert)**

The report from Councillor Mrs Herbert dealt with activities taking place in the following areas:-

- Parks – Bedding displays and hanging baskets; Green Flag Judging; Nursery Contract Work; and Tree Survey.
- Play and Leisure – Vivary Bandstand Concerts; Section 106 Agreement play areas; and The Blackbrook Pool Project.
- Tone Leisure (Taunton Deane) Limited Activities – Active Lifestyles; and Facility News.

(v) **Corporate Resources (Councillor Parrish)**

The report from Councillor Parrish provided information on the following areas within his portfolio:-

- Democratic Services;

- Electoral Services;
- Electoral Review;
- Law and Governance – Shape Partnership Services;
- Revenues and Benefits Service;
- Procurement;
- Finance;
- Finance Systems Replacement Project; and
- Corporate Services.

(vi) **Community Leadership (Councillor Mrs Jane Warmington)**

Councillor Mrs Warmington presented the Community Leadership report which focused on the following areas within that portfolio:-

- Three Priority Area One Teams;
 - Link Power Project;
 - Raising Aspirations through Mentoring in Schools;
 - Let's Make Isolation and Loneliness History!
 - Quantock Hills Area of Outstanding Natural Beauty;
 - Community Safety;
 - Businesses Against Crime;
 - Psychoactive Substances Act 2016;
-
- Syrian Refugee Resettlement; and
 - Referendum.

(vii) **Housing Services (Councillor Beale)**

Councillor Beale submitted his report which drew attention to the following:-

- Deane Housing Development – Creechbarrow Road, Taunton; Weavers Arms, Wellington; Parmin Close, Taunton; Extensions; Scooter Storage and Car Parking;
- Affordable Housing – Delivery and Affordable Housing Open Day 2016;
- Welfare Reform – Welfare Reform Visits; Discretionary Housing Payments; Universal Credit; Rent Arrears; and Right to Buy Social Mobility;
- Anti-Social Behaviour Service – Performance; Casework; Closed Cases; and High Profile/Risk Cases.

(viii) **Environmental Services and Climate Change (Councillor Berry)**

The report from Councillor Berry drew attention to developments in the following areas:-

- Environmental Health;

- Licensing;
- Deane DLO; and
- Somerset Waste Partnership.

(Councillors Miss Durdan left the meeting at 8.19 p.m. Councillors Mrs Gunner and Hall left the meeting at 8.24 p.m. Councillors Coombes and D Durdan left the meeting at 8.39 p.m. Councillors Davies and Stone left the meeting at 8.50 p.m. Councillors Farbahi, Govier, Morrell, Mrs Reed and Wren all left the meeting at 8.52 p.m. Councillor Hunt and James left the meeting at 9.02 p.m. Councillor Mrs Lees left the meeting at 9.07 p.m. and Councillors Gaines and Ross left the meeting at 9.25 p.m.)

(The meeting ended at 9.27 p.m.)

Taunton Deane Borough Council

At a meeting of Taunton Deane Borough Council held in the John Meikle Room, The Deane House, Belvedere Road, Taunton on 26 July 2016 at 6.30 p.m.

Present The Mayor (Councillor Mrs Stock-Williams)
 The Deputy Mayor (Councillor Prior-Sankey)
 Councillors M Adkins, Aldridge, Beale, Berry, Booth, Bowrah, Brown,
 Cavill, Coles, Coombes, Cossey, Davies, D Durdan, Miss Durdan,
 Mrs Edwards, Edwards, Farbahi, Mrs Floyd, Gage, Gaines,
 Mrs Gunner, Habgood, Hall, Mrs Herbert, C Hill, Mrs Hill, Horsley,
 Hunt, James, Ms Lisgo, Martin-Scott, Morrell, Nicholls, Parrish,
 Mrs Reed, Ross, Ryan, Miss Smith, Mrs Smith, Stone, Sully,
 Townsend, Mrs Tucker, Mrs Warmington, Watson, Ms Webber,
 Wedderkopp, Williams and Wren

Mrs A Elder – Chairman of the Standards Advisory Committee

Before formally opening the meeting, the Mayor asked those in attendance to observe a one-minute silence to remember those who had died or had been injured in recent terror attacks in France.

1. **Apologies**

Councillors Mrs Adkins, Mrs Blatchford, Govier, R Lees and Mrs Lees.

2. **Declaration of Interests**

Councillors M Adkins, Coles, Hunt, Prior-Sankey and Wedderkopp declared personal interests as Members of Somerset County Council. Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillor Wren declared a personal interest as Clerk to Milverton Parish Council. Councillors Gage and Stone declared prejudicial interests as Tone Leisure Board representatives. Councillor Ms Lisgo declared a personal interest as a Director of Tone FM. She also confirmed that she was no longer a member of UNISON. Councillor Beale declared personal interests as a Board Member and Director of Tone FM and as a Governor of the South West Ambulance NHS Trust. Councillor Edwards declared a personal interest as the Chairman of the Governors of Queens College. Councillor Farbahi declared a personal interest as the owner of land in Taunton Deane. Councillor Hall declared a personal interest as a Director of Southwest One. Councillor Coombes declared a personal interest as a Stoke St Mary Parish Councillor and as the owner of land at Haydon. Councillor Parrish declared a personal interest as the District Council's representative on the Somerset Pensions Committee. Councillor Mrs Hill declared personal interests as a representative on the Board of Directors of Apple FM, as a Trustee of Hestercombe House and Gardens and the Somerset Building Preservation Trust. Councillor Miss Smith declared a personal interest as a member of Refugee Aid from Taunton. Councillor Ross declared personal interests as one of the Council's representatives on the Somerset Waste Board, as a member of the Wiveliscombe Area

Partnership and as a Governor of Wiveliscombe Primary School.

3. Public Question Time

- (a) Mr Chris Mann stated that he was in favour of the proposed merger of Taunton Deane and West Somerset Councils. However, he did query why the merger would need such a big investment in a new IT system.

The present management structures of the Councils in Somerset were implemented 50 years ago and where most businesses had changed out of all recognition, the Local Government structure had not. These structures were now a very expensive way of providing Council services which looked very poor value indeed.

With West Somerset, Taunton Deane had already combined a shared Chief Executive, Senior Management Team and had merged Revenues and Benefits and Electoral Services. Managing the same work in a bigger area was easy and perfectly normal. Including Sedgemoor District Council in the merger would help support the financial difficulties in West Somerset as well as help convince citizens that normal business reform was being sought.

Mr Mann went on to enquire why the Council believed the huge new risky IT project with Ignite and Civica was essential? After the failures of Taunton Deane's CSL and the Southwest One projects, it was surprising that the Council was considering entering a third one.

