

Taunton Deane Borough Council

Council Meeting – 4 March 2013

To receive the following recommendations to the Council from the Executive.

(i) Councillor John Williams

Corporate Business Plan 2013/2014 to 2015/2016

At its last meeting, the Executive considered the development of a three year Corporate Business Plan to replace the Council's Corporate Strategy. A copy of the draft Business Plan is attached to these recommendations.

The Business Plan has been developed after detailed consultation work with Councillors and all political groups and following an external peer review by the Local Government Association (LGA).

The 'Where do we want to be in the future' section of the Business Plan describes the Council's Vision and three Corporate Aims together with the strategic actions required over the next three years to deliver these aims. The actions are deliberately high level and will be interpreted into more detailed and specific work programmes. Many of the actions have been designed to address the issues identified as a result of the LGA's peer review.

The new Vision and three Corporate Aims, are as follows:-

Vision: Taunton Deane is known nationally as a quality place that is growing and developing sustainably, with a vibrant economic, social and cultural environment.

Aim 1: Quality sustainable growth and development;

Aim 2: A vibrant economic environment; and

Aim 3: A vibrant social, cultural and leisure environment.

The Corporate Business Plan also includes a 'Transformed Council' section which details three further objectives required to make the Council fit for purpose, address funding pressures and set a long term balanced, sustainable budget. These objectives therefore underpin the Council's ability to achieve the Corporate Aims.

The three objectives under this section are:-

- Achieving financial sustainability;
- Transforming services; and
- Transforming the way we worked.

There are particular areas of work in this section that are seen as early priorities to progress in the next financial year as a matter of urgency. These projects will be

further scoped and costed and brought back for Member consideration in the Spring with a request for funding. These four projects are:-

Asset Management – Commissioning a specific piece of work to review how Taunton Deane can use assets more commercially including disposal of poor performing assets and identification of invest to save opportunities.

Accommodation and Customer Access – Commissioning a project to make recommendations on meeting the Council's future accommodation needs, including the future of The Deane House. This work will need to consider customer access and increasing financial pressures.

Streamlined, modern services – Commissioning work to introduce business process re-engineering reviews to a programme of Council services. These reviews should lead to services becoming more customer focussed, streamlined and efficient and should deliver financial savings. The commission should include training to officers in the organisation to allow it to build the skills to roll this out widely across other services.

Marketing and Promotion – Commissioning some work to help develop and deliver a clear marketing strategy for Taunton Deane that defines Taunton's niche and unique selling point.

There is another action within the Business Plan that needs to be progressed as a matter of urgency and is identified as the most critical recommendation from the LGA Peer Review.

This relates to **Service Prioritisation and savings targets** which needs to be approved in early 2013/2014. It is intended to invite the LGA to facilitate a workshop with Members in early 2013 to agree a profile of services with associated budgets that collectively are affordable for the Council in its medium-term financial plan.

This will need to meet the aspirations of Councillors in terms of their service priorities but by necessity will involve a considerable cut in spending in service areas to be affordable over the business plan period. Once a costed service profile has been agreed, this will be reviewed annually and adjusted to take account of the success of other initiatives, such as those listed above.

In the circumstances, it is **recommended** that:-

- (a) The Vision, Corporate Aims and the eleven objectives of the draft Business Plan be endorsed;
- (b) The commitment to prioritise and fund the four projects set out above be approved in principle, on the understanding that further detail will be brought back to Scrutiny and the Executive with full scoping and costs;
- (c) It be agreed that work should proceed in developing a detailed delivery plan to map out how this Business Plan will be delivered. This will be shared with Scrutiny and the Executive; and
- (d) It be also agreed that work should proceed to organise the proposed Local Government Association's facilitated Councillor workshops to develop a

costed service profile that will describe how a medium-term balanced budget will be achieved. The final version will need to be approved by Full Council.

TDBC Corporate Business Plan – Contents

(Version 08/1/13)

ANNEX 1

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Foreword

Welcome to our Corporate Business Plan 2013 to 2016.

To be written

Recent Past

Plans for future

Still hold longer term growth ambitions but shift focus in the interim

Challenging financial context the Council is working in and future funding gap

LGA inspection

New Focus

Signed: Leader of the Council & Chief Executive

Purpose of Corporate Business Plan:

The Corporate Business Plan is intended for our staff, councillors, residents and partner organisations.

It sets out our overall vision and aims for the area and how we will deliver these. It also describes our approach to the internal transformation needed to ensure the Council is sustainable, affordable and fit for purpose during a period of greater demand for services but lesser resource to deliver them.

The Corporate Business Plan will form the basis for future budget setting and service delivery.

Taunton Deane Borough – At a Glance

The following section provides the local context of Taunton Deane including issues and challenges particular to the borough. These issues have been considered when setting the future direction within this Business Plan.

Geography

The borough of Taunton Deane is mainly rural with a Population of 110,000, largely concentrated in the County town of Taunton and in Wellington. The borough covers 462 sq km of outstanding landscape, extending from the Somerset Levels along the River Tone, with the Quantock hills to the north and the Blackdown hills to the South.

The main centres of population are Taunton (66,000) and Wellington (13,000). The borough also has major rural centres at Wiveliscombe and Bishops Lydeard and a number of minor rural centres and smaller villages.

Demographics: The age profile of Taunton Deane shows an under-representation in 20-39 year olds compared to the England average but a much higher proportion of over 65s which is expected to increase by a further 69% to 2030. There is also expected to be a big increase in the number of over 90's during the same time period

Health: When compared nationally, we enjoy good standards of health in Taunton Deane, although our average life expectancy is slightly lower than the other Districts. Deprivation is a key factor to health and average life expectancy varies by 10 years (75 to 85) between the most deprived and least deprived wards, with significant differences in prevalence of circulatory diseases, lung cancer and liver disease.

Deprivation: We have one neighbourhood in the most deprived 5% in the country and a further three in the most deprived 10% in the country. Although issues of deprivation are experienced across the Deane, these are concentrated in North Taunton, Taunton East and parts of Wellington.

Economy – residents are well qualified compared to elsewhere in Somerset and nationally. Employment rates are high, although long-term unemployment of young people is high and worsening. Growth areas are currently in private education and health sectors. 39% of the workforce are in the public sector.

Businesses – Two thirds of businesses employ fewer than 5 people. In recent years, the number of business 'births' has decreased whilst business 'deaths' has increased. Since 2009, business deaths outnumber births.

Housing – Average weekly earnings are lower than County and national average, whereas house prices are high meaning that affordability is an issue. 10.7% of households are on our housing register – the highest proportion in Somerset. We currently have nearly 3,500 households on the housing register.

Private Sector Housing – This accounts for around 85% of stock, although an estimated 41% do not meet the Decent Homes Standard and 25% of occupants live in fuel poverty.

Homelessness – We are seeing an increase in the number of people for whom we have an accepted duty of homelessness.

Growth: – we are an identified area for accommodating growth previously through being a Principle Urban Area and then a National Growth Point. Our Core Strategy was found 'sound' and has employment-led plans for 17,000 new homes and 11,900 new jobs by 2028. The main area of growth is Monkton Heathfield and we have a major town centre regeneration programme including a strategic employment site at Firepool and plans to improve Taunton's retail offer. As with other parts of the country, we have struggled recently in our regeneration ambitions due to the challenging economy.

Hinkley C: - The proposed expansion of Hinkley Point nuclear power station is expected to impact on housing with an influx of workers. This will create an opportunity to attract workers and affiliated businesses to locate in Taunton Deane and spend within the local economy. However it will also create an upward pressure on rent levels and a reduction in available supply. This is expected to be exacerbated by the Welfare Reform plans and result in increased homelessness applications and pressure on benefits. We are working with EDF to find solutions to mitigate this.

The Council – At a Glance

Staffing – We employ 568 TDBC staff in total

Councillors – We have 56 councillors with a Conservative administration but no overall control (28 Cons; 23 Lib Dems; 3 Lab; 2 Ind)

Directly provided services - Housing; Environmental Health, Planning, Street Cleansing; Parks and Open Spaces; Economic Development and Project Taunton.

Housing Service - Housing is a significant part of the Council's business with a stock of around 6,000 dwellings, 1,500 garages, shops, meeting halls and land, with an annual capital programme of £5.5m to improve and maintain stock. We have a 30 year self-financing Housing Revenue Account (HRA) business plan as well as General Fund Housing responsibilities such as Housing Options, Private Sector Housing and Enabling.

Direct Labour Organisation (DLO) - We have a large in-house DLO which focuses on street cleansing, building maintenance (especially on our housing stock); grounds maintenance (parks and open spaces); and highways maintenance.

Partnerships - We have a number of established partnerships

- **South West One** which runs services such as: Revenues and Benefits, Customer Services, Finance, HR, Property, Procurement; Design and Print. We have 131 TDBC staff seconded into this organisation.
- **Somerset Waste Partnership** - Waste collection and recycling
- **Tone Leisure** – Charitable Trust managing sports centres, swimming pools and other leisure facilities and providing health development and active lifestyles work in the borough.
- **Somerset County Council (SCC)** - we work closely with SCC and have recently contracted our parking services responsibilities to them. Close partnership working with SCC is vital for work such as Health and Wellbeing, Troubled Families, Customer Access, Deprivation and Planning. It is especially important in realising our growth ambitions with reliance on SCC to support and deliver infrastructure needed to underpin growth, such as improvements to the A358.
- There are a range of other important partnerships, such as the Somerset West Private Sector Housing Partnership; Building Control; South West Audit Partnership

The Taunton Deane Partnership (TDP). The TDP is the strategic partnership for the area that addresses key community issues that require a multi-agency approach. It includes representation from TDBC, the County Council, Police, Fire & Rescue Service, Health and the Voluntary and Community Sector, as well as education and the private sector.

It has an agreed focus of work for 2012/13 of:

- Delivery of Priority Areas Strategy
- Delivery of the Troubled Families agenda for Taunton Deane
- Local Health and Wellbeing focus

Further information on how we will work in partnership in the future with our range of partners is shown at **Appendix A**.

National Direction for Local Government

The Government has made considerable policy changes to the way local government should work. These include Big Society and Localism; Open Public Services; Community Leadership; Community Right to Challenge; plus a raft of other changes from the Localism Act.

There have also been significant changes to local government financing which include substantial funding cuts and the introduction of new incentives for Councils to encourage housing and business growth into their areas. Alongside this has been the introduction of Welfare Reform. These changes introduce opportunities as well as considerable threats, uncertainty and risks. The Council has been considering these in setting and preparing our Business Plan.

Further details of these policy and financing changes are detailed in **Appendix B**. The Financial position is further explained in the 'Finance and capacity' section.

Our Vision for Taunton Deane

“A quality place”

Taunton Deane is known nationally and locally as a quality place that is growing and developing sustainably, with a vibrant economic, social and cultural environment.

Taunton Deane Borough Council recognises the vital role it must play in achieving this vision, and will provide quality services and prioritise resources to enable and facilitate this. This business plan will outline our key strategic priorities. The following business principles and core values underpin and support our vision.

Our key ‘business principles’

Quality Services – ensuring the delivery of accessible, quality services that provide good value for money (either as direct providers or through partnership)

Customer Driven – we will put the needs of our customers at the heart of all that we do

A dynamic organisation – innovative, forward-looking and focussed on results

Environmentally Responsible – we will minimise the environmental impact from our operations

Our Core Values

We have developed a set of four Core Values with staff and Councillors. These reflect our fundamental beliefs as an organisation and guide how we deal with our staff, customers and partners. These are:

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

Fairness – we will consistently treat everyone as an equal, respecting their individual needs and abilities

Respect – we will always show respect for everyone

Trust – we will show trust and confidence in our staff and customers

High Level Principles

In September 2011, the Council agreed a set of High Level Principles to apply to future ways of working. These covered our approach to Commerciality, Fees and Charges, Capital, Devolving responsibility and other areas. These are shown in **Appendix C**.

Where are we now?

To help with our business planning process we took part in a corporate 'Peer Challenge' exercise in September 2012. This was an external 'health-check' undertaken by the Local Government Association (LGA) and the feedback has informed this business plan and our improvement and learning. Some of the key messages from this review are included in the following information.

The good news...

Both the area and the council already enjoy many strengths and qualities that put us in an excellent position to achieve our vision and corporate priorities.

