

## **Executive – 31 March 2010**

Present: Councillor Henley (Chairman)  
Councillors Coles, R. Lees, Paul, Prior-Sankey, Slattery, Mrs Smith,  
A Wedderkopp and Mrs Wilson

Officers: Penny James (Chief Executive), Tonya Meers (Legal and Democratic Services Manager), Maggie Hammond (Strategic Finance and Section 151 Officer), Paul Fitzgerald (Financial Services Manager), Tim Burton (Growth and Development Manager), David Woodbury (Health and Safety Advisor), Andrew Hopkins (Tourist Information Centre Manager) and Richard Bryant (Democratic Services Manager).

Also present: Councillors Bishop, Mrs Court-Stenning, Farbahi, Gaines, Hayward, Morrell, Mrs Stock-Williams and Williams.

(The meeting commenced at 6.15 pm.)

### **36. Minutes**

The minutes of the meeting held on 3 March 2010, copies of which had been circulated, were taken as read and were signed.

### **37. Declarations of Interest**

Councillors Henley, Paul and Prior-Sankey declared personal interests as Members of Somerset County Council. Councillor Mrs Smith declared a personal interest as an employee of Somerset County Council. Councillor Coles declared a personal interest as a Director of Southwest One. Councillor Slattery declared personal interests both as a Member of the Somerset Waste Board and as an employee of Sedgemoor District Council.

### **38. Treasury Management and Investments Strategy for 2010/2011**

Considered report previously circulated, which detailed the Treasury Management and Investment Strategies for the 2010/2011 financial year.

It was noted that Council debt was currently £15,000,000 and outstanding investments stood at £7,500,000. Short-term interest rates were currently at 0.5%. However, the rates were forecast to rise to 0.75% in December 2010 and to 1% by the end of the first quarter in 2011.

Long term rates were more stable at 4.5% - 4.75% (50 years) for this financial year. Noted that although the United Kingdom was officially out of recession recovery was likely to be slow and uneven. Interest rates were at historic all time low levels but Inflation had started to rise.

In addition, borrowing and debt restructuring, if undertaken, would need to take advantage of lower rates and match the Council's debt to capital needs.

The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services required local authorities to set the Treasury Management Strategy Statement for borrowing each financial year.

Taunton Deane regarded the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities would be measured. Treasury management risks had been identified in the Council's approved Treasury Management Practices.

Reported that the main risks to the Council's treasury activities were:-

- Liquidity Risk (Inadequate cash resources);
- Market or Interest Rate Risk (Fluctuations in interest rate levels and thereby in the value of investments);
- Inflation Risks (Exposure to inflation);
- Credit and Counterparty Risk (Security of Investments);
- Refinancing Risk (Impact of debt maturing in future years); and
- Legal and Regulatory risks.

This Treasury Management Strategy also took into account the outlook for interest rates, the Council's current treasury position and its approved Prudential Indicators. Details of the Performance Indicators relevant to the Strategy were submitted.

The report also set out the Council's Investment Strategy which covered the following:-

- The Treasury Position;
- Outlook for Interest Rates;
- Borrowing Requirement and Strategy;
- Debt Restructuring; and
- The Investment Policy and Strategy.

Further reported that the Treasury Management and Investment Strategies, had assumed the largely neutral impact of Project Taunton. However, projects of this scale could have both a positive or negative impact on the timing of capital expenditure and thus cash flow.

As the project stages were developed and approved, any impact on the Treasury function would be assessed and strategies might have to be altered as a result.

Among a number of other issues, reports to the Executive on treasury management activity/performance would be made every six months against the strategy approved for the year.

The Council would also produce an outturn report on its treasury activity no later than 30 September after the financial year end and the Corporate Governance Committee would be responsible for the scrutiny of treasury management activity and practices.

Updates on training, the Council's current Investment Consultants (Arlingclose) and arrangements for the Treasury Management and Investment Strategy to be published on the Taunton Deane website were also submitted.

**Resolved** that the Treasury Management Strategies, outlined in the report, be approved.

39. **'Grow and Green' : A new Economic Development Strategy for Taunton Deane**

Considered report previously circulated, concerning the draft new Economic Development Strategy for Taunton Deane titled 'Grow and Green'.