He did not agree at all with the suggested need for a so called case management approach negating the need for a customer to know how the system would operate and who did what. Surely multiple service delivery options and providers would conflict with value for money? There was absolutely no need to spend a fortune on developing smart phone applications. Mr Mann felt that service silos could be good because people knew where it was, who was in it and how to contact it. They were not passed to false providers. The Councillors should reject this proposal for a third sticky, out-sourcing quagmire and quietly manage it to carry out the merger with minimal external support. The merger proposal should be re-costed to include a do it yourself option and perhaps include Sedgemoor. Council areas should of course still keep their ceremonial Mayors.

- (b) Sue Leving referred to the fact that Councillors were being asked to vote on a proposed merger between two Councils, yet the Council which stood to gain most had decided to delay six weeks before making up its mind. Where was the sense in stopping the dialogue between the two Councils any sooner than necessary? Why close off your options before you needed to, especially now Sedgemoor were suddenly being asked to join the party and an announcement on Hinkley C was expected later in the week? Surely common sense dictated that the two Full Council meetings should be synchronised as originally planned?

Ms Leving went on to ask why Councillors were being asked to vote on two different things as one vote. Firstly you are being asked to vote on whether a

full merger with West Somerset was a wise thing to do. Secondly, you are being asked to vote on the adoption of the High Level Business Plan. Whether you vote 'yes' or 'no' to Option 2, you will end up agreeing the Business Plan where serious concerns as to its content had been expressed through the Councils' Scrutiny Committees. Had these concerns found their way into the Leader's new report or not?

Finally, did you really want to sign up to something which was going to cost a great deal of money, tie the Council into an un-tried software contract and, most of all, tie the electorate into a merger with a financially unviable Council with whom they had little in common based on a Business Plan of which you had had no chance to vote? I hope the answer will be no.

- (c) Phil Bisatt, UNISON asked Councillors to be particularly mindful of the recommendations of the Councils' Section 151 Officer regarding financial viability of the three Options. Ultimately the services delivered to the community and the welfare of staff and their terms of conditions were crucially dependent on the ability to come up with a financially sound option for the longer term. It appeared that Option 3 did not look to be financially sound and even if it was possible to do so, it would be very disruptive to employees working in the currently combined workforce of the two Councils. It was not clear that Option 1 for the two Councils was viable either based on the Section 151 Officer's recommendation. These views needed to be taken very seriously by Members when making their decision.
- (d) Alan Wedderkopp stated that what was being witnessed was a gargantuan mess which was the result of no-one taking responsibility for the initial mistakes and the Government shuffling off its responsibility on to others.

The mismanagement that has followed West Somerset Council since its inception was its responsibility. Taunton Deane should have told them so, but I think the administration have been blinded by a vision of absolute power and that often leads to absolute chaos. Why were the Council Tax payers of Taunton Deane paying the shared costs of West Somerset House which includes rented space, utilities as well as officer's time and travel expenses when there is ample surplus space in The Deane House? Was it anything to do with an over-charge of £300,000 in Business Rates to Hinkley Point which subsequently had to be paid back - but which had already spent on building West Somerset House? When I asked an officer over the telephone what were the costs to Taunton Deane Council Tax Payers, I was told it was too complex to explain and that a Freedom of Information request should be submitted. Really? Was that correct?

- (e) Alan Debenham referred to the biggest merger of all time in 1973/1974 when Taunton Deane Borough Council was formed following the Local Government Re-organisation. He thought that when it came to this current merger proposal one of the main factors was the identity of the new organisation. Another was democracy and he thought that this was a big argument in the recent referendum where people were saying they felt left out and not engaged any more with politics.

With the current proposals, it was likely local residents would not feel as connected to their local Council as they did now and so, on those two grounds alone, the proposed merger should be rejected.

Mr Debenham added that if change was desired, Councillors should agree to revert both Councils back to where they were. All the mergers being proposed were to do with one thing only which was cutting public services and public spending, which the Government had been hell-bent on doing ever since it got back into power. For some reason they hated public spending and, as far as Local Government was concerned, they had hacked it to pieces. The cuts in local services and Local Government was out of this world. Why you put up with this, I just do not know so please do not put up with this merger proposal.

- (f) Sam Harris referred Councillors to the report considered by the Corporate Scrutiny Committee on 11 July 2016. In the Executive Summary reference was made to the commercial approach but your administration's track record on behaving commercially was not one to be proud of in any way, shape or form.

Starting with £100,000's wastage on consultant fees for revenue of less than 1% on some £65,000,000 worth of property assets. In addition, you have a year on year loss of £37,000 on a plant nursery on Stoke Road which had cost Taunton Deane Tax Payers nearly £1,000,000 and now had only achieved agricultural value of one fifth of the original cost. There was a loss of revenue on the former Castle Green Car Park of a net of £135,000 per annum plus spending of £144,000 of taxpayers' money on the relocation of The Deane House to County Hall which had now been dropped.

Relocation of Deane DLO which was meant to give Taunton Deane a £300,000 net increase had instead cost taxpayers by £100,000's when some 85% of its workload was in Taunton adding paid commuter miles.

Could you please tell us why we should trust you in any way when you had proven to be pretty useless anyway?

As for projects that you had started but not finished, such as the ones at Firepool and the High Street, Taunton Improvement, should you not consider finishing those before you start off with an even larger project that was doomed to fail?

- (g) Paul Escott asked why Taunton Deane was deciding tonight on a recommendation to dissolve itself in order to merge with an insolvent neighbouring Council? Could I enquire how many Councillors here today put down in their manifestos or their leaflets during last May's campaign that by voting for them they would be wishing to do away with the very Council which they were seeking to get elected to? How was Taunton to be represented in the future without a Town Council and was there not a real danger that it would become the poor relation in the enlarged greater West Somerset Council?

In response, Councillor Williams stated that he would reply in writing to the various questions raised by those who had spoken.

With regard to the comments made by Mr Sam Harris, Councillor Williams Stated that he could 'wax lyrical' for a long time as to where Taunton Deane had succeeded in the past. As an example, it was a little known fact that car park income had gone up with a lot more people coming into Castle Green which sets off a wonderful Somerset Museum. It was long proven that what the Council had done was far better than before.

4. Receipt of Petitions

(i) On behalf of Taunton Deane Liberal Democrats, Mr Gideon Amos submitted a petition/questionnaire containing 180 signatures. The petition/questionnaire asked "Should Taunton Deane Borough Council merge with West Somerset Council?"

The document made available to members of the public asked four specific questions:-

"1a. It is proposed to advance TDBC reserves of £5.7m to facilitate this merger while WSC will advance only £1.1m. Do you think that TD Council Tax Payers should agree to this?

1b. OR Should TDBC use the £5.7m to secure jobs, promote growth, encourage investment and pay towards infrastructure requirements such as schools, health centres and transport in its own area?

2. If a merger between Councils is required to make savings, should we be allowed to decide with which Council we should merge in order to safeguard services?

3. Would you be prepared to sign a referendum from all the voters in TD on whether we should merge or not?"

(ii) A further petition containing in excess of 200 signatures organised by Councillor Steve Ross was also submitted.