A summary of our key strengths

As an area	As a Council
<ul style="list-style-type: none"> • High quality public realm (e.g. Castle Green) • Good levels of affordable housing are being delivered • A very clean & attractive environment and a great place to live and work • The county town of Taunton is a great strategic location for businesses enjoying geographical advantages • Culture & heritage • A strong independent retail sector and 'local brands' 	<ul style="list-style-type: none"> • A well regarded council with good officer & Member relationships and well regarded by partners • A positive culture, supportive style of working and good staff morale • A good track record of substantial financial savings and income generation over the past 3 years (£5m) • An ambitious council • Open to new ways of delivering services and partnership-working • Successful internal transformation of the DLO, with significant financial savings • HRA Housing – 30 year business plan with financial 'headroom' to enable investment • A strong cross party political commitment to growth • External Audit results are generally positive with unqualified accounts and Value for Money assessments

The not such good news!

We recognise there are key areas and issues that we must improve

A summary of areas for improvement

The area	The Council
<ul style="list-style-type: none"> • Marketing of the borough and commercial engagement at a regional and national level could be strengthened – it is challenging for a smaller council to gain a higher profile nationally • National economic recession has led to fragility in the economic base of Taunton / struggling businesses • Areas of severe deprivation (within Taunton and rural areas) 	<ul style="list-style-type: none"> • The council's current ambitions currently outstrip revenue & capital resources • Partnership-working is not as well developed and co-ordinated as it could be (eg engagement with the business community, & other public-sector bodies) • Decision-making process is too protracted, and Scrutiny function needs strengthening • Slow progress in developing & implementing an Asset Management Plan • A more commercial mindset needs to be developed across the council

Opportunities and threats

A summary of the key opportunities and threats that may impact on the achievement of our vision and objectives is shown below.

Our priorities and action plans will be designed to exploit these opportunities and deal with the threats.

Opportunities - these could have a positive impact on our objectives

The area	The Council
<ul style="list-style-type: none"> • Stronger links between the council's priorities on targeting Deprivation and promoting Growth (eg skills training, increased employment levels & additional income for the local economy) • A clear strategy for delivering more high quality public realm • Hinkley Point - strong demand for high quality housing in Taunton, and other economic & social opportunities (eg for local businesses) • SCC are working in partnership to bring in superfast broadband to rural areas of Somerset including Taunton Deane. They are also working with the LEP to improve transport links on the strategic road network • Businesses are able to make a greater contribution to promoting growth by targeted marketing of the borough and commercial engagement at a regional & national level • Taunton can exploit its strategic location and define its niche & unique selling point to promote inward business investment 	<ul style="list-style-type: none"> • Review Customer Access to redefine the way we interact with customers • Better management and rationalisation of council assets (eg council offices) • More modern & efficient ways of working (including 'lean' processes) • Explore new income generation opportunities and embed a more commercial mindset & awareness (benefitting from the learning of the DLO & Housing business experience) • TDBC and Southwest One are committed to promoting partnership development - an important opportunity for TDBC & partners to ensure success for the contract • Exploring new & innovative ways of supporting leadership development, staff skills & competency • Consider 'invest to save' opportunities to obtain service efficiencies, transformation & improvements • Streamline the decision-making process and strengthen the Scrutiny function to enable the council to make difficult decisions • HRA Business Plan has £16m financial 'headroom' to invest in housing

Threats - these could have a negative impact on our objectives

The area	The Council
<ul style="list-style-type: none"> • Delivery of growth expectations (planned development within Core Strategy) is not guaranteed • Anticipated funding shortfall of over £30m for infrastructure to deliver the growth programme • Non delivery of flood protection schemes • Hinkley Point – threat of increased housing demand & pressure on affordable housing 	<ul style="list-style-type: none"> • The council is facing a serious imminent funding gap (£2.1m by 2015/16) requiring a reduction of its net budget of nearly 25% • The future sustainability of local government in Somerset, with current funding pressures affecting each Council

Where do we want to be in the future?

Our Vision: ‘A quality place’

Taunton Deane is known nationally and locally as a quality place that is growing and developing sustainably, with a vibrant economic, social and cultural environment.

To achieve our vision of ‘a Quality Place’, we have broken this down into three corporate aims.

- Quality sustainable growth and development
- A vibrant economic environment
- A vibrant social, cultural and leisure environment

These corporate aims have a number of objectives listed beneath them and a high-level strategic action plan that shows how we will achieve them over the next three years:

Quality sustainable Growth & Development:	
Obj 1	Facilitate a significant increase in the number, quality and range of available houses within the Borough, including the highest achievable proportion of affordable housing
Obj 2	Delivering the infrastructure necessary to bring forward development opportunities

Strategic Action Plan: Quality and Sustainable growth and Development

What? (the key activities & projects)	When?	Why? (Output & outcomes)
Quality housing growth <ul style="list-style-type: none"> • Work with the development industry to maximise land supply in sustainable locations • Facilitate delivery of the sustainable urban extensions by close working with the development industry • Support for communities in the delivery of neighbourhood planning • Adoption of the Site Allocations Document 	Annual review 2013 onwards 2012 onwards 2014/15	<ul style="list-style-type: none"> • Maintenance of a five year land supply in sustainable locations across the Borough • Houses being built, Transport / road infrastructure agreed. Employment land being marketed and developed. • Appropriate assistance is provided to communities to allow them to deliver Neighbourhood Plans • Identify sites for a range of housing including Executive housing for which demand is expected to increase
Affordable housing & HRA Social Housing Development <ul style="list-style-type: none"> • Use Social Housing Development Fund to build new homes for social rent (target 20) • Produce on-going programme of new development to deliver regular stream of new properties to the HRA each year 	July 2014 On-going	Provision of new social housing managed by the Council Increased social housing provision

<ul style="list-style-type: none"> • Explore methods by which HRA resources can be maximised to increase investment in new homes • Strategically manage all HRA assets to fully utilise opportunities for new development • Delivery through the Affordable Housing Development Partnership (TDBC & Housing Associations) • Ensure sufficient supply of affordable and suitable private- rented sector housing to meet demand 		<p>Maximum value for money for tenants</p> <p>Increase supply of social housing</p> <p>Annual plan of affordable housing delivery targets reached.</p> <p>Improved conditions of housing stock to ensure affordable decent living conditions for vulnerable households (e.g. thermal efficiency; appropriate adaptations). Initiate projects to tackle empty homes and continue incentives for landlords to let suitable properties in Taunton Deane</p>
<p>Firepool</p> <ul style="list-style-type: none"> • Delivery of infrastructure • Re-focus existing master-plan 	<p>2014</p> <p>2015</p> <p>2014/15</p>	<p>Northern Inner Distribution Road (NIDR) completed providing access to the whole site.</p> <p>Boulevard delivered.</p> <p>Next phase of development takes place</p>
<p>Flood alleviation solutions</p> <ul style="list-style-type: none"> • Plan for implementation of agreed solution approved by the Council 	<p>2013</p> <p>Beyond 2014</p>	<p>Plan designed and approved by the Environment Agency.</p> <p>Funding sources investigated and delivery timescale agreed</p>
<p>Public realm improvements</p> <ul style="list-style-type: none"> • Implement a programme of events 	<p>2013</p>	<p>Co-ordinated annual events plan in public spaces developed with the Taunton Town Centre Company, other cultural partners and the business community to maximise the potential of new and existing public spaces.</p>
<p>Community Infrastructure Levy (CIL)</p> <ul style="list-style-type: none"> • Implement the CIL process 	<p>2013</p>	<p>An effective and robust CIL process. Maximise income.</p> <p>Ensure key infrastructure is funded and delivered.</p>

A vibrant economic environment	
Obj 3	Improving the perception of Taunton as a regional centre of economic growth and a place to do business – attracting new businesses whilst supporting existing ones
Obj 4	Increasing the economic activity within the Borough including the number and value of jobs

Strategic Action Plan: A vibrant economic environment

What? (the key activities & projects)	When?	Why? (Output & outcomes)
Marketing & promotion of Taunton <ul style="list-style-type: none"> Develop and deliver a clear marketing strategy that defines Taunton’s niche and ‘unique selling point’ Maximise the conversion rate of new business enquiries into actual investment 	2013	Marketing and delivery plan to include attracting inward investment and visitors.
Taunton town centre retail <ul style="list-style-type: none"> Understand the changing retail market in Taunton and plan accordingly 	2013	To develop a strategy to meet the retail demand in Taunton and to allocate sites accordingly.
Stimulate inward business investment and growth <ul style="list-style-type: none"> Invest resources to enhance our approach to national & regional marketing to attract inward investment Ensuring sufficient employment land is available in locations attractive to businesses Develop relationship and profile with the Local Enterprise Partnership (LEP) and its key stakeholders 	2012 2013 2013 2013	Deliver a new inward investment web site. Identify the location of a strategic employment site within the Site Allocations Planning document. Work with Developers to bring forward employment land at Monkton Heathfield. Achieve Enterprise Area status from the LEP
Local business development & support <ul style="list-style-type: none"> Review of business requirements within the Borough Annual plan of targeted support for local business approved. Annual programme of events intended to stimulate networking and local sourcing opportunities 	2013	Better understand of the requirements of local businesses from the Council Provide better targeted support Programme of events tailored to provide required support for businesses

A vibrant social, cultural and leisure environment	
We will have a real sense of community in our areas of deprivation and strong partnerships that deliver projects that benefit the community and improve their quality of life.	
Taunton Deane will be highly regarded for its clean, attractive and vibrant street scene with a strong leisure and cultural emphasis.	
Obj 5	Working with partners to encourage strong, informed and active communities
Obj 6	Working with partners to improve the lives of our most vulnerable households
Obj 7	Facilitating and supporting cultural and leisure opportunities
Obj 8	Maintaining clean streets, good quality parks, open spaces and leisure and cultural facilities

Strategic Action Plan: A vibrant social, cultural and leisure environment

What? (the key activities & projects)	When?	Why? (Output & outcomes)
<p>Work with Taunton Deane Partnership (TDP) to deliver key priorities for the area:</p> <ul style="list-style-type: none"> • Priority Areas Strategy & action plan • Health & Wellbeing strategy • Troubled Families project 	<p>Ongoing Ongoing Ongoing</p>	<p>Deliver the objectives and outcomes of the Priority Areas Strategy to:</p> <ul style="list-style-type: none"> - encourage strong, informed and active communities - improve access to services, information and advice - improve the lives of our most vulnerable households - improve the look and feel of the local area <p>Reduce Health inequalities in Taunton Deane and address agreed health issues such as Active Lifestyles and dealing with Dementia.</p> <p>Work with 182 families over 3 years to improve levels of worklessness, anti-social behaviour and school attendance</p> <p>Improved coordination of public sector working with vulnerable families in Taunton Deane, resulting in reduced cost</p>
<p>Leisure & cultural development</p> <ul style="list-style-type: none"> • Build a new swimming pool • Prioritise leisure and cultural provision and support accordingly • Support cultural development through the Taunton Cultural Consortium • Brewhouse development monitored and supported • Co-ordinated Events plan agreed and approved on annual basis 	<p>Summer 2015 Ongoing Ongoing Ongoing 2013</p>	<p>A new Swimming Pool</p> <p>Through partnership working, Taunton is well provided for with leisure and cultural provision and attracts inward investment</p> <p>Maintain the Brewhouse Theatre and support its extension and enhancement</p> <p>The borough will have a reputation for high quality venues and as an easy place to organise events on public open spaces</p>

<p>Street Scene</p> <ul style="list-style-type: none"> • Prioritise and re-focus the programme of work 	<p>2013</p>	<ul style="list-style-type: none"> • The Street cleansing programme supports Business Plan priorities including the needs of businesses, not only in the town centres but also on adjoining public realm spaces that promote the area as a whole, making it a better place to invest, work and rest. • Public toilet provision and maintenance will also be altered to ensure that the night time economy, including any evening events, is better supported.
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A transformed Council

To enable the Council to successfully deliver the priorities described above, we recognise we have to be more proactive and radical with service and council transformation, and reinvent ourselves in the face of huge financial pressures. We will respond to the looming funding gap through a combination of planned efficiencies, service cuts and service transformation, whilst continuing to provide quality services.

To achieve our vision of 'a Quality Place', we have broken this down into three further objectives for the next three years each having a high-level strategic action plan to show how we will deliver them.