The process to create an Economic Development Strategy for Taunton Deane was Phase 3 of a planned process:-

- (1) Local Economic Assessment – a quantitative study of the local economy;
- (2) Envisioning the future of the Taunton Deane Economy – a qualitative validation of the economic assessment and establishing an Economic Vision;
- (3) Economic Development Strategy – the delivery strategy and model;
- (4) Transition Planning – the adoption of an appropriate Governance model, quality framework, detailed project proposals, alignment of resources and outcome targets to March 2012; and
- (5) Implementation – a process of delivery, monitoring, review and continuous improvement within a thematic working environment.

The process had been started with a statistical analysis of the local economy conducted by the company Geoeconomics. This had been completed and had made comparisons between the Taunton Deane economy and County, Regional and national economies and had also benchmarked the local economy against other county towns across a range of economic indicators. This had resulted in a clear demonstration that Taunton Deane needed to build a more competitive knowledge economy in order to make the area a more productive and prosperous place.

It was recognised that the local economic structure was weak before the recession with a particular threat arising from an over-dependence on public sector and low value consumer-led private sector employment. To remedy this, there was an urgent need for greater volumes of high quality private sector jobs to drive demand pressures for higher level skills and to increase average earnings levels and to diversify the economy to provide greater employment and skills opportunities for all.

Qualitative research had then been carried out, as the second phase activity, to validate the findings of the quantitative study and to establish an economic vision for Taunton Deane. The vision agreed by stakeholders was as follows:-

'By 2026, Taunton would be one of Europe's most successful and sustainable towns with a dynamic knowledge economy and a high quality of life'.

The draft Economic Development Strategy, a copy of which had been circulated to all Members, was based on research and consultations with businesses, education, local government and regional agencies and the community.

The Strategy had three strategic objectives:-

- (1) To create 16,500 or nearly 30% more jobs in Taunton by 2026;
- (2) To create better quality jobs which would close Taunton's earnings gap with the rest of the South-West Region; and
- (3) To create a dynamic 'green economy' in Taunton which would deliver fresh business and job opportunities.

Achieving these objectives would require a 'bottom up' and inclusive approach to the delivery of economic development that mobilised the talents and energies of Taunton's businesses and communities.

Details of the nature and scale of the economic challenges relating to employment growth were submitted. The 'Green Knowledge Economy' model was the chosen framework for delivery and supported the core growth sectors identified, whilst accelerating the spread of low carbon and resource efficient technologies and processes across all sectors of the local economy.

The Strategy has three main policy themes, each with its own mission and discrete set of proposed green knowledge economy related activities and projects. The themes were:-

- 'Grow and Green' Communities;
- Innovation and Enterprise; and
- Promoting Taunton.

An analysis of the current allocation and plans for employment land within Taunton Deane had also been undertaken for the Strategy. However, the evidence collected seemed to indicate that there was a disparity between the *demand* for employment land and premises within Taunton and the *availability* of employment land and premises to meet this demand.

The findings of this analysis had suggested that the success of Taunton and its sub-region in achieving the objectives of the Economic Development Strategy was, in part, dependent upon the *availability* of well located small and medium sized employment sites on a freehold or long leasehold basis to end users and that the Council should take a proactive approach to ensuring the 'delivery to market' of allocated employment land.

Noted that the Economic Development Strategy would seek to create a more inclusive local economy focussed on vocational skills in addition to growing knowledge intensive activity, and provide greater diversity and choices of opportunities for employment and skills development.

'Green' priorities had moved to the centre of the economy and society and the Strategy was designed to reflect this shift in policy thinking – with the dual aims of 'growing and greening' the local economy and ensuring that the benefits of this economic growth and increase in levels of sustainability are shared by all residents in the form of high levels of community well-being.