The petition called upon "Taunton Deane to wait to make a decision on a merger with West Somerset Council and on other available options until September 2016. A decision should only be made on the same day as West Somerset Council to ensure that the joint process which started in March 2016 continued and was shared with West Somerset Council and any other Council that wished to become involved".

5. High Level Transformation Business Case

Considered report previously circulated, concerning the High Level Business Case which tested what Transformation could deliver to both Taunton Deane

Borough Council (TDBC) and West Somerset Council (WSC).

In March 2016, TDBC and WSC had confirmed their commitment to a core, and continuing Joint Management and Shared Services (JMASS) Partnership and authorised and prioritised work to create a high level Transformation Business Case which considered the following sequential options:-

- ONE Team supporting two Councils (TDBC and WSC);
- ONE Team supporting a merged Council (TDBC and WSC); and
- Two Councils progressing their own Transformation agendas.

The full High Level Transformation Business Case had been circulated to all Members of both Councils prior to its consideration by TDBC's Corporate Scrutiny Committee on 11 July 2016 and WSC's Scrutiny Committee on 12 July 2016.

This report set out to summarise the findings of the Business Case, to share and comment on the feedback from Scrutiny and UNISON, and to present the Leader of the Council's thinking and final recommendations on the way forward for Taunton Deane Borough Council.

It was important that Members remembered why Transformation was being looked at and not lose sight of the need for our Councils to make savings. This was essential to allow Taunton Deane to continue to invest in Growth – the Council's top priority. For West Somerset, it was clear from the Affordability Project that significant financial viability challenges remained. The subsequent approach to Government had shaped the work approved in the Mandate Report of March 2016.

The High Level Transformation Business Case was the product of the Full Council meetings in March 2016 and showed what could be delivered from Transformation in various democratic scenarios. Noted that Transformation alone would not be enough to 'balance the books' and other proposals would therefore need to be considered to enable both Councils to become sustainable over the longer term.

Reported that both Councils were facing a challenging financial future, with predicted budget gaps over the coming years as shown below:-

	2017/18	2018/19	2019/20	2020/21	2021/22
TDBC Cumulative Gap	£0.527m	£1.401m	£2.128m	£2.327m	£2.532m
WSC Cumulative Gap	£0.120m	£0.618m	£0.945m	£1.104m	£1.227m

Members needed to be clear at the outset as to the scale of change that Transformation would bring. The degree of change both required and proposed far exceeded that for JMASS Phase 1, which involved delivering the ONE Team of officers to support both Councils but did little to change attitudes, behaviours, technology, processes, systems, customer access

channels nor the traditional service structures to which officers were allocated, or the governance arrangements.

Although a natural progression from JMASS Phase 1, Transformation would go far beyond this and would propose radical changes to the way in which services would be delivered in the future. It also would have direct implications for democratic representation and governance. These democratic changes would be unavoidable, even if not palatable to all Members.

The Business Case firstly looked at the implementation route to deliver the Transformation Vision, before looking at what additional savings and costs would be incurred through the alternative democratic and delivery options.

Having explored two very different implementation approaches for this vision, it was recommended to progress the “future model” approach supplemented by additional work on eliminating failure demand.

The Business Case demonstrated that the Transformation programme could deliver a major contribution to bridging the budget gap faced by both Councils. This proof of concept work had confirmed that significant annual revenue savings could be achieved through Transformation as illustrated below:-

	TOTAL £m	WSC £m	TDBC £m	<i>TDBC Gfd</i>	<i>TDBC HRA</i>
Ongoing Savings	2.6	0.4	2.2	1.5	0.7
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery	?	?	?	?	?
One-Off Costs	6.8	1.1	5.7	3.8	1.9

Key : Gfd – General Fund; HRA – Housing Revenue Account.

Confidence in the ability to deliver the savings was such that this could be built into the Councils’ Medium Term Financial Plans (MTFP’s). Going beyond this 22% saving for our MTFPs was not “safe” at this stage as further work would need to be done on the areas that had potential to deliver further savings.

Although the Transformation savings would make a contribution towards the predicted budget gaps, they would not resolve the financial challenge and, as a result, more would need to be done to achieve financial sustainability.

Further reported that the Business Case shared concepts on the commercial approach, service delivery reviews and accommodation reviews that would bring further savings. If the approach suggested was supported, further work would be done to provide assurance on these matters and the net savings could then be captured formally in the Council’s plans.

In order to achieve the Transformation savings, there was a need for significant one-off investment. This would largely be in respect of staff

termination costs, additional technology to support the changes, additional support to help deliver the process and people change necessary and the programme costs of supporting the implementation of this change.

The indicative one-off costs required, on an “invest to save” basis, were projected to be:-

Total	WSC	TDBC	TDBC	}	3.5m	Staff termination and other staff costs
£	£	GF	HRA		1.2m	Technology
		£	£		1.6m	Transition/Programme costs
6.8m	1.1m	3.8m	1.9m		0.5m	People/OD
					6.8m	Total

The Business Case offered both Councils significant savings where the payback period was within acceptable “invest to save” parameters.

The High Level Business Case also explored the impact of creating a new merged Council. From due diligence work it was believed this would deliver a minimum net ongoing additional revenue saving of £551,000 per annum (in addition to the Transformation savings outlined above).

The document also shared the impact on each Council of progressing stand-alone “futures”. The Transformation savings outlined above would reduce to £1,886,000 for TDBC but the future was radically different for WSC and its community. The Financial Summary of Business Case Options was outlined as follows:-

OPTION 1	TOTAL	WSC	TDBC	<i>TDBC</i>	<i>TDBC</i>
Joint Transformation	£m	£m	£m	<i>Gfd</i>	<i>HRA</i>
Ongoing Savings	2.6	0.4	2.2	1.5	0.7
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery	?	?	?	?	?
One-Off Costs	6.8	1.1	5.7	3.8	1.9
Payback (Years)	2.59	2.59	2.59	2.59	2.59

OPTION 2	TOTAL
Merged Council	£m
Ongoing Savings	3.1
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery	?
One-Off Costs	7.1
Payback (Years)	2.29

OPTION 3		WSC	TDBC	<i>TDBC</i>	<i>TDBC</i>
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Stand Alone Futures		£m	£m	<i>Gfd</i>	<i>HRA</i>
Ongoing Savings		To Meet MTFP	1.9	1.3	0.6
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery		-	?	?	?
One-Off Costs		Unknown	6.7	4.5	2.2
Payback (Years)		-	3.5	3.5	3.5

Reported that the High Level Transformation Business Case had been subject to an external assurance review by Local Partnerships (a company that was jointly owned by HM Treasury and the Local Government Association). A copy of its findings had been circulated to all Councillors.

The review had concluded that the Business Case was at “Green Status” which broadly meant the company was confident in the approach taken, the assumptions made and its deliverability. A number of areas had been identified where more work was required and this would be picked up as part of implementation planning.