Obj 9	<p>Achieving financial sustainability</p> <p>Looking at new ways of balancing the budget to address our serious financial challenges. We will ensure this business plan works closely with our Medium-Term Financial Plan (3-5 year) aligning council priorities with the resources to deliver these.</p>
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Strategic Action Plan: Achieving financial sustainability

What? (the key activities)	When?	Why? (Output & outcomes)
<p>Medium-Term Financial Plan (MTFP)</p> <ul style="list-style-type: none"> Update the MTFP regularly to reflect the latest high-level financial forecasts for the Council Refresh MTFP following Member prioritisation review and other changes – report to Corporate Scrutiny 	<p>Feb 2013 On-going</p> <p>Summer 2013 and ongoing</p>	<ul style="list-style-type: none"> To ensure Members continue to be briefed on the financial forecasts for the Council – across all funds. This will support effective decision-making (for reshaping the organisation) To ensure the financial plans are continually updated to reflect the latest information on Government funding, and financial policy changes being implemented (e.g. localisation of business rates)
<p>Council Tax Reduction Scheme</p> <p>The Council will safely implement a new Council Tax Reduction Scheme – starting on 1st April 2013</p>	<p>April 13</p>	<p>To implement a new local scheme that meets the Council's aspirations to support the community but within the reduced funding available from Government – thereby protecting the Council's overall financial exposure and risk.</p>
<p>Localisation of Business Rates</p> <p>Undertake financial modelling and risk assessments to determine impact on MTFP and develop appropriate monitoring arrangements</p>	<p>April 13</p>	<ul style="list-style-type: none"> To make sure the Council's financial plans adequately reflect the changing world of local government finance. To ensure the Council is prepared for the changes ahead and any system or resourcing changes are actioned.
<p>Business Rates Pooling in Somerset</p> <p>Consider business case and associated governance for Business Rates pooling in Somerset, and make recommendations</p>	<p>Feb 13</p>	<ul style="list-style-type: none"> To ensure the Council doesn't miss any opportunity for growth in Business Rates to be kept locally

<p>accordingly. To ensure the financial plans reflect the “most likely” position resulting from pooling in Somerset.</p>		
<p>Welfare Reform To ensure the Council is fully prepared for the forthcoming changes in the Welfare Reform agenda.</p>	Ongoing	<ul style="list-style-type: none"> • To support the community through the significant changes ahead • To support the staff through the significant period of change – in terms of service delivery and roles. • To ensure all Council services are sighted on the changes ahead and make adequate plans for their services.
<p>Financial Strategy The existing Financial Strategy will need to be completely refreshed to reflect the emerging Business Plan priorities and aspirations. The document will develop once the Council has clarity on priorities and areas for disinvestment. It will reflect:-</p> <ul style="list-style-type: none"> • plans for savings programmes • transformation programmes • policies on level of Reserves • policies on Earmarked Reserves • latest Govt funding arrangements • predicted impact of Welfare Reform on our services and community. • any approved IT Strategy • any approved Asset Management Plans aspirations and priorities • any approved Workforce Development Plan • any approved IDP and associated CIL funding forecasts agreed with the Council and Partners <p>The document will set specific targets to show how the Council will achieve a sustainable budget over the coming 3 years (2014/15 to 2016/17).</p>	July 13	<ul style="list-style-type: none"> • To ensure the Council has a clear financial strategy to resolve the current forecast budget gaps. • To ensure the Councillors have a clear programme of change and transformation to support the aspirations and priorities of the Business Plan
<p>Asset Management Commission specialist work to review our approach to asset management and explore ‘Invest to save’ opportunities. Implement recommendations from review.</p>	April 2013	<p>To ensure maximum return from council assets. Service efficiencies and improvements obtained. Significant savings made to help address the council’s funding gap.</p>
<p>Strategic procurement Engage with the SW1 Strategic Procurement Service (SPS) to identify opportunities for savings through procurement</p>	Ongoing	Achieve agreed procurement savings targets

Obj 10	<p>Transforming services</p> <p>We are open to new ways of delivering services and recognise we need a radical re-think and review of all Council services. This means: what we do, who does it, how we do it and to what standard, what we should do less of or stop doing altogether</p>
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Strategic Action Plan: Transforming services

What? (the key activities)	When?	Why? (Output & outcomes)
<p>Service Reviews</p> <ul style="list-style-type: none"> To design a programme of service reviews across the organisation to streamline services and reduce inefficiencies, whilst ensuring they remain customer-focussed Implement a programme and monitor progress building savings into the MTFP 	<p>April 2013</p> <p>March 16</p>	<ul style="list-style-type: none"> To ensure we are driving out any inefficiencies – thereby reducing cost. To challenge why we do things To ensure the customer is always considered as part of service design
<p>Prioritisation of services & clarification of aspirations</p> <ul style="list-style-type: none"> Agree a profile of services with associated budgets that collectively are affordable 	<p>April 2013</p>	<p>This will need to meet the aspirations of councillors in terms of their service priorities but by necessity will involve a considerable cut in spending in some service areas to be affordable over the business plan period.</p>
<p>Accommodation and Customer Access</p> <p>Commission a project to make recommendations on meeting the Council's future accommodation needs, including the future of Deane House. This work will need to consider customer access & increasing financial pressures.</p>	<p>Commence April 2013</p>	<p>Improved Customer Access and use of Deane House and other officer based buildings</p>
<p>Direct Labour Organisation (DLO) transformation</p> <p>Continue the agreed transformation plan for the DLO, and consider the potential relocation of the Council's depot</p>	<p>On-going</p> <p>summer 13</p>	<p>Monitoring of planned milestones and successful delivery of transformation programme outcomes.</p> <p>Decision made on depot relocation</p>

Obj 11	<p>Transforming the way we work</p> <p>Although we have a good track record of internal transformation (eg recently with the DLO & Housing services), we recognise that we need to learn from this and do more to transform other service areas</p>
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Strategic Action Plan: Transforming the way we work

What? (the key activities)	When?	Why? (Output & outcomes)
<p>Developing Our Commercial Approach</p> <ul style="list-style-type: none"> Developing Financial Awareness skills, and a focus on Value for Money (VFM) throughout the organisation to ensure Managers understand their service costs and income (and the sensitivities) 	<p>Dec 13</p>	<p>To ensure managers make decisions that are financially sound.</p> <p>To ensure that "finance" and "vfm" has a higher profile in the organisation.</p>

<ul style="list-style-type: none"> Identify best practice in other organisations and bring forward learning & good practice initiatives to TDBC services. Research income generation powers and opportunities progressed by other local authorities. 	<p>May 13</p> <p>May 13</p>	<p>To make sure we are up to date with new initiatives and can learn new ways of bringing a commercial approach to local authority services.</p> <p>To ensure TDBC is aware of all opportunities for charging for services so as to maximise income.</p>
<p>Partnership management</p> <ul style="list-style-type: none"> Strengthen and exploit existing partnership relationships (SCC, Health, Education, business community, other public sector bodies, parishes & town councils) Review resourcing requirement to provide effective skilled “retained” client functions for core corporate services. Make recommendations to Members re requirement and funding Continue to develop partnership working with SW1 	<p>Feb 13</p>	<p>Better delivery of the objectives of this business plan through closer partnership working</p> <p>To ensure we have the necessary resource level and skills to:-</p> <ul style="list-style-type: none"> effectively manage our partnership relationships; and provide strategic direction to those services delivered by Partners; provide effective performance management and challenge to Partners on service delivery. <p>Ensure the success of the contract</p>
<p>Learning & development</p> <ul style="list-style-type: none"> leadership & staff development will focus on skills to enable effective service transformation (eg ‘lean processes’, project management, coaching, partnership working) Implement Workforce Plan Exploit transferable learning opportunities (internal services & external partners) Develop robust Councillor appraisals 	<p>Dec 2013</p>	<p>More efficient, customer-focussed and commercially aware staff.</p> <p>The right people, with the right skills in the right place at the right time.</p> <p>Work with Councillors to agree a programme of development (linked with the work on the Member Charter).</p>
<p>A performance-focussed culture</p> <ul style="list-style-type: none"> Effective performance & risk management processes Understand the ‘Value for Money’ profile of council services and develop benchmarking 	<p>On-going</p> <p>2013/14</p>	<p>Effective Performance & Risk Management leadership (Managerial & Political) and systems are developed and consistently applied throughout the organisation (Strategic, Programme / Projects, & Operational), enabling informed decisions (ie in allocating resources), service improvements, and ensuring good governance & internal control.</p>
<p>Effective scrutiny and decision-making</p> <ul style="list-style-type: none"> Review current structure and arrangements for decision-making Provide greater focus and support for Scrutiny 	<p>Apr 2014</p>	<ul style="list-style-type: none"> Streamline council decision-making A more informed policy steer, with better and sharper decision-making

How are we going to get there?

'A quality place'

To ensure that our vision for 'a quality place' is achieved, we have already developed some key strategies around growth and regeneration, these are:

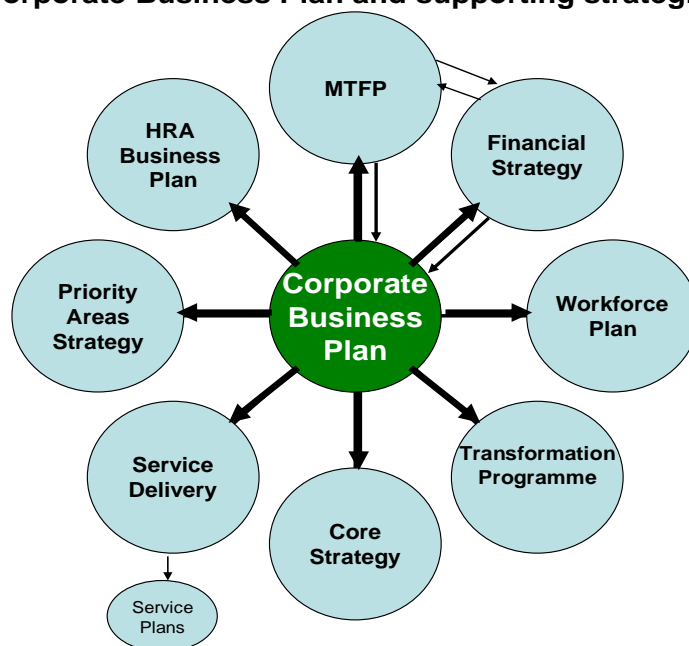
- Core Strategy
- Growth strategic delivery plan (2012 – 2015)
- Priority Areas Strategy

A transformed council

The key documents to help us steer the transformation of council services, the way we work and achieve financial sustainability are:

- Corporate change programme (major projects)
- Workforce Plan (Appendix F)
- Medium-term financial plan (5 years)
- Asset management Plan
- Southwest One five-year plan
- ICT Strategy
- Housing (HRA) Business Plan
- Service Plans

TDBC Corporate Business Plan and supporting strategies / plans



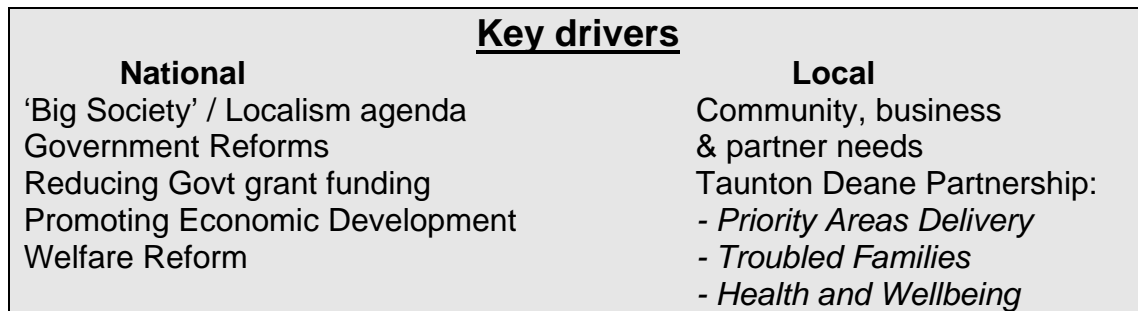
Equalities

We are committed to the promotion of equality and diversity in our communities. An Equalities Impact Assessment for this Business Plan is published on the TDBC website. The Business Plan has been developed at a strategic level – delivery plans will be subsequently developed through service and project planning which will include more detailed Equality Impact Assessments, which will also be published on the website. Further details of our approach to equalities are shown at **Appendix D**.