Reported that the next stage was to develop a Transition Plan to align capacity and activity within the Growth Theme and the wider Council to the new Economic Development Strategy:-

- Refresh quantitative data to establish baselines and targets for Performance Measures for period April 2010 to March 2012;
- Agree and adopt an appropriate Governance model;
- Identify and adopt a Quality Framework for project delivery and monitoring, and initiate a process of Continuous Improvement;
- Establish a process to prioritise Green Knowledge Economy projects, develop detailed action and delivery plans incorporating equality impact and risk assessments, resource requirements and project monitoring and outcome targets;
- Identify funding sources and submit, or support partner funding applications for project delivery where necessary; and
- Align resources for delivery and implement formal partnership working arrangements within the quality framework.

**Resolved** that:-

- (1) the new Economic Development Strategy for Taunton Deane be adopted; and
- (2) a Transition Plan be prepared to align capacity and activity within the Economic Development function, Growth Theme and the wider Council to the new Economic Development Strategy to prepare for delivery in line with the principles and Summary of Actions described in Chapter 5 of the document.

#### 40. **Core Council Review : Tourist Information Centre**

Reference Minute No 23/2010, reported that the previous decisions made by the Executive in relation to the Tourist Information Centre (TIC) in Taunton had been called-in.

The call-in had been prompted by concerns about the impact of reducing staffing upon opening hours, staff welfare and the provision of the service in general.

The Corporate Scrutiny Committee, which had considered the call-in at its meeting on 18 March 2010, had decided to refer the matter back to the Executive for further consideration. The Executive was particularly requested to take account of a Health and Safety appraisal which was going to be carried out to determine the impact of reducing the current staff levels.

Reported that the appraisal had now been undertaken by the Council's Health and Safety Advisor who had identified a number of risks and possible control measures. The findings of the appraisal could be summarised as follows:-

- Opening and Staffing – No increase in risk. Use Kilkenny for automated lone worker reporting.
- Working and Serving Customers – No significant increase in role. Consider installing linked CCTV, alarm buzzer linked to the Library reception, issue personal attack alarms, ensure safe access to refuge.

- First Aid – No significant increase in risk. First Aiders available in the Library.
- Welfare – No change, but lone worker would need to shut Tourist Information Centre to take welfare breaks.
- Security of Monies/Goods and Stock – No significant increase in risk for routine transactions. Need to review layout to minimise risk of distraction theft.
- Welfare Implications for staff from increased work pressure, changes for workers, no sickness cover or peak load resource available – Inevitable reduction in quality of service needs to be communicated to customers, increased risk of hostile response, revised layout of information display, call diverts, consider retaining more resource to provide cover and retain expertise.

Further reported that a saving of £11,000 had been achieved through the renegotiation of the TIC lease. This meant that the remaining £39,000 of the overall £50,000 saving required would need to come from reduced staffing.

However, there also needed to be a balance made between the saving and the potential resultant loss of income. The proposal previously reported had identified a staff saving of £49,000 allowing for a £10,000 reduction in income from the impact of these staff changes. If six day working could be achieved, minimising lone working, it was felt that the reduction in income might be considerably less than that.

Noted that following further discussions with the TIC Manager, it had been agreed that by retaining an additional resource to the service, equivalent to 10.5 hours per week (which could be used by the Lead Officer to minimise lone working at peak times and provide some cover for holidays and sickness), the staff welfare issues raised by the Health and Safety Advisor could be addressed, whilst maintaining a six day a week service, albeit with slightly reduced opening hours (9.30am – 4.30pm).

The cost of this additional resource would be approximately £7,000, although it was hoped that these changes would mean that income could be maintained at close to existing levels and, therefore, the overall saving to the General Fund of £50,000 could still be achieved.

Although this proposed additional resource was welcomed, Members were still concerned about the current part of the workstream which would not be able to be covered under the revised arrangements.

In response, it was agreed to see how the new structure worked, with a review taking place three months after it was brought into effect. Work could also take place during this time as to the longer term future of the TIC and whether it should be located elsewhere in Taunton.