The Local Partnerships’ report posed the following two key questions for Members to reflect upon when considering the recommendations in the report:-

- Given the recommendations in the Bill Roots report, which of the options reassured Members about the medium-term financial viability of the Councils?
- Given the earlier meeting with the Department for Communities and Local Government (DCLG) Minister, how would whatever option chosen be received by Ministers?

The Business Case clearly set out the financial implications of the three sequential variants and showed the potential savings that could be achieved. Detailed Funding Plans had now been developed by the Finance Team and these were fully set out in the report and were reflected in the recommendations.

Further reported the views of the Councils’ Section 151 (S151) Officer, Shirlene Adam. In her view, the financial opportunity offered to each Council by the options in the Business Case was clear and the funding proposals contained in the report were deliverable.

From a purely financial perspective, the optimum option in the Business Case was clearly Option 2. This would deliver minimum additional ongoing savings of over £500,000 per annum for the combined community of Taunton Deane and West Somerset. There were other issues to consider, and the resource equalisation issue would be important.

It was also important that Members did not “over focus” on resources (New Homes Bonus (NHB) and Business Rates) that were currently under policy review by the Government. The Councils’ could not assume that the existing NHB income stream, or the existing Business Rates income rules would continue to apply moving forward. However, the £500,000 ongoing savings was certain and could be built into the MTFP.

The key issues which the Section 151 Officer had recommended should be considered were:-

Option 1 – Joint Transformation	
TDBC	WSC
<p>This would deliver ongoing savings of £2,200,000 across the General Fund (GFd) and Housing Revenue Account (HRA). There was potential for further savings above this level to be achieved from work on driving out failure demand.</p> <p>The funding proposal would leave GFd Reserves above the minimum level and considerable NHB resources to progress ambitions.</p> <p>The remaining budget gap would require focus and strong leadership to resolve, but the S151 Officer was confident there was sufficient capacity within the Councils spending plans and income capability for this to be achieved.</p>	<p>This would deliver ongoing savings of £400,000. There was potential for further savings above this level to be achieved from work on driving out failure demand.</p> <p>The funding proposal would leave GFd Reserves at minimum level and little financial capacity to deal with risk.</p> <p>The remaining budget gap would be a significant challenge for the Council. Based on the S151 Officer’s knowledge of the financial position of the Council, and of the limited existing plans for achieving financial sustainability, there were serious concerns on the Council’s ability to deliver this over the medium term. This aligned with the concerns shared in the conclusion of the Bill Roots report.</p> <p>Members would therefore need to seriously consider the ability for the Council to meet the budget gap (post Transformation) and commit to deliver a plan to achieve sustainability over the next few months.</p> <p>The S151 Officer would need to make a further assessment of the ‘going concern’ status of the Council as next year’s budget was set, and as the Statement of Accounts for 2016/2017 was signed off.</p> <p>Should robust plans not be agreed</p>

	and in place to achieve the further savings by this point then there would be a need for formal intervention under the Local Government Finance Act 1988.
Option 2 – Merged Council	
<p>This would deliver ongoing savings of £3,100,000 across the communities currently served by TDBC and WSC. There would be potential for further savings above this level to be achieved from work on driving out failure demand. There was also potential for further savings (cash and efficiencies) to be driven out from the staffing structure arrangements (as less would be needed to support One Council).</p> <p>The remaining budget gap for the new merged Council (post Transformation and post-merger) would be significant, and would require focus and strong leadership to resolve. The scale and capacity of the new Council meant the S151 Officer was confident there were sufficient choices within the new Councils' budget and income generating capability for this to be achieved.</p>	
Option 3 – Stand Alone Futures	
<p>The Business Case was modelled on the working assumption that any exit would be triggered by a mutual decision to end the partnership. Even under this assumption there would be serious issues to consider regarding each Councils' ability to continue delivering services to the public and the financial challenge potentially created by the TUPE outcome. A mutual decision would impact – financially and operationally – for both Councils.</p> <p>Any formal contractual termination would bring additional costs on the Councils forcing the end of the partnership, as well as potentially creating a delay to progress, due to dates for termination being fixed in the agreement.</p> <p>The impact on Statutory Officers should a termination be triggered (mutual or otherwise) would be significant and arrangements would need to be put in place to ensure that each Council had access to independent advice immediately.</p>	
TDBC	WSC
<p>In addition to the termination issue flagged above, the Council would pick up additional one-off costs of around £1,000,000 as the Transformation costs would not reduce significantly under the stand-alone model. This would need to be funded from either NHB reserves or require a higher target for asset sales.</p> <p>This option would deliver ongoing</p>	<p>The outcome from Option 3 was described in terms of what it would mean for the community.</p> <p>The down-sizing required to achieve this result was considerable and strong leadership would be required.</p> <p>The Council would need to develop plans to put the changes in place over the short-term – sufficient to meet the</p>

<p>savings of £1,900,000 across the GFd and HRA. There would be potential for further savings above this level to be achieved from work on driving out failure demand.</p> <p>The funding proposal would leave GFd Reserves above the minimum level and considerable NHB resources to progress ambitions.</p> <p>The remaining budget gap would require focus and strong leadership to resolve, but the S151 Officer was confident there would be sufficient capacity within the Council's spending plans and income capability for this to be achieved.</p>	<p>budget challenge over the medium term.</p> <p>The S151 Officer would need to make a further assessment of the 'going concern' status of the Council as next year's budget was set, and as the Statement of Accounts for 2016/2017 was signed off.</p> <p>Should robust plans not be agreed and in place to achieve the further savings by this point then there would be a need for formal intervention under the Local Government Finance Act 1988.</p>
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The S151 Officer also drew attention to the questions posed at the end of the Assurance Review report (see above).

The first question was answered in the comments made in the above table. Option 2 offered the strongest financial outcome from the three options in the Business Case. Although the future financial situation had to be taken into account, sustainability and viability also needed to be borne in mind.

The second question was one for Members to consider. The DCLG Minister for Local Government, Marcus Jones, remained in post following the recent refresh of the Cabinet. He had made it quite clear at the meeting with the Council Leaders earlier in the year that merger was his preference and he was prepared to listen and assist further if the Councils proceeded in this direction. There was clearly therefore an opportunity to open up fresh dialogue with the Government should Option 2 be the Councils' preferred option.

The report also detailed the Legal implications which arose from the High Level Transformation Business Case some of which would need to be addressed (potentially in different ways) in all of the options. These implications related to:-

- Contractual/Procurement Implications;
- Governance and Standards Arrangements;
- Operating More Commercially;
- Inter Authority Agreement;
- Council Merger;
- Brexit; and
- General Matters.

Noted that there were numerous legal implications associated with each of the options outlined in the High Level Transformation Business Case. When the preferred option had been determined, the legal implications would form a key element of the Transformation Implementation Programme.