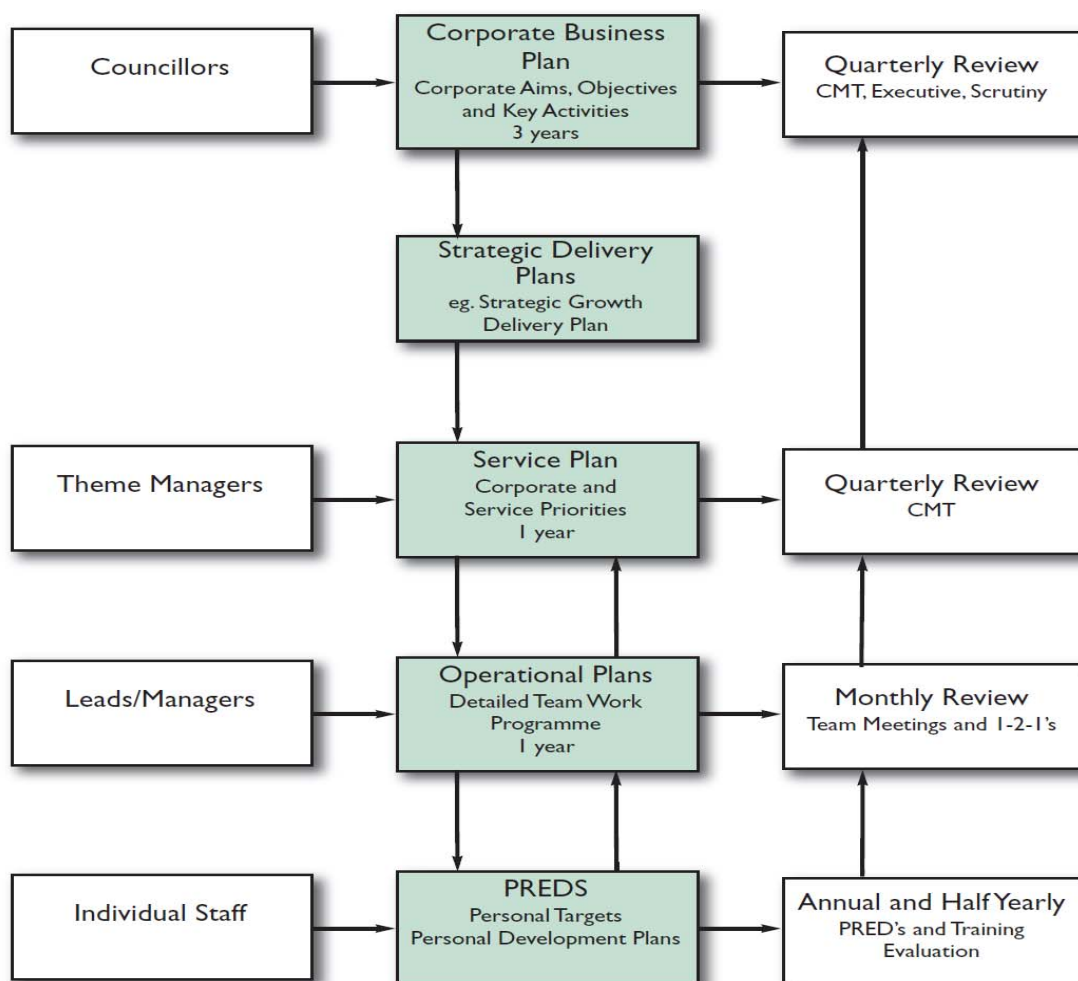
Making sure it happens - managing performance and risk

The Council has robust performance and risk management arrangements in place to ensure the objectives in the Business Plan are delivered and that delivery is properly monitored by Councillors through the appropriate committees.

The Performance Management Framework is shown in the 'Golden Thread' diagram below



The Golden Thread



A more comprehensive overview of the Councils Performance and Risk Management arrangements are shown at **Appendix E**.

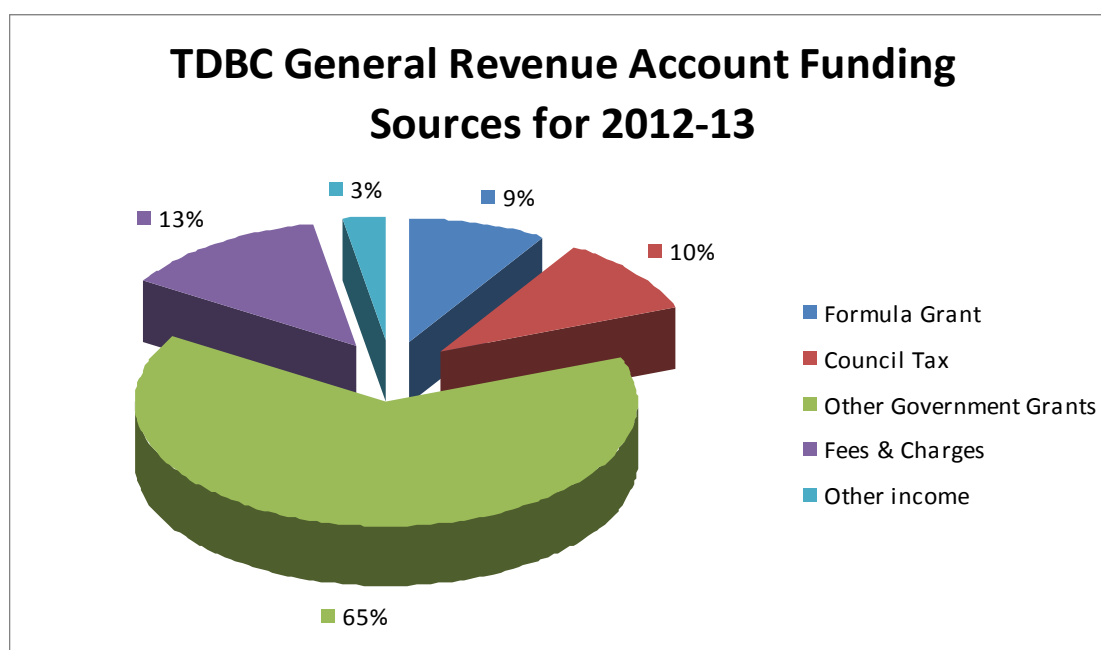
Finance and Capacity

The Council's finances are grouped under General Fund services and also, as a local authority landlord, under Housing Revenue Account (HRA) services. General Fund services are funded through fees, charges, specific and general government grants, and council tax. The HRA is a ring-fenced account which is funded mainly by Rent income from local authority housing tenants.

General Fund

Income – Where does the money come from?

The Council's General Fund currently has an annual income of **£59.7m** which comes from a range of sources shown in the following chart.



Formula Grant - A general funding allocation from government based on need

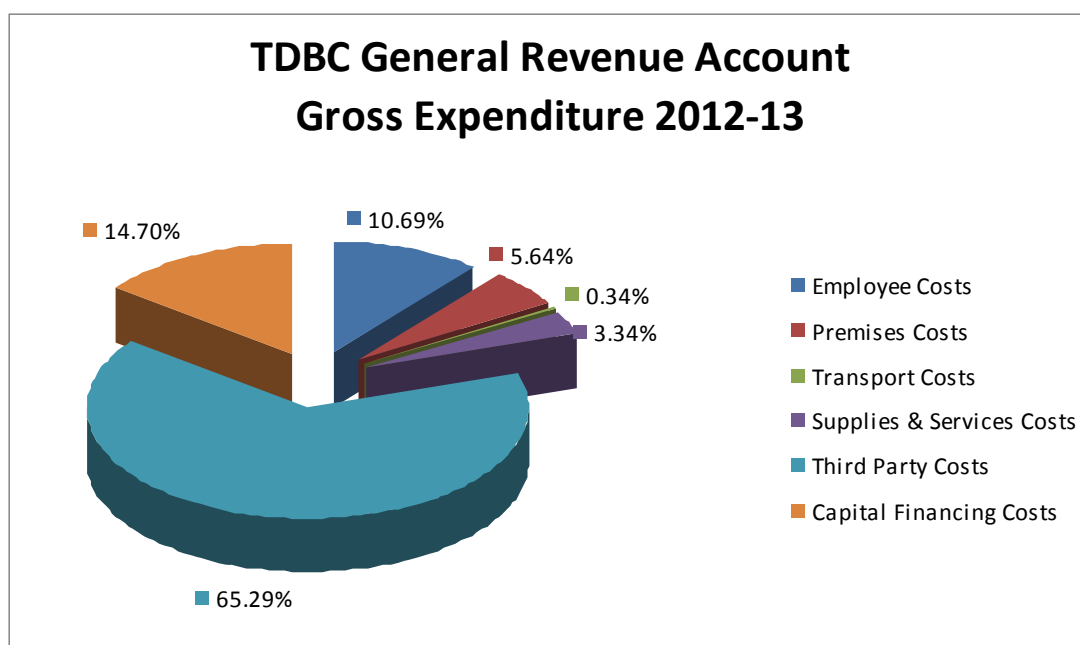
Council Tax - Provides around 10% of the Council's funding. TDBC's Council tax charges have been in the lowest quartile compared to all English Districts for the last 5 years (2012/13 = £136 based on average 'Band D' tax bill)

Other Government Grants - Government subsidy towards Housing Benefits and Council Tax Benefits comprises the vast majority of the 'other government grants' segment above. Other grants and contributions include New Homes Bonus, Supporting People Funding, Council Tax Freeze Grant and other smaller grants

Fees & Charges -The Council generates income through charging for specific services such as car parking, planning, building control, cemeteries and crematorium and garden waste recycling. Some fees are set centrally and some locally.

Expenditure – How is the money spent?

The Council's gross total expenditure in General Fund services is **£59.7m** of which **£13.9m** is net expenditure. This is broken down across the following main areas:



By far the largest area of spend is Benefits paid to local claimants, which is mainly funded by Government subsidy. This accounts for the vast majority of the third party cost segment in the above chart.

The key areas of expenditure (over £1m) on services are:

- Waste collection and recycling - £2.9m
- Regulatory Services (housing standards, pollution reduction; food safety, public conveniences etc) - £2m
- Recreation and Sport (swimming pools and sport centres; outdoor sports and recreation; Sports Development etc) - £1.7m
- Housing Advice, Enabling and Strategy - £1.3m
- Housing Benefits Administration - £1.2m

Other key areas of spend include Corporate and Democratic costs (general costs of running the council); Open Spaces; Economic Development and Regeneration and Street Cleansing.

The Medium Term Financial Plan

The Council prepares a rolling 5-Year Medium Term Financial Plan (MTFP) to project the financial position of the Council, taking into account expenditure, income, inflation and funding forecasts, investment plans, and financial risks. The following table provides a summary of the Council's latest MTFP position as at September 2012, which shows an increasing budget gap based on current services levels and currently identified spending pressures.

	2013/14 £k	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 £k
TDBC Forecast Net Expenditure	11,428	11,843	12,523	12,986	13,400
Forecast Formula Grant	4,917	4,439	4,301	4,301	4,301
Forecast Council Tax	5,740	5,913	6,091	6,275	6,464
Forecast Resources Available	10,657	10,352	10,392	10,576	10,765
Predicted Budget Gap – Cumulative	771	1,491	2,131	2,410	2,635

Since the 2010 Spending Review the financial position of the Council has changed drastically. The government has moved to address the national debt position by reducing funding for public services. The wider implications of the economic climate are also having an impact on demand for services. There are also significant changes to the way local councils are funded, with core funding streams moving to a basis that places a strong emphasis on housing and business growth rather than the current method based on an assessment of need.

The 2010 Spending Review resulted in proposed 28% funding cuts (nationally) to local government over a four year period. In reality, for this Council, general grant funding has been reduced by almost 25% (£1.6m) in the first two years since the Spending Review, and we are currently preparing for a further 20% (£1m) cut over the next two years up to 2014/15. It is uncertain what will happen with funding levels over the longer term but it is generally acknowledged that there is a strong possibility that cuts may continue beyond 2014/15.

Local circumstances indicate there will be additional pressures to budgets through decreasing income (from car parks, building control, licensing, benefits administration, and other areas); increased demand on services (such as benefits) and inflation.

Our MTFP forecast predicts that by the end of the three-year business plan period, the Council will have a budget funding gap of £2.1m per year if it continues to operate at its existing level. This gap will rise to £3.4m by 2020/21 if no action is taken to balance the budget.

The workforce plan

The workforce plan describes how our workforce can anticipate and respond to the demands of the community and the transformation of the Council. It is critical to the success of organisational and cultural change.

The plan take account of the way the authority will develop over the next three years, the changing needs of our communities and the financial pressures the Council will continue to face.

It considers the workforce skills and knowledge we require, our approach to people management and how we will bridge identified skills gaps.

The Workforce Plan can be seen at **Appendix F**.