**Resolved** that:-

- (1) The revised staffing structure of the Tourist Information Centre in Taunton should comprise:-

Tourist Information Lead (Grade G);  
Tourist Information Officer (Grade E); and

Tourist Information Assistant – 0.28 FTE (Grade D);

- (2) the Health and Safety Welfare Control issues identified should be considered further and implemented, as necessary, in consultation with the Council's Health and Safety Advisor; and
- (3) a further report be submitted to the Executive approximately three months after the revised staffing structure came into effect to review its effectiveness. The report to also consider the longer term future of the Tourist Information Centre, whether it should be relocated from its current site and whether there were any opportunities for joint working or ways of increasing income levels.

41. **Executive Forward Plan**

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

**Resolved** that the Forward Plan be noted.

(The meeting ended at 7.08 pm.)

## **Executive – 13 April 2010**

**Present:** Councillor Henley (Chairman)  
Councillors Coles, R. Lees, Paul, Prior-Sankey, Slattery, Mrs Smith and A Wedderkopp

**Officers:** Joy Wishlade (Strategic Director), Tonya Meers (Legal and Democratic Services Manager), Maggie Hammond (Strategic Finance and Section 151 Officer), Adrian Priest (Asset Holdings Manager) and Richard Bryant (Democratic Services Manager).

**Also present:** Councillors Brooks, Critchard, Farbahi, Gaines, Govier, Ms Herbert, Morrell, P Smith, Mrs Stock-Williams, Stuart-Thorn and Mrs Whitmarsh.

(The meeting commenced at 5.15 pm.)

### **42. Declarations of Interest**

Councillors Henley, Paul and Prior-Sankey declared personal interests as Members of Somerset County Council. Councillor Mrs Smith declared a personal interest as an employee of Somerset County Council. Councillor Coles declared a personal interest as a Director of Southwest One. Councillor Slattery declared personal interests both as a Member of the Somerset Waste Board and as an employee of Sedgemoor District Council.

### **42. Executive Forward Plan**

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

**Resolved** that the Forward Plan be noted.

### **43. 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 Part 1 of Schedule 12(A) 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.

### **44. Potential Purchase of Capital Asset, Taunton**

Reference Minute No 8/2010, submitted report previously circulated, which detailed a proposal to purchase a capital asset in Taunton.

There were a number of reasons as to why it is felt the Council should purchase the site including:-

- Jobs would be retained in Taunton Deane;



- The current business already on the site could be offered the opportunity to remain and develop on the site;
- There would be employment space available to other businesses; and
- The purchase would provide an investment for the Council which, in the medium term, would produce a good return.

A valuation of the site had been carried out in March 2009 and an update was reported at the meeting.

Details of the estimated capital costs involved, proposed funding streams and the revenue implications were submitted for the information of Councillors. An analysis of the risks of making the purchase was also submitted.

Taunton was currently short of employment land and the purchase of the site would enable the Council to fulfil a number of its key priorities – in particular safeguarding the economy and, to a lesser degree, the provision of some affordable housing.

During the discussion of this item, Members felt that the Council should be in receipt of letters of intent from potential lessees before proceeding to the signing of a contract and that no development work should be carried out on the site by the Council, unless a suitable partner was found.

**Resolved** that:-

- (1) The purchase of the site be agreed with the aim of completing by the summer of 2010 subject to negotiation and letters of intent from the potential lessees;
- (2) During the negotiating period, the Leader and Shadow Leader be given the authority to sign off the final deal;
- (3) Full Council be recommended to approve an appropriate supplementary estimate for the 2010/2011 Capital Programme for this capital project, including approval to borrow for costs that could not be met from other public funding available, up to the maximum reported;
- (4) Full Council be also recommended to approve supplementary estimates for the 2010/2011 revenue implications, subject to final confirmation of the budget implications and capital financing adopted;
- (5) If the purchase was agreed, a small group of officers and Members be set up immediately to develop a strategic plan for the use of the site;
- (6) If the site was purchased, commercial agents be engaged to market the site to potential occupiers;
- (7) The income from the site be used in the following priority order:-
  - To service any debt arising from the purchase;
  - To replace the current annual income to the Council;
  - To support the General Fund;

- (8) Other assets in the Council's ownership be considered for sale with the resulting capital receipts to be set aside to pay off the debt incurred; and
- (9) Development work should not be carried on the site by the Council, but through a suitable development partner.

(The meeting ended at 5.52 pm.)