The Business Case had been considered by TDBC's Corporate Scrutiny Committee on 11 July 2016 and the key discussion points were submitted in detail.

The meeting had concluded with the majority of the Committee supporting the need to transform and a number of Members expressed a view for Option 2 – a merger. A public referendum option was tabled but did not receive a majority vote. There were no formal recommendations agreed from this meeting for Full Council to consider.

WSC's Scrutiny Committee had also considered the Business Case at its meeting on 12 July 2016. Again, details of the key discussion points were submitted for the information of Members.

The meeting concluded with only one Member expressing a view – that Option 3 should not be considered for WSC. There were no formal recommendations from this meeting for Full Council to consider.

In terms of consultation with UNISON, a copy of the Business Case had been provided to the Union in advance of publication to Members.

UNISON had attended both Scrutiny meetings and shared their initial concerns with those Committees. Consultation and engagement would continue as the Business Case implementation plans were developed.

UNISON had also been asked to consider the recommendations in the report and provide Councillors with any further comments.

The Leader of the Council, Councillor Williams, reported that WSC had agreed to defer a decision on this matter until a special Full Council meeting on 7 September 2016. This was to allow the WSC Leader further time for debate with Members.

Councillor Williams stated that it was clear that Transformation was an essential part of the future and therefore implementation therefore needed to be progressed as quickly as possible. This would deliver considerable savings for the community and any delay would have an opportunity cost.

Whilst Option 1 would deliver a Transformed future, this was unlikely to leave a sustainable future for WSC. Therefore Option 1 was not an option that could be recommended as WSC's short to medium term viability and sustainability was seriously in question.

It was however clear that Option 2 offered the optimum way forward for the local community, delivering an additional minimum £500,000 savings per year (totalling £3,100,000 savings per annum for both communities) and operational efficiencies. Whilst it was recognised that Option 2 required

TDBC to give up its sovereignty, Councillor Williams believed that this was the right thing to do in the best interests of the combined communities.

Councillor Williams went on to propose the recommendation that TDBC should agree to progress Option 2. Having ruled out Option 1 due to sustainability, should WSC feel unable to support Option 2 at its meeting on 7 September 2016, then that would regrettably leave Option 3 as the only viable and reasonable option for TDBC to deliver Transformation and to ensure the Council could continue to deliver vital front-line services to the Taunton Deane community.

(i) Moved by Councillor Coles, seconded by Councillor Ross:-

“That in order to facilitate Members with sufficient time to fully consider all available options in an aligned timescale with that now being followed by West Somerset Council, consideration of the following recommendations be deferred until a special meeting of Full Council, to be convened on or as soon as possible after 7 September, 2016”.

In accordance with Standing Order 18(2)(a), the Mayor called for a formal roll call of votes to be taken and recorded in the Minutes.

The amendment was put and was lost with eighteen Councillors in favour, thirty two against and one abstaining, as follows:-

Yes	No	Abstain
Councillor Aldridge	Councillor Beale	Councillor M Adkins
Councillor Booth	Councillor Berry	
Councillor Coles	Councillor Bowrah	
Councillor Farbahi	Councillor Brown	
Councillor Mrs Floyd	Councillor Cavill	
Councillor Gaines	Councillor Coombes	
Councillor Mrs Hill	Councillor Cossey	
Councillor Horsley	Councillor Davies	
Councillor Ms Lisgo	Councillor D Durdan	
Councillor Morrell	Councillor Miss Durdan	
Councillor Nicholls	Councillor Mrs Edwards	
Councillor Prior-Sankey	Councillor Edwards	
Councillor Ross	Councillor Gage	
Councillor Miss Smith	Councillor Mrs Gunner	
Councillor Mrs Smith	Councillor Habgood	
Councillor Stone	Councillor Hall	
Councillor Wedderkopp	Councillor Mrs Herbert	
Councillor Wren	Councillor C Hill	
	Councillor Hunt	
	Councillor James	

	Councillor Martin-Scott	
	Councillor Parrish	
	Councillor Mrs Reed	
	Councillor Ryan	
	Councillor Mrs Stock-Williams	
	Councillor Sully	
	Councillor Townsend	
	Councillor Mrs Tucker	
	Councillor Mrs Warmington	
	Councillor Watson	
	Councillor Ms Webber	
	Councillor Williams	

(ii) Moved by Councillor Coles, seconded by Councillor Horsley:-

“That paragraph 2.2 of the Recommendations contained in the report be altered to read:-

“In the event of West Somerset Council not agreeing to Option 2 (Merged Council) at its meeting on 7 September 2016, that the High Level Business Plan be brought back to Full Council for further consideration”.

The amendment was put and was lost.

(iii) Moved by Councillor Coles, seconded by Councillor Miss Smith:-

“(a) That paragraph 2.1 of the Recommendations contained in the report be deleted in total and replaced with the following:-

“2.1 That Taunton Deane Borough Council agrees to progress Option 1 (Joint Transformation) described in the High Level Transformation Business Case”;

(b) That the existing paragraph 2.2 of the Recommendations contained in the report be replaced with a new paragraph 2.2 which set out the financial details required for Option 1 to be delivered; and

(c) That the existing paragraph 2.2 of the Recommendations contained in the report be re-numbered as paragraph 2.3 and amended to read as follows:-

“In the event of West Somerset Council not agreeing to Option 1 at their meeting on 7 September 2016 - then as a consequence, Option 3 will be progressed. It is recommended that the additional funding requirement of £776,000 is approved (£517,000 from the General Fund funded from “assets for sale” (underwritten by New Homes Bonus) and £259,000 from the Housing

Revenue Account – funded from reserves including unallocated capital). The updated savings would be reflected in the Medium Term Financial Plan”.

The amendment was put and was lost.

In accordance with Standing Order 18(3), Councillors Booth, Coles, Farbahi, Mrs Floyd, Gaines, Horsley, Ms Lisgo, Nicholls, Ross, Miss Smith, Mrs Smith and Wedderkopp all asked for their votes in favour of the amendment to be recorded in the Minutes of the meeting.

(iv) Moved by Councillor Coles, seconded by Councillor Miss Smith:-

“That paragraph 2.1 (a) of the Recommendations contained in the report be amended by the deletion of the words “of £3,100,000”.

The amendment was put and was lost.

(v) Moved by Councillor Coles, seconded by Councillor Horsley:

“That paragraph 2.1 (b) of the Recommendations contained in the report be amended to include the words “after 7 September 2016” to follow the words “That the Leader”.

The amendment was put and was lost.

In accordance with Standing Order 18(3), Councillors Coles and Horsley asked for their votes in favour of the amendment to be recorded in the Minutes of the meeting.

(vi) Moved by Councillor Horsley, seconded by Councillor Miss Smith:-

“That paragraph 2.1 (b) of the Recommendations contained in the report be amended to include the following words at the end of the paragraph “only after West Somerset Council had voted on the options and Sedgemoor District Council had confirmed its involvement in the process and that involvement had been considered by both the Corporate Scrutiny Committee and Full Council”.