How can we afford it? Balancing the Budget

The Council faces a real challenge to produce a balanced budget and address the £2.1m projected funding gap over the next three years. A major piece of work that must closely follow this Business Plan is for Councillors to undertake a service prioritisation and financial profiling exercise that explicitly describes which services will be future priorities and which won't. This will need to include significantly reduced service budgets that collectively accounts for the £2.1m gap, thus giving the Council a balanced budget in the medium term. A budget profiling workshop facilitated by the LGA will be organised for early 2013.

An initial financial modelling of services has been undertaken, using ranking of service priorities taken from responses to a Councillor questionnaire in July 2012. This has provided a rudimentary model that shows how service cuts could look in the future if none of the other measures in this section were addressed and if Councillors were unable to develop a more refined prioritisation model. The financial model is attached as **Appendix G**.

Other measures to deliver a sustainable Council and to help deliver the £2.1m budget gap described above, includes:

Reducing Costs and increasing income – The Business Plan has prioritised streamlining services and reducing costs in its 'Transformed Council' section. These include reviewing our asset base and asset management; investing in business process re-engineering; and reviewing Customer Access. It plans to increase income through encouraging its services to become more commercially-minded and seek better income opportunities.

Council Tax - The Council has the option to provide local taxpayers' with a choice to increase tax above a minimum defined by the Secretary of State (the higher of 2% or £5 per Band D household in 2013/14) via a Referendum. Council tax income is currently £5.6m (around 10% of the Council's total income for General Fund services). Each 1% increase generates additional income of around £56k per year.

Government Grant - funding for services will be strongly linked to growth (Business Rates, New Homes Bonus), therefore agreeing priorities that support growth should help to maintain and potentially increase funding.

Community Infrastructure Levy (CIL) – this will generate funding to invest in local infrastructure and has the potential to develop into a key funding stream. We have identified around £50m of infrastructure required to deliver planned growth in the Taunton Deane Core Strategy. CIL will partly cover this however there will be a sizeable gap between funding available and cost of infrastructure required. This shortfall will place pressure on identifying other funding sources, such as New Homes Bonus to help bridge the gap.

Fees & Charges – A High Level Principle agreed by Council was that Fees & Charges keep pace with inflation. This income can be volatile and therefore the Council will need to ensure prudent estimates of demand and income are used for financial planning and budgeting.

New Homes Bonus – currently £392k per year of New Homes Bonus grant is included in the annual budget to maintain services. Total income is currently £1m per year (2012/13), and has the potential to increase to £2m-£3m per year if the current housing growth trend continues in Taunton Deane. As this funding resource grows it will become increasingly important for the Council.

Business Rates – Funding from Business Rates is changing from April 2013. We are uncertain what the level of funding will be, however the assumption within the current MTFP is that the baseline level of funding will reduce as the Government achieves its national Treasury targets. The Council's funding will be directly linked to business growth in future. Business decline is a real financial risk that could see funding reduce.

Reserves

The Council has general reserves of £3.1m (September 2012). The minimum agreed reserve balance is currently £1.25m, although the S151 Officer plans to review this minimum balance during 2012/13 in light of the increased financial risks faced by the Council under the localism agenda with a likely increase recommended. The Council still has the opportunity to use 'surplus' reserves to fund 'invest to save' initiatives or to fund one-off key strategic projects that help deliver the business plan.

Capital Investment

The council does not have unallocated capital reserves and government investment in this area is expected to be low. Money to invest in new capital projects will mainly come from capital receipts or borrowing. Borrowing should only take place after a business case has been drawn up and agreed with any ongoing revenue implications fully recognised.

Housing Revenue Account (HRA)

2012/13 is the first year of operation for the Housing Revenue Account (HRA) under the new 'Self Financing' regime introduced under the Localism agenda. The council prepared very well for this change and in February 2012 approved a new **HRA Business Plan** 2012-2042. As a 30-Year plan, this provides a long term perspective on the Housing Service and its priorities.

The HRA is a 'ring-fenced' account that will operate as a 'business' in its own right. All expenditure on HRA services will be funded through income generated within the service – largely from rents on council owned dwellings.

The HRA Business Plan will be subject to an annual review, and contains the following strategic objectives

- Securing a long term future for our housing service
- Tackling deprivation and sustainable community development
- Investing in our housing stock, regeneration and affordable housing
- Climate change

It is important to ensure the Corporate Business Plan and HRA Business Plan priorities are complementary and are interlinked where relevant.

Recent enhancements of the Right to Buy system gives the Council the option to retain a greater proportion of Right to Buy receipts, with an obligation to invest in new affordable housing. The Council will need to consider the impact of such funding streams when deciding its investment priorities.

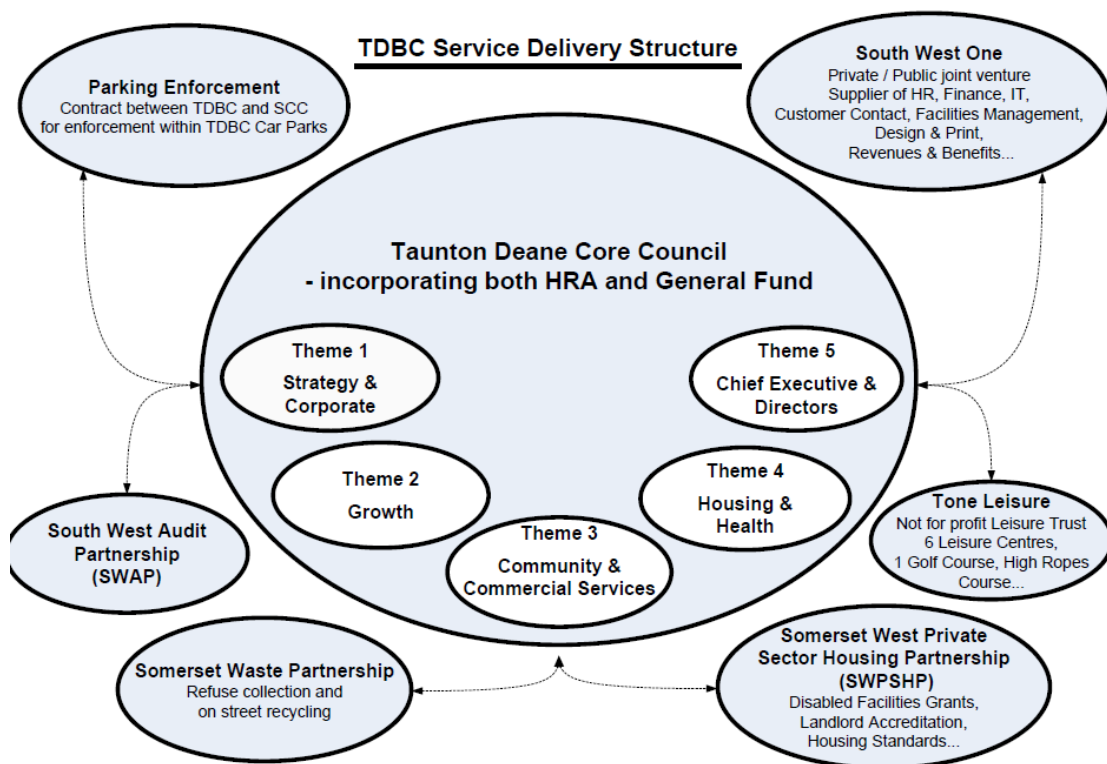
Appendix A: Community and Partnerships

The Council recognises that working in partnership is critical for its future success in meeting the aims of this business plan. Our future working with partnerships will encourage

Community Leadership – we plan to continue to work closely with partners through the Taunton Deane Partnership to take forward work on the Priority Areas Strategy, Troubled Families and Health and Wellbeing.

Service Delivery - We will continue to work with Southwest One to provide back office and support services to 2017, although we need to begin now to plan beyond this period.

We will also continue with other successful service partnerships, some of which are shown in the following diagram of cliented partnerships:



Service Sharing - We will be open to opportunities to share services with suitable partners such as neighbouring local authorities

Open Communication - We will seek the views and input from our partners on our Corporate Business Plan and in future annual reviews.

Appendix B: Government Policy direction for Local Government

The following overview of policy direction from Central Government describe the 'local government landscape' and the responsibilities that we are expected to embrace in our future working:

Big Society and Localism: Empower local people and communities and devolve power down from central government to local government and beyond. Encourage voluntary work and support the voluntary and community sector.

The Council has good links with the parish councils through its parish liaison officer and does not believe there is sufficient appetite from the local communities or parish councils to run services and this is often due to funding, capacity and expertise. However it strongly supports the voluntary and community sector and has a track-record of funding and supporting it.

Open Public Services: To adopt an 'open commissioning ethos'. "actively encouraging new providers, of all sizes and from all sectors, to deliver public services". "We want, where possible, to give people direct control over neighbourhood services directly to communities, or by giving neighbourhood groups democratic control over them" (Open Public Services White Paper)

The Council does not believe there is sufficient appetite within neighbourhoods and local communities to pursue this as a policy

Community Leadership: Provide community leadership, working with partners, the voluntary and community sector, private sector and communities to jointly tackle the real issues that affect them.

The Council has a strong track-record of providing community leadership through its work with the Taunton Deane Partnership and its focus on deprivation through its Priority Areas Strategy. Other good examples include Tone Leisure's work on Healthy Lifestyles; as well as our approach to climate change, affordable housing, broadband and other community priorities. Health and Wellbeing is becoming increasingly important and the Council will lead on this locally, in close liaison with the Health and Wellbeing Board.

Community Right to Challenge: Duty to consider expressions of interest from voluntary and community organisations and parish councils to bid to run council services.

This is a legislative requirement and we will respond to any expressions of interest as required.

Supporting Businesses and Local Economy: The government has made it clear that local government has an important role to play in supporting local businesses and encouraging growth and this is reflected in a range of legislative changes such as the NPPF, business rate retention, the introduction of LEPs, discretionary business rate relief and other measures.

Economic Development has been flagged as a priority for the business plan and we want to embrace and support local businesses and for Taunton Deane to be seen as 'open for business'. The Council has recently adopted a Growth Strategic Delivery Plan that has five objectives around attracting businesses, increasing economic activity, increasing supply of housing, delivering infrastructure and developing cultural and leisure facilities to attract inward investment. We are also actively engaging with the LEP and continue to seek opportunities for regional growth funding for Taunton Deane.

Welfare Reform: Includes the introduction of Universal Credit; caps on housing benefit; localised council tax benefit (with a 10% reduction in overall budget); Replacement of disability living allowance with personal independence payment; an increase to the minimum age (35) for individuals able to claim housing benefit; and a cap on benefits where under-occupation occurs.

These introduce an increased risk to the council through:

- potential increased demand for services e.g. housing advice, homelessness, benefits, etc
- less income through reduced demand for chargeable discretionary services
- increased debt risk and potential reduction in income collection rates

We are currently consulting on changes to our Council Tax Benefit scheme and will monitor changes in demand for services resulting from Welfare Reform. We will respond accordingly.

Changes in Financial Policy

In addition to the Spending Review, there is a lot of change underway that will

- impact on how local councils are funded in future
- influence demand on services
- increase financial and other risks

Business Rates Retention Scheme

Under the Government's Local Government Resource Review the way councils are funded is changing, with the introduction of a new Business Rates Retention scheme from April 2013. This means that local council's will be able to retain a proportion of additional business rates generated through local business growth, but also means the council would receive less funding if business growth stands still or declines. This change will place a strong incentive for local councils to encourage business growth to protect and potentially increase funding levels. The national economic picture indicates that business growth is very low nationally and the 'local context' section showed that business deaths currently outnumber births. Therefore this risk of further funding reductions during this Business Plan period remains high.

Council Tax Reduction Scheme

The current scheme of Council Tax Benefits, which is fully-funded by central government, is to be replaced with a local scheme from April 2013. The national funding for council tax is being cut by 10%, and in future this council will receive a fixed grant which means this Council, together with other Somerset authorities, will be at risk if the cost of the local scheme exceeds the grant provided.

New Homes Bonus

This grant has been described as “a powerful fiscal incentive for local authorities delivering new housing” (Government Housing Strategy). The amount of grant available will be determined by the number of new houses plus empty homes brought back into use in the Borough. Growth in affordable housing brings additional financial benefit as part of the grant. Enabling housing growth, including growth in affordable housing, will therefore be a key driver in funding growth through this mechanism.

Community Infrastructure Levy (CIL)

The Council is currently consulting on a Preliminary Draft Charging Schedule which sets out the rates at which CIL will apply and the types of development which will be liable to pay it. The requirement to invest in local infrastructure and the amount of funding generated through CIL, will be fundamentally linked to growth. The amount of funding will therefore be variable and the timing and amounts will be uncertain. Financial plans will need to take into account this risk.