The amendment was put and was lost.

(vii) Moved by Councillor Coles, seconded by Councillor Farbahi:-

“That paragraph 2.1 (c) of the Recommendations contained in the report be amended by the inclusion of the following sentence after the existing first paragraph:-

“All “assets for sales” in excess of £150,000 in the programme below whether for the General Fund or the Housing Revenue Account share of the

implementation costs to be scrutinised by the Corporate Scrutiny Committee and/or the Corporate Governance Committee with their recommendations being sent on to Full Council.”

The amendment was put and was lost.

(viii) Moved by Councillor Coles, seconded by Councillor Horsley:-

“That the seventh ‘bullet point’ of paragraph 2.1 (c) of the Recommendations contained in the report be amended to read as follows:-

“Using £1,218,000 of New Homes Bonus (NHB) funding only after a full risk assessment had been carried out and scrutinised by both the Corporate Governance Committee and the Corporate Scrutiny Committee to ensure the Growth Plan was secure”.

The amendment was put and was lost.

(ix) Moved by Councillor Coles, seconded by Councillor Farbahi:-

“That the eighth ‘bullet point’ of paragraph 2.1 (c) of the Recommendations contained in the report be amended to read as follows:-

“Progressing “assets for sale” to the target sum of £1,758,000 (underwritten by New Homes Bonus) only after a full review was undertaken and the method of disposal (secret tender, public auction, expression of interests etc.) was clearly understood after the Corporate Scrutiny Committee had scrutinised the process and made further recommendations to Full Council”.

The amendment was put and was lost.

(x) Moved by Councillor Coles, seconded by Councillor Farbahi:-

“That the last ‘bullet point’ of paragraph 2.1 (c) of the Recommendations contained in the report be amended to read as follows:-

“Progressing “assets for sale” to the target sum of £1,160,000 (underwritten by Housing Revenue Account Reserves) only after a full review was undertaken and the method of disposal (secret tender, public auction, expression of interests etc.) was clearly understood after the Corporate Scrutiny Committee had scrutinised the process and made further recommendations to Full Council”.

The amendment was put and was lost.

Following consideration of the above amendments, a lengthy discussion on the substantive recommendations then took place.

During the debate, Councillor Morrell proposed a Motion in accordance with Standing Order 5(1)(b) to defer consideration of the recommendations. This was seconded by Councillor Aldridge.

The Motion was put and was lost.

In accordance with Standing Order 18(2)(b), the Mayor called for a formal roll call of votes to be taken in respect of the substantive recommendations and recorded in the Minutes.

The substantive recommendations, which were detailed below, were put and were carried with thirty two Councillors in favour, sixteen Councillors voting against and two abstaining.

Resolved that:-

- (1) It be agreed that Taunton Deane Borough Council progressed Option 2 (Merged Council) described in the High Level Transformation Business Case and that the following be approved:-
 - (a) That, on the basis of the potential savings contained within the Joint Management and Shared Services Phase 2 - High Level Transformation Business Case, the implementation of Option 2 (Merged Council) delivering a shared Transformation Vision for both communities and ongoing annual savings of £3,100,000 for the community represented by the newly formed Council be supported.
 - (b) That the Leader of the Council (Councillor Williams) be authorised to commence discussions with the Secretary of State and the Local Government Boundary Commission for England concerning the proposed merger and that officers be authorised to implement the proposals in Option 2 in accordance with the financial targets and timeline as set out within the Joint Management and Shared Services Phase 2 - High Level Transformation Business Case, with the financial targets to be included in the Council's budgets and Medium Term Financial Plans.
 - (c) That the necessary respective financial approvals be hereby agreed to fund the Taunton Deane Borough Council share of Implementation Costs of Transformation totalling £5,966,000 as set out in the Finance/Resource Implications section of the report.

For Taunton Deane Borough Council to fund their General Fund share of the implementation costs (£3,982,000) by:-

- A supplementary estimate from General Fund Reserves of £200,000;
- Using Joint Management and Shared Services Reserves of £180,000;
- Using Southwest One Exit Funds already set aside for technology replacement of £137,000;
- Using unallocated Capital Resources of £46,000;

- Directing £153,000 of 2016/2017 in-year revenue savings towards this;
- Using “returned” Earmarked Reserves totalling £290,000;
- Using £1,218,000 of New Homes Bonus Funding – and making the necessary reprioritisation to the Growth Plan; and
- Progressing “assets for sale” to the target sum of £1,758,000. (underwritten by New Homes Bonus);

For Taunton Deane Borough Council to fund their Housing Revenue Account share of the implementation costs (£1,984,000) by:-

- Using unallocated Capital Resources of £324,000;
- Using agreed revenue resources for transformation of £500,000;
- Progressing “assets for sale” to the target sum of £1,160,000 (underwritten by Housing Revenue Account Reserves); and

(2) In the event of West Somerset Council not agreeing to Option 2 (Merged Council) at its meeting on 7 September 2016 - then as a consequence, Option 3 (Stand Alone Futures) would be progressed, with approval of the additional funding requirement of £776,000 (£517,000 from the General Fund funded from “assets for sale” (underwritten by New Homes Bonus) and £259,000 from the Housing Revenue Account – funded from Housing Reserves Account Reserves including unallocated capital). The updated savings to be reflected in the Medium Term Financial Plan.

Yes	No	Abstain
Councillor M Adkins	Councillor Aldridge	Councillor Martin-Scott
Councillor Beale	Councillor Booth	Councillor Wren
Councillor Berry	Councillor Coles	
Councillor Bowrah	Councillor Farbahi	
Councillor Brown	Councillor Gaines	
Councillor Cavill	Councillor Mrs Hill	
Councillor Coombes	Councillor Horsley	
Councillor Cossey	Councillor Ms Lisgo	
Councillor Davies	Councillor Morrell	
Councillor D Durdan	Councillor Nicholls	
Councillor Miss Durdan	Councillor Prior-Sankey	
Councillor Mrs Edwards	Councillor Ross	
Councillor Edwards	Councillor Miss Smith	
Councillor Gage	Councillor Mrs Smith	
Councillor Mrs Gunner	Councillor Stone	
Councillor Habgood	Councillor Wedderkopp	
Councillor Hall		
Councillor Mrs Herbert		

Councillor C Hill		
Councillor Hunt		
Councillor James		
Councillor Parrish		
Councillor Mrs Reed		
Councillor Ryan		
Councillor Mrs Stock-Williams		
Councillor Sully		
Councillor Townsend		
Councillor Mrs Tucker		
Councillor Mrs Warmington		
Councillor Watson		
Councillor Ms Webber		
Councillor Williams		

(The meeting ended at 11.36 p.m.)

Taunton Deane Borough Council

At a meeting of Taunton Deane Borough Council held in the John Meikle Room, The Deane House, Belvedere Road, Taunton on 4 August 2016 at 7.45 p.m.