Appendix C: High Level Principles

In September 2011, the Council agreed a set of High Level Principles to apply to future working. These were:

Corporate Priorities – The four existing corporate priorities were still considered relevant and should remain a focus for the Council.

Staff Terms and Conditions – The Council should remain within national terms and conditions and only review those that fall outside of this

Staff Benefits – This identified certain staff benefits which could be reviewed and those which should not be and it prioritised transport related benefits as the initial starting point for review.

Devolving Responsibility – It identified that work was required to understand whether any appetite existed for parish councils to run services, before this agenda would be progressed

Increasing Commerciality – The Council should operate on a more commercial basis and explore setting up a trading company in the longer term

Fees and Charges – Fees and charges should always be increased to match inflation, except under exceptional circumstances. Higher charges should be set where benchmarking shows this is reasonable although we should avoid being the highest chargers in the region.

Capital Strategy – The Council should be clear on its spending priorities and aim to set aside a proportion of capital to invest in capital schemes that provide a revenue return.

Appendix D: Equalities

The Equality Act 2010 seeks to ensure that people are not discriminated against because of certain characteristics. These are known as 'protected characteristics' and there are nine in total. They are:

- Age - Disability - Sex - Gender reassignment - Marriage and civil partnership	- Pregnancy and maternity - Race - Religion or Belief - Sexual Orientation
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The Act imposes both a General Duty and two Specific Duties on the Authority.

The General Duty

The General Duty has three strands which are to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
2. Advance equality of opportunity between people who share a protected characteristic and those who do not
3. Foster good relations between people who share a protected characteristic and those who do not

The Specific Duties

There are two requirements under the Specific Duties:

1. Publish Information - Sufficient information to demonstrate compliance with the equality duty across its functions, including
 - Workforce data
 - Evidence of Equality Impact Analysis
 - Details of data and evidence used considering Equality issues
 - Details of engagement undertaken while considering Equality issues
2. Prepare and publish equality objectives. Our published objectives are:

Objective 1: Councillors will fully consider the equality implications of all decisions that they make.

- a) Ensure that 100% of reports that go to the Council Executive have accompanying Equality Impact Assessments.
- b) Provide equality and diversity awareness training to 100% Councillors on Scrutiny Panels, Planning Committees and Executive
- c) Make sure that 95% of all councillors have received equality and diversity awareness training.

Objective 2: Information about the protected characteristics of our service users should be used in the planning and delivery of services.

a) Service areas will publish profiles every two years which describe the protected characteristics of their service users in order to inform service delivery.

Objective 3: Actions are taken to identify and to reduce or remove any inequalities faced by employees.

a) Ensure 100% of employees are contacted annually to ensure their employee equalities monitoring data is up to date

b) Where cases of bullying and harassment arise, we undertake to consult with staff and trade unions to identify and treat the causes.

Appendix E: Managing Performance and Risk

Performance Management

The Corporate Business Plan provides the overall framework and direction for the Council, and is very important for translating the priorities of the community into objectives for delivery by the Council and its partners.

In addition to the strategic priorities outlined in this Business Plan, each council service (or 'Theme') also has its own plan setting out key objectives, ie the focus of work with performance targets and how progress is measured against them.

To ensure that we make progress in achieving our objectives (strategic, programme/projects, and operational), the Corporate Business Plan and Theme/Service Plans are monitored as follows:

Corporate Performance 'Scorecard'

(published quarterly on the TDBC website)

This is reviewed each quarter by the Corporate Management Team – it allows us to monitor whether we are on track / on budget, and to take corrective action where areas of under-performance are identified.

It is then reported to Councillors (through the Corporate Scrutiny Committee, to the Executive).

NB - The 'scorecard' includes all the key objectives, targets & measures, and includes the following areas of the Council's business:

- Strategic priorities (eg 'Growth & Development')
- Service Delivery
- Managing Finances
- 'Results' Change Programme / Key projects
- Key partnerships (ie Southwest One, Somerset Waste partnership, Tone Leisure)
- Corporate 'health' (eg People/HR issues; Corporate Governance)

Theme/Service Plans & Scorecards

These are 'living' documents that are monitored & reviewed, updated & amended throughout the year by Theme Managers and the Corporate Management Team. They are also used to inform Councillors (ie Portfolio Holders / Shadow Portfolio Holders) and Staff of progress against service objectives & targets.

Staff (individual & team) objectives

All employees are set individual (& team) objectives which links their individual contribution to service delivery aims and the Council's strategic priorities. The Personal Review & Employee Development ('PRED') process is used to monitor progress of employee objectives & development.

Risk Management

We live in an ever changing world and to cope we all manage risk – both in our personal lives and in the business (& public sector) environment. To successfully achieve our goals, we need to accept that risk exists, be realistic, and plan to build the future for Taunton Deane that we desire, rather than

simply hoping that success will occur. We also recognise that if we are to achieve our goals – we cannot try to avoid risk completely.

Our aim is to improve internal control and support better decision-making through a good understanding of risks and the overall risk exposure that exists at a particular time.

Effective risk management helps us manage the business and achieve the objectives outlined in this Business Plan. TDBC has adopted a risk management policy & strategy which describes a systematic application of principles, approach and processes that enable us to identify and assess risks, and then plan and implement responses to those risks.

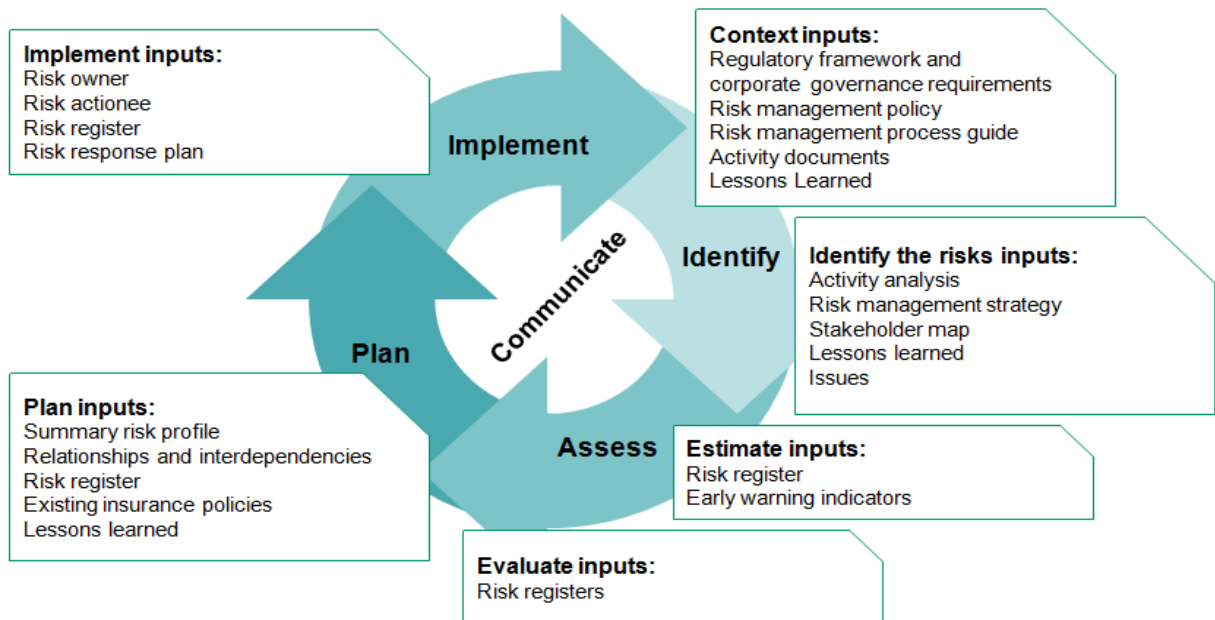
Risk Registers are in place at all levels of the organisation - Strategic, Programme/Project, and Operational. The Corporate Management Team & Theme/Service/Project Managers review these risk registers regularly and the highest risk areas are targeted and escalated for management action at the appropriate level.

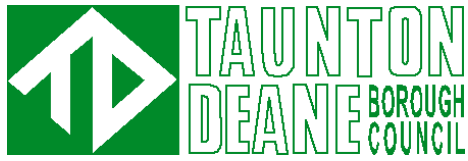
The Corporate Governance Committee receives 6-monthly reports on the progress of risk management within the Council.

Diagram summarising the risk management process:

The management of risk process steps

The output of each process step provides most of the inputs to the next process step. The output of the implement step is a Risk progress report.





Taunton Deane Borough Council

Workforce Plan 2013/15

Contents

1. Introduction: What is workforce planning? Why are we doing it?
2. Taunton Deane Profile
3. TDBC – Our Direction and the Future
4. What are the challenges for workforce planning?
5. Addressing the challenges

Foreword

Welcome to our Workforce Development Plan for 2013/15.

This plan predominantly applies to the core council workforce not our secondees in SW One. However, as we approach the second half of the 10 year agreement and as some national initiatives will impact on both core council and SW1, these have been reflected in this Plan.

SW One will have their own workforce plan which combines the whole workforce in that organisation and will be based on their business strategy and current and future workforce needs

To meet the changing needs and demands the people we employ are key to the success of this authority and its partners. We need to ensure that we have “the right people, with the right skills in the right place at the right time” and this plan seeks to address and provide action to ensure that we do this.

1. Introduction:

What is Workforce Planning? Why are we doing it?

Taunton Deane Borough Council's service delivery like any other organisation's is provided through the people it employs. It is vital that we consider our most important asset in our business planning and this plan seeks to provide a framework to address this.

By making people management integral to our strategic thinking we can ensure that we have a workforce that can deliver our changing service needs and it is vital for workforce planning to be truly effective that the Council provides clarity on its priorities and the level of services that it wishes to deliver..

The workforce plan will consider:

- The way the authority will develop over the next three years as a result of government policy drivers, efficiency savings and in response to the kind of Council we want to be and the needs of our community.
- The workforce skills and knowledge we will need to respond effectively to the challenges we face.
- Our current workforce, its makeup, knowledge and current state of health and wellbeing.
- How we will prioritise the people management actions to bridge the identified skills gaps that we have.

It can be seen that this plan cannot exist in isolation; it must become integral to the process of our organisational development. In particular how our workforce can lead and respond to the demands of our

community. This plan must be a fluid document that can respond to changing priorities, as it is critical to the success of organisational and cultural change.

We will continue to develop the plan as circumstances demand and in response to the Council's changing agenda which will mean monitoring the plan and updating an annual programme of actions.

2. Taunton Deane Profile

The Business Plan sets out the local context of Taunton Deane in the 'Taunton Deane Borough – At a Glance' section and therefore this has not been replicated in the Workforce Plan.

In addition to this Workforce Plans often contain significant amounts of statistical data on which decisions have been made. Although this plan uses such data it has not been replicated within the plan itself.

In Workforce Planning decision making we will use:

- the Taunton Deane BC Equalities Information Part 1 – A Profile of Taunton Deane;
- the Quarterly Economic Bulletin;
- ONS data;
- regular staff surveys (eg stress, Travel Plan and Staff Attitudes)
- feedback from initiatives such as 'Peer Review', customer satisfaction surveys and feedback, Audit Reports, Investors in People Standard etc; and from April 2013
- the new Quarterly Staffing Report developed by SW1.

This approach will ensure we are using data consistently within the organisation and not directing additional resources to data collection where this is already undertaken.

Organisational Structure

In 2008 the Council commenced a thorough review of the 'core council' which saw the implementation of Thematic Working to support the priorities of the Council.

The original aim of Core Council Review was to introduce a new structure and new ways of working that would enable the Core Council to:

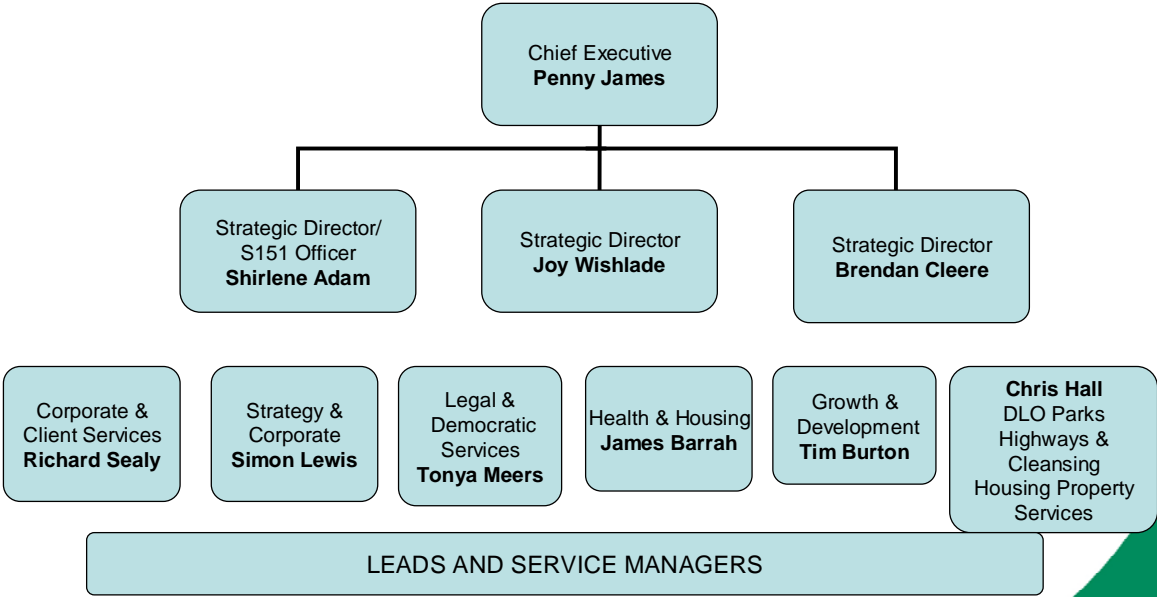
- Be fit for purpose, delivering our vision, widened roles and new ways of working
- Deliver substantial efficiency savings for 2009/10 and beyond.

Proposals for new ways of working and a new structure for the Core Council were approved by Full Council on 17th February 2009 and subsequent reports which concluded with a review of the Corporate Management Team in 2012.

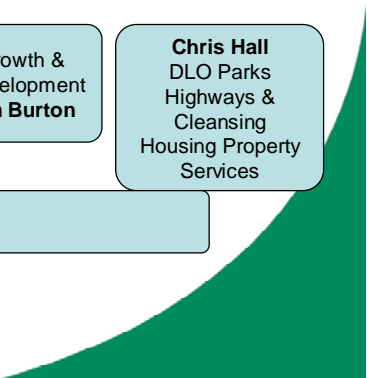
A diagram of the overall Core Council structure is set out below.



CORPORATE MANAGEMENT



11.1.2011



3. TDBC – Our Direction and the Future

To be successful the workforce plan must be able to meet the needs of our known objectives and the changing requirements placed upon local government. The public spending cuts and other initiatives affecting Local government as articulated in the Business Plan will affect the way our services are delivered, however we will still require a workforce that can be recruited, developed and retained to meet and anticipate the changes to come.

This plan is now an integral part of the Business Plan because it is the Council's principle policy document. It establishes the Council's ambitions and the main outcomes it wants to achieve. It also provides an important lead for service planning, resource allocation and budget setting. It also provides the full context in which the Council will operate.

4. What are the Challenges for Workforce Planning?

- Preparing for further cost savings through job reduction and employee costs reduction in a planned way using the current data to assess possible impact; developing redeployment in the organisation as an acceptable option and by undertaking a skills audit;
- Ensuring that the action above is done in support of the Transforming Services actions as set out in the Business Plan;
- Developing capacity in a lean organisation through
 - flexible working,
 - skills training including 'multi-skilling' in the DLO,
 - leadership development,
 - a resourced Business Process Re-engineering, Lean Methodology approach.
 - Re-invigorating Project Management through training and an appropriate methodology;,,
- Developing capacity and providing efficiencies (both financial and non financial) in partnership with West Somerset Council and other organisations;
- Ensuring that any devolvement of responsibilities to parish councils, that may be developed, is consistent with the Business Plan and Workforce Plan
- Developing and retaining talent – in an increasingly threatened, insecure and reward reduced job environment and ensuring that this talent is directed to priority areas. Using coaching to support both management and staff development which can also be used to develop keys areas such as commerciality,
- Managing and planning for an aging workforce ensuring that the organisation uses flexible retirement in an appropriate way and ensures that succession planning is developed;
- Addressing some of the equality imbalances in the workforce and ensuring that appropriate monitoring data is in place; Improving the understanding of managers and staff on their equalities obligations for the organisation and under legislation
- Continuing to reduce absence levels whilst maintaining staff morale and wellbeing – continued action on staff survey results and development of the Employee Assistance Programme to support staff and managers
- Maintaining high level leadership skills in a rapidly moving environment experiencing a radical change to how it provides services either independently or in partnership;
- Developing the PRED processes to support staff in meeting the aims of the organisation and their development whilst supporting managers to address poor performance issues and succession planning issues where these exist;
- Developing processes for knowledge transfer and learning to enable the organisation to benefit (eg commercialism, business support, Business Process Re-engineering, procurement etc)
- Reviewing HR Policies, Communications and Staff Engagement to ensure they are effective and aligned to the Business Plan

and that all managers and employees are clear on the standards of behaviour that the Council expects

- Maintaining focus on Investor in People actions to ensure that processes are aligned to the Business Plan and support employees/managers. Prior to reassessment undertaking a review of the appropriateness of liP against other customer focussed standards;
- Addressing the options for the end of the ten year SW1 contract to ensure that the organisation is appropriately structured to deliver services;
- Managing the impact of legislative changes such as the Localism Act (eg Right to Challenge) and the Welfare Reform Act;

5. Addressing the Challenges

To be developed as the business plan develops to ensure that all actions are linked to priorities of the Council

An integrated approach will also need to be taken with Member Services Development to ensure that the leadership of the Council and community deliverables are aligned. We need to ensure that we are fostering and growing community leadership.

An action plan detailing the key initiatives to support the challenges identified in this report will be needed – possibly referring to other plans and strategies to avoid duplication and encourage simplicity and integration. It is a continuous process under review as the internal and external agenda develops.

“the right people, with the right skills, in the right place, at the right time”

Appendix G: Illustrative Modelling of future service budgets required to close Budget Gap if no other measures are undertaken.

	2012/13 Budget £k	2013/14 Estimate £k	2014/15 Estimate £k	2015/16 Estimate £k	3-Year Movement	
					£k	%
Economic Development	428	428	428	428	0	0.0%
Waste and Recycling	2,945	2,945	2,945	2,945	0	0.0%
Housing Standards	829	829	829	829	0	0.0%
Housing Benefits Admin	451	451	451	451	0	0.0%
Planning Policy	383	383	383	383	0	0.0%
Housing Advice	730	730	730	730	0	0.0%
Food Safety	384	384	384	384	0	0.0%
Homelessness	330	330	330	330	0	0.0%
Open Spaces	865	824	786	752	-114	-13.1%
Housing Enabling	385	367	350	335	-51	-13.1%
Development Management	671	639	609	583	-88	-13.1%
Street Cleansing	680	648	618	591	-89	-13.1%
Corporate & Democratic Core	1,423	1,356	1,292	1,236	-187	-13.1%
Housing Strategy	117	112	107	102	-15	-13.1%
Project Taunton	396	377	360	344	-52	-13.1%
Landscape	295	281	268	257	-39	-13.1%
Tone Leisure	758	722	688	659	-100	-13.1%
Health & Safety (Regulatory)	58	55	53	51	-8	-13.1%
Outdoor Sports & Recreation	334	318	303	290	-44	-13.1%
Heritage	283	270	257	246	-37	-13.1%
Tourism & TIC	166	158	150	144	-22	-13.1%
Licensing	23	22	21	20	-3	-13.1%
Private Sector Housing	31	30	28	27	-4	-13.1%
Public Conveniences	281	255	231	210	-71	-25.3%
Sports Development	598	543	492	447	-151	-25.3%
Pollution Reduction	330	299	271	246	-83	-25.3%
Dog Wardens	80	73	66	60	-20	-25.3%
Pest Control	41	38	34	31	-10	-25.3%
Highways & Transport Services	103	93	85	77	-26	-25.3%
Community Safety	223	203	184	167	-57	-25.3%
Community Development	95	86	78	71	-24	-25.3%
Arts & Public Entertainment	172	156	142	128	-44	-25.3%
Building Control	155	141	127	116	-39	-25.3%
Land Charges	19	17	15	14	-5	-25.3%
Shopmobility	77	70	63	57	-19	-25.3%
Voluntary & Community Sector Grants	200	182	165	149	-51	-25.3%
Climate Change	64	58	53	48	-16	-25.3%
Flood Defence	265	241	218	198	-67	-25.3%
Revenues Services	831	755	684	621	-211	-25.3%
Benefits	-136	-142	-148	-153	-17	-12.1%
Parking Services	-2,364	-2,467	-2,564	-2,651	-287	-12.1%
Cemeteries & Crematorium	-598	-624	-649	-671	-73	-12.1%
Allotments	-0	-0	-0	-0	-0	-12.1%
Investment Properties	-59	-62	-64	-67	-7	-12.1%
Non Distributed Costs	141	141	141	141	0	0.0%
Total Service Costs	13,486	12,715	11,995	11,355	-2,131	-15.8%
Budget Gap - Annual		771	720	640		
Budget Gap - Cumulative		771	1,491	2,131		

(b) Treasury Management Strategy Statement and Investment Strategy

At its last meeting, the Executive considered a report which detailed the Treasury Management and Investment Strategies for the 2013/2014 financial year.

The Council's debt is currently £94,999,000 which includes the Housing Revenue Account self-financing debt of £85,200,000. Short-term interest rates are currently at 0.5% and this rate is expected to be at this level for the next financial year.

The Strategy has the preservation of capital as the most important factor in investing taxpayer's money. Although borrowing rates are currently low the cost of carry had to be considered before taking on any further debt.

The purpose of the Treasury Management Strategy Statement and investment Strategy (TMSS) is to approve:-

- The Treasury Management Strategy for 2013/2014 (Borrowing and Debt Rescheduling);
- The use of Specified and Non-Specified Investments; and
- The Prudential Indicators for 2013/2014, 2014/2015 and 2015/2016.

The Treasury Management service was an important part of the overall financial management of the Council's affairs.

The bank base rate had fallen to 0.5% in March 2009 and has remained at that level ever since. The Council's Financial Advisors, Arlingclose, have suggested that the interest rates are likely to remain low for even longer, until at least 2016, given the extension of austerity measures announced in the Chancellor's Autumn Statement.

During 2012/2013, the ratings agencies downgraded several sovereign ratings and individual institutions. The Council has responded by listening to, and following, advice from Arlingclose.

The TMSS has been written in continuing challenging and uncertain economic times.

The current economic outlook has several key treasury management implications:-

- Investment returns are likely to remain relatively low during 2013/2014;
- Borrowing interest rates are currently attractive, but might remain low for some time; and
- The timing of any borrowing will need to be monitored carefully. There will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

As a result, the Strategy looked to reduce exposure to risk and volatility by:-

- (1) Considering security, liquidity and yield, in that order;
- (2) Considering alternative assessments of credit strength;
- (3) Spreading investments over a range of approved counterparties; and
- (4) Only investing for longer periods to gain higher rates of return where there were acceptable levels of counterparty risk.

The historically low interest rate situation has led to significant reductions in investment income in the past years which impacted directly on the Council's budget.

The Council's General Fund Capital Financing Requirement (CFR) for 2013/2014 is £7,688,000 which is currently funded through internal borrowing. The Council is able to borrow funds in excess of the current CFR up to the projected level in 2015/2016 of £7,086,000.

It is **recommended** that:-

- (1) The Treasury Management Strategy Statement and Investment Strategy be approved; and
- (2) The Prudential Indicators, set out in Appendix B of the Treasury Management Strategy Statement and Investment Strategy – a copy of which is attached to this recommendation - be also approved.

Appendix B

Prudential Indicators revisions to 2012/13 and 2013/14 – 2015/16

1. Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Gross Debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with **gross** external debt.

The s.151 officer reports that the Council had no difficulty meeting this requirement in 2012/13, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	2012/13 Approved	2012/13 Revised	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£'000	£'000	£'000	£'000	£'000
Non-HRA	1,794	6,948	3,553	1,264	1,010
HRA	5,500	5,500	14,805	12,498	7,659
Total	7,294	12,448	18,358	13,762	8,669

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2012/13 Approved	2012/13 Revised	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Receipts	445	993	1,229	735	171
Government Grants	480	2,777	787	300	310
Revenue Contributions	6,369	7,103	9,342	8,660	8,188
Unsupported borrowing	0	1,575	7,000	4,067	0
Total Financing and Funding	7,294	12,448	18,358	13,762	8,669

Table 1 shows that the capital expenditure plans of the Council cannot be funded entirely from sources other than external borrowing.