Present The Mayor (Councillor Mrs Stock-Williams)
 The Deputy Mayor (Councillor Prior-Sankey)
 Councillors M Adkins, Aldridge, Beale, Berry, Mrs Blatchford, Booth,
 Bowrah, Brown, Cavill, Coombes, Davies, D Durdan, Miss Durdan,
 Mrs Edwards, Edwards, Farbahi, Gage, Gaines, Habgood, Hall,
 Mrs Herbert, Mrs Hill, Hunt, James, R Lees, Morrell, Parrish,
 Mrs Reed, Miss Smith, Mrs Smith, Townsend, Mrs Tucker, Watson and
 Wren

Mrs A Elder – Chairman of the Standards Advisory Committee

1. **Apologies**

Councillors Mrs Adkins, Coles, Mrs Gunner, Horsley, Mrs Lees, Ms Lisgo, Nicholls, Ross, Ryan, Sully, Mrs Warmington, Ms Webber and Williams.

2. **Declaration of Interests**

Councillors M Adkins, Hunt and Prior-Sankey declared personal interests as Members of Somerset County Council. Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillor Wren declared a personal interest as Clerk to Milverton Parish Council. Councillor Gage declared a prejudicial interests as a Tone Leisure Board representative. Councillor Beale declared personal interests as a Board Member and Director of Tone FM and as a Governor of the South West Ambulance NHS Trust. Councillor Edwards declared a personal interest as the Chairman of the Governors of Queens College. Councillor Farbahi declared a personal interest as the owner of land in Taunton Deane. Councillor Hall declared a personal interest as a Director of Southwest One. Councillor Coombes declared a personal interest as a Stoke St Mary Parish Councillor and as the owner of land at Haydon. Councillor Parrish declared a personal interest as the District Council's representative on the Somerset Pensions Committee. Councillor Mrs Hill declared personal interests as a representative on the Board of Directors of Apple FM, as a Trustee of Hestercombe House and Gardens and the Somerset Building Preservation Trust. Councillor Miss Smith declared a personal interest as Chairperson of Refugee Aid from Taunton.

3. **Exclusion of the Press and Public**

Resolved that the press and public be excluded from the meeting for the following item 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.

4. **Land at Creedwell Orchard Housing Estate, Milverton**

Considered report which was circulated at the meeting, concerning a further variation of an Option Agreement with S Notaro Limited (SNL) for the purchase of land at Creedwell Orchard Housing Estate, Milverton.

An Option Agreement was entered into with SNL in February 2014 for a period of 10 years following Executive approval in respect of Council owned land at Creedwell Orchard. The land was to be used to provide access to land owned by SNL that had the benefit of an extant planning permission for residential development.

The current Option Agreement provided that the "Base Price" for the Council's land, should be determined by the "Base Sum" figure (subject to indexation up or down) that had been determined by the District Valuer. In the event of the Index falling between certain dates, the Agreement provided that the "Minimum Price" should be a particular percentage of the "Base Sum".

Since the completion of the Option Agreement, it had come to light that the formula for the sale price of the land had been based upon an incorrect valuation as a result of incorrect information on floor areas being provided to the Council.

In order to address this issue, the District Valuer had again been engaged to advise further on the value of the Council's land based upon the correct extant planning permission floor areas with a view to agreeing a revised "Base Sum" figure on behalf of the Council.

Further reported that a revised "Base Sum" had been provisionally agreed and this amount had been certified by the District Valuer as representing best consideration for the Council. The "Minimum Price" would also need revising and to ensure consistency with the terms of the existing option, remained at the particular percentage of the new "Base Sum".

The Option Agreement also contained a number of provisions for Overage Payments to be made to the Council should the developer obtain planning consent(s) for a higher value alternative development.

Reported that at the meeting of Full Council on 12 April 2016 it was resolved that the "Trigger Date" within the Option Agreement should be amended to provide that the option to purchase the Council's land must be exercised within 120 days of 12 October 2016. Once the Council and SNL had completed the deed of variation this would be contractually binding.

The amendment of the "Trigger Date" was intended to set a timetable for negotiations to be completed and a revised sale price formula based upon the correct extant planning permission floor areas to be agreed. This would, therefore, remove the link between the planning process and deriving the capital receipt and then enable SNL to exercise the option.

Noted that there was a live appeal against a planning decision made on 15 October 2015, which had been acknowledged by The Planning Inspectorate and an Inquiry if progressed would take place sometime after 12 October

2016. However, the Council would obtain a capital receipt irrespective of what the outcome of the appeal was, assuming the Option Agreement was exercised by SNL.

Resolved that the amendment of the “Base Sum” within the Option Agreement (detailed in the report) be approved and the “Minimum Price” (also detailed in the report) be amended by way of a Deed of Variation.

(The meeting ended at 8.26 p.m.)

Taunton Deane Borough Council

At a meeting of Taunton Deane Borough Council held in the John Meikle Room, The Deane House, Belvedere Road, Taunton on 22 August 2016 at 6.30 p.m.

Present The Deputy Mayor (Councillor Prior-Sankey) (In the Chair)
Councillors M Adkins, Aldridge, Beale, Berry, Mrs Blatchford, Cavill, Coles, Coombes, Davies, D Durdan, Miss Durdan, Mrs Edwards, Edwards, Farbahi, Mrs Floyd, Gage, Gaines, Mrs Gunner, Habgood, Hall, Mrs Herbert, Mrs Hill, Horsley, Hunt, James, R Lees, Mrs Lees, Ms Lisgo, Martin-Scott, Nicholls, Parrish, Mrs Reed, Ryan, Miss Smith, Mrs Smith, Stone, Sully, Townsend, Mrs Tucker, Mrs Warmington, Watson and Williams

Mrs A Elder – Chairman of the Standards Advisory Committee

1. **Apologies**

The Mayor (Councillor Mrs Stock-Williams) and Councillors Mrs Adkins, Booth, Bowrah, Brown, Cossey, Govier, C Hill, Morrell, Ross, Ms Webber and Wren.

2. **Declaration of Interests**

Councillors M Adkins, Coles, Hunt and Prior-Sankey declared personal interests as Members of Somerset County Council. Councillor Coles also declared a personal interest as a Member of the Devon and Somerset Fire Authority. Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillors D Durdan, Gage and Stone declared prejudicial interests as Tone Leisure Board representatives. Councillor Beale declared personal interests as a Board Member and Director of Tone FM and as a Governor of the South West Ambulance NHS Trust. Councillor Edwards declared a personal interest as the Chairman of the Governors of Queens College. Councillor Farbahi declared a personal interest as the owner of land in Taunton Deane. Councillor Hall declared a personal interest as a Director of Southwest One. Councillor Coombes declared a personal interest as a Stoke St Mary Parish Councillor and as the owner of land at Haydon. Councillor Parrish declared a personal interest as the District Council's representative on the Somerset Pensions Committee. Councillor Mrs Hill declared personal interests as a representative on the Board of Directors of Apple FM, as a Trustee of Hestercombe House and Gardens and the Somerset Building Preservation Trust. Councillor Miss Smith declared a personal interest as Chairperson of Refugee Aid from Taunton.