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. This ratio can be negative for Councils in a net investment position. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2012/13 Approved	2012/13 Revised	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate
	%	%	%	%	%
Non-HRA	0.82	(2.62)	(2.52)	(2.66)	(2.77)
HRA	17.05	12.06	12.03	11.32	10.41
Total	17.87	9.44	9.51	8.66	7.64

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

Capital Financing Requirement	2012/13 Approved £'000	2012/13 Revised £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Non-HRA	9,181	6,967	7,688	7,381	7,086
HRA	99,649	97,425	102,232	104,799	102,599
Total CFR	108,830	104,392	109,920	112,180	109,685

6. Incremental Impact of Capital Investment Decisions:

6.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2012/13 Approved £	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £
Increase in Band D Council Tax	3.96	1.33	(0.57)	(0.83)
Increase in Average Weekly Housing Rents	0.00	0.78	0.56	0.04

7. Authorised Limit and Operational Boundary for External Debt:

7.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

7.2 The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Council. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

7.3 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

7.4 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

7.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

	2012/13	2012/13	2013/14	2014/15	2015/16
	Approved £'000	Revised £'000	Estimate £'000	Estimate £'000	Estimate £'000
Authorised Limit for External Debt	139,200	139,200	166,920	166,247	159,685
Operational Boundary for External Debt	103,020	103,020	146,920	146,247	139,685

7.6 The HRA has a debt cap of £115.8m which is a figure set by Central Government.

8. Adoption of the CIPFA Treasury Management Code:

8.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Executive meeting on 14 January 2004

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

9. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

9.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on (*select as appropriate*) net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments / net interest paid (i.e. interest paid on fixed rate debt net of interest received on fixed rate investments))

9.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

Interest Rate Exposures	Existing level or Benchmark level at 31/03/12 %	2012/13 Approved %	2012/13 Revised %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %
Fixed						
Interest payable on fixed rate borrowing /Principal sums outstanding on fixed rate borrowing	94.69	100	100	100	100	100
Less: Interest receivable on fixed rate investments/ Principal sums outstanding on fixed rate investments	(55.56)	(100)	(100)	(100)	(100)	(100)
Upper Limit for Fixed Interest Rate Exposure	39.13	0	0	0	0	0
Variable						
Interest payable on variable rate borrowing/Principal sums outstanding on variable rate borrowing	5.31	50	50	50	50	50
Less: Interest receivable on variable rate investments/ Principal sums outstanding on variable rate investments	(44.44)	(100)	(100)	(100)	(100)	(100)
Upper Limit for Variable Interest Rate Exposure	(39.13)	(50)	(50)	(50)	(50)	(50)

9.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

10. Maturity Structure of Fixed Rate borrowing:

10.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

10.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

10.3 LOBOs are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment.

Maturity structure of fixed rate borrowing	Existing level %	Lower Limit for 2013/14 %	Upper Limit for 2014/15 %
under 12 months	0.89	0	50
12 months and within 24	0	0	50
24 months and within 5	5.22	0	50
5 years and within 10 years	21.11	0	50
10 years and within 20	72.78	0	100
20 years and within 30		0	100
30 years and within 40		0	100
40 years and within 50		0	100
50 years and above		0	100

11. Credit Risk:

11.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.

11.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

11.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

11.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

12. Upper Limit for total principal sums invested over 364 days:

12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal	2012/13	2012/13	2013/14	2014/15	2015/16

sums invested over 364 days	Approved	Revised	Estimate	Estimate	Estimate
	£3.5m	£3.5m	£3.5m	£3.5m	£3.5m

(ii) Councillor Jean Adkins

Halcon North Regeneration, Taunton – Creechbarrow Road Project

The Executive has recently given consideration to a proposal to re-development an area of land at Creechbarrow Road, Taunton.

For several years, the Council has been considering the Halcon North area in terms of what action could be taken to tackle the high levels of deprivation in the area and to provide a greater level of support to this community. The previous regeneration project comprised the demolition of approximately 200 Council dwellings and a mixed tenure development, with significantly increased density.

However towards the end of last year, it was accepted that smaller scale regeneration would be more preferable to local residents.

At the outset of the previous project, a competitive process was undertaken to appoint partners to work alongside the Council on the Halcon North project, and Knightstone Housing Association (KHA) were subsequently appointed. KHA had appointed Boon Brown Architects to assist them with this task. As a result, both parties had built up a considerable knowledge of the area.

KHA had been awarded, Homes and Communities Agency (HCA) subsidy funding for 30 Affordable Rented Homes (80% of Market rent). The investment in these new homes would be in the region of £4,000,000. Despite the larger project for the area not progressing, the allocated HCA funding remained and this has created an opportunity to consider a smaller regeneration project.

Key features of the HCA funding are:-

- It was allocated to the Halcon area. However, KHA could request for it to be transferred to any other site in Somerset, if it appears that the HCA funding is not going to be spent within the prescribed timetable;
- The new housing to which it relates has to be completed and the money spent by the end of March 2015;
- The timescale available to achieve construction and therefore HCA spend in this timescale is very challenging. Consequently KHA require a decision on this matter as soon as possible;
- The HCA wish to see developments to which the funding relates, on site by September 2013; and
- For a scheme to progress, it is proposed that the land will be transferred with vacant possession to KHA for £1.

Attention is now focussed on a scheme on Creechbarrow Road, which was one of the four streets in the original project.

The scheme will involve all current residents being found alternative accommodation. All the current flats will then be demolished. One end of the site will be transferred to KHA upon which 30 affordable rented houses will be constructed. The remainder of the site will remain in Taunton Deane ownership, on which 57 new homes for Social

rent will be built. In addition, the scheme will see the creation of a central green/play area and a Community Hub building.

Whilst the project is housing driven, it is also designed to help tackle the deprivation in the area. In total, there is the potential for 87 new homes which represents a significant increase on the current situation in terms of better quality affordable housing and a potential investment of over £11,000,000 in this area.

The play/communal area will provide a new central focus and help integration of the new and the existing properties and provide a quality open space. The Community Hub building could house a multi-agency team working in the Ward and provide facilities for the community that would seek to address the serious issues of deprivation in the locality.

Although the increase in homes is significant, the potential increase in bed numbers is huge with 339 bed spaces likely with the new development compared with the 172 spaces which currently existed.

The new Housing Revenue Account (HRA) 30 Year Business Plan includes priorities in relation to the provision of more affordable housing, investment and support to vulnerable communities and sustainable development.

The HRA also has available to it additional borrowing headroom of £16,000,000. With the availability of very low interest rates and resources available in the Business Plan to fund such borrowing, the current climate and context are right to consider a scheme such as the one proposed.

The existing flats on the Creechbarrow Road site were constructed in 1975/1976. Whilst they vary in condition, there are no significant issues of disrepair. The tenants of these properties comprise a broad age range and varied family compositions.

The KHA outline development of 30 dwellings is likely to consist of 9 x 1 Bed Flats; 8 x 2 Bed Flats; 2 x 2 Bed Houses; 8 x 3 Bed Houses; and 3 x 4 Bed Houses.

For regeneration projects it is usual for the Council to underwrite 50% of the “at risk” costs - the costs incurred in a scheme design prior to planning consent being obtained. In this case 50% of the at risk costs for the KHA portion of the site would be £32,000 if planning permission is not granted.

The outline of the Taunton Deane part of the development is likely to consist of 19 x 1 Bed Flats; 19 x 2 Bed Flats; 4 x 2 Bed Houses; 9 x 3 Bed Houses; 4 x 4 Bed Houses; 1 X 5 Bed House; and 1 x 6 Bed House.

In addition at the end of Moorland Road, where two semi-detached houses are currently situated, there will be an additional eight, 2 bedroom flats, with a Community Hub building on the ground floor.

The scheme could be further enhanced by additional new housing frontage being provided on the opposite side of this end of Moorland Road. The proposal therefore includes three additional family homes on the site of Nos 2 and 4 Moorland Road.

The “at risk” costs for the Taunton Deane portion of the site are estimated to be £120,000. The estimated project costs for 57 new dwellings and the Community Hub building is £7,667,000.

Savills Consultancy, who have been engaged to provide initial views on the Taunton Deane part of the development, feel that the benefits of having more homes (57), including large family houses and the Community Hub, available in place of the 42 smaller flats and four houses justifies the slight additional net costs and the loss of net income from existing units.

The consultation discussions with the residents of Creechbarrow Road included the following key points:-

- The Creechbarrow Road site is to be redeveloped;
- The existing dwellings will be replaced by a mixture of flats for the elderly, general needs flats and family homes;
- Taunton Deane and a Housing Association will be involved in the development;
- Taunton Deane will increase slightly the number of Council properties;
- Residents will be able to return to the area once development has finished if they wish to; and
- Assistance and support will be provided to residents throughout the process.

The responses from the residents are as follows:-

Response to Proposed Creechbarrow Redevelopment			
Yes	No	Undecided	Unresponsive
22 (including 5 leaseholders)	10	2	8

During the consultation exercise residents provided a large amount of feedback on the proposed scheme. Responses had also been received from leaseholders, the Ward Councillors, the Halcon Multi-Agency Group, Avon and Somerset Police, Halcon Primary School/Somerset County Council, ASDA, Lidl, Somerset Care (Lavender Court), the Tenant Services Management Board and the Halcon North Residents’ Association.

Although the site will ultimately be in two parts in terms of ownership, in terms of development it will be desirable from a practical point of view to redevelop it as one.

There are four key requirements to consider for the scheme to progress:-

Development Agent – The Council did not have all the necessary skills, capacity and experience to undertake this project. A third party organisation to undertake development services on Taunton Deane’s behalf is therefore required. A quote has been received from KHA to undertake this work which will enable them to project manage the whole site on behalf of both parties. Although the fee quoted is at a level where a procurement exercise would normally be required, it is recommended that Contract Procedure Rules should be waived to allow KHA to be appointed as Development Agents.

Architect – Boon Brown Architects have already been working on various schemes in this area with KHA. From a planning perspective there is an urgency to submit a planning application for the KHA part of the site to ensure the HCA funding is not lost. However, in order for this application to be considered in time, it is felt advisable to submit an application for the whole site using one architect. In order to achieve this, the Council will need to waive Contract Procedure Rules to enable Boon Brown to continue to act on the Council's behalf as the fee for this service will exceed procurement thresholds that will usually require an open procurement process.

Employers Agent – No agent has been appointed for either party in relation to the scheme. However, one will need to be appointed as soon as possible. KHA have undertaken a procurement exercise to pre-select on a framework agreement five firms who could undertake the role of Employers Agent. Under normal circumstances, the level of fee for this service would again exceed the relevant services aspect of Contract Procedure Rules. However, it is proposed to waive Contract Procedure Rules and undertake a mini competition from the KHA framework and appoint a joint Employers Agent.

Contractor – The estimated costs of building contractor works are likely to exceed EU procurement thresholds. In order for the Council to undertake EU compliant procurement, the Council is proposing to access framework agreements established by the HCA which have been designed with Local Authority housing projects specifically in mind. It is proposed that Taunton Deane and KHA will jointly procure contractors for the project from a framework agreement set up and managed by the HCA.

As far as financing of the project is concerned, a range of recommendations are set out below. However, as a proportion of the costs will be incurred in the current financial year, the sum of £200,000 needed to be added to the 2012/2013 Capital Budget to be funded from HRA reserves.

In the circumstances, Full Council is **recommended**:-

(a) In relation to the proposed Knightstone Housing Association portion of the site:-

- (1) To agree the transfer the southern part of the Creechbarrow Road site, Taunton to Knightstone Housing Association for £1, in order to enable the development of 30 new affordable homes;
- (2) To approve the decant of the tenants currently occupying the southern end of the site (current property Nos 2-20) and transfer these properties with vacant possession to Knightstone Housing Association;
- (3) To accept to underwrite 50% of Knightstone Housing Association's "at risk costs" of approximately £32,000, to be funded by existing Housing Revenue Account resources if required.

(b) In relation to the proposed Taunton Deane portion of the site:-

- (4) Subject to satisfactory detailed scheme appraisal, to approve the redevelopment of the Taunton Deane portion of the site and for that purpose

to:-

- Progress the actions necessary to achieve vacant possession of the current properties including decanting, buy back of former right to buy properties or agreement of exchange of alternate property, the decommissioning of properties and securing the site;
- Progress the detailed design and site evaluation; and
- Preparation of a planning application;

(5) To approve in