3. **Motion – Consultation with a wider audience regarding the proposed merger of Taunton Deane Borough Council and West Somerset Council**

Moved by Councillor Miss Smith, seconded by Councillor Gaines.

“We believe that Taunton Deane Borough Council's (TDBC) overarching

message to its residents, businesses and staff should be one of reassurance that the Council can provide leadership and financial stability especially when it comes to consulting on a merger with an un-financially viable Council such as West Somerset Council (WSC).

At the Special Full Council on 26 July, 2016 we witnessed a majority decision by a TDBC administration which led to a Councillor declaring herself independent of the ruling group. There was also general unhappiness about both the procedure and processes which changed during the seven days leading up to the debate.

This means that there is the possibility of a Judicial Review on the grounds of failing to follow the Constitution of TDBC and the rule of law regarding equity for Members who did not have time to adjust their thinking to rapidly changing circumstances as well as the lack of consultation with members of the public, Parish Councils and other stakeholders.

Over 800 people had signed an online petition and questionnaires requesting to have their voices heard.

The outcome means that especially the most socially deprived wards of Rockwell Green, Pyrland and Rowbarton, Lyngford and Halcon could be seriously disadvantaged when the equalisation of resources takes place under the creation of a new greater Council. We believe it is our duty as representative of the TDBC community to reflect the needs and concerns of our residents first and last and not that of the joint Sovereign Councils.

We recognise there are challenges ahead with pressure on public services and finances, but the proposals to auction off our family silver (TDBC assets) and make a significant number of our staff redundant is not the answer. Furthermore, the Government's review of the Hinkley C project now adds a further significant risk to West Somerset's financial position and the potential cost of the TDBC cross subsidy.

We would therefore urge the administration to:-

- 1) Immediately engage in public consultation involving residents, businesses, Parish Councils and staff in a meaningful way as to their views of a merger with WSC;
- 2) Engage with the new Local Government Minister immediately requesting financial support for WSC to ensure TDBC communities are not financially or adversely affected; and
- 3) Start a dialogue with other neighbouring authorities regarding joint working arrangements to investigate if there is a more suitable arrangement to meet the Medium Term Financial Plan (balance the budget year on year), as we have recently been advised that one neighbouring authority "always remain open to a fresh approach, which includes all three councils on a level playing field from a new starting point".

The following amended motion was proposed by Councillor Williams,

seconded by Councillor Edwards:-

“We would therefore urge the administration:-

- 1) When we have an agreed proposal, to engage in consultation agreed by the Secretary of State in a meaningful way as to their views of a merger with West Somerset Council;
- 2) To engage with the new Local Government Minister immediately a proposal is agreed requesting financial support for our communities; and
- 3) To continue a dialogue with other neighbouring authorities regarding joint working arrangements”.

The amended motion was put and was carried.

The substantive motion was put and was carried.

4. **Street and Public Toilet Cleaning Service**

Considered report previously circulated, concerning the introduction of new arrangements for the provision of Street and Public Toilet Cleaning in Taunton Deane.

Currently, the Council had their street and toilet cleaning services delivered through their own employees - an in-house arrangement.

West Somerset Council (WSC) had its service delivered through an outsource provider with an existing contract coming to an end in November 2016.

The Joint Management and Shared Services (JMASS) Project had been successful in joining up a number of services across the two Councils and delivering a single approach to service delivery. Street and toilet cleaning had not joined up at an operational level during the process to date due to the differing methods of delivery.

However following consideration of the case for a joint tender exercise by Taunton Deane Borough Council’s (TDBC) Corporate Scrutiny Committee last year, the procurement activity was commenced and a tender for a single service to cover both WSC and TDBC was published.

The tender that was put out to market covered all of the current functions of:-

- Street sweeping;
- Litter picking;
- Mechanical road sweeping;
- Leaf clearance;
- Bin installation and emptying;
- Toilet cleaning;
- Toilet locking;
- Toilet consumables;
- All waste disposal relating to these services; and

- Provision and maintenance of all fleet associated with these services.

Aspects of asset maintenance had not been included and would continue to be delivered through Deane DLO.

Flexibility had been built into the contract. It not only allowed for changes to be negotiated but also for employees on the contract to be used for other tasks where the contract could not be delivered, for example in times of severe weather.

The tender exercise had led to five bids being received on 15 July 2016 and an evaluation process being conducted on 21 and 22 July.

With regard to the proposed new service, the tender documentation set an output specification as compliance with the Code of Practice (COP) on Litter and Detritus which would evidence the Council's compliance with The Environmental Protection Act 1990 for street cleansing functions. The tender also provided information on public toilet operations as there was no legislation that supported the provision of this.

Noted that over the past two financial years Members had supported an increase in resources within Taunton Town Centre. These had been protected in the new contract and a minimum resourcing level had been identified which took account of these recent increases.

The documentation made no requirements for service reductions in either service but did assume that those toilets already earmarked for transfer would be completed. A requirement within the tender was that Town or Parish Council's would be able to buy in services by utilising this contract.

Whilst the new contract was proposed to be for the two Council areas it would continue to make use of the Deane DLO depot. The current employees would be subject to TUPE transfer which protected their employment terms and conditions. This also provided a level of service continuity for the residents and visitors to Taunton Deane.

Further reported that the Landscape Group's submission had scored the highest against the set criteria across the Evaluation Panel's Members. This placed them first for both the financial and quality assessments.

The Landscape Group were the current contractors delivering services to Mendip District Council. Within their submission they also provided the detail of a number of other contracts they were currently delivering evidencing their experience.

The company was therefore being recommended to Members as the preferred bidder on the basis of their bid being the least cost to the authority.

Noted that the bid for the WSC element of the service would remain the same in the event that TDBC did not support outsourcing their elements of the service. This meant that there were no financial implications for WSC of TDBC not supporting an outsource of this service.

Reported that this matter had been considered by the Corporate Scrutiny Committee at its meeting on 11 August 2016. Although generally supportive of the recommendations relating to the proposed new arrangements for the Street and Public Toilet Service, Members had asked for the views of UNISON to be submitted. These views were circulated at the meeting of Full Council.

Resolved that:-

- (1) The award of an eight + four year contract to The Landscape Group to provide the Street and Public Toilet Service from 1 February 2017 be approved; and
- (2) The new budget for the service be supported and that the Medium Term Financial Plan be updated to reflect the saving of £8,270 for 2016/2017 and £49,636 per annum from 2017/2018 onwards. This equated to £397,088 over the eight year life of the contract and a further £198,544 if the extension was applied.

(The meeting ended at 8.02 p.m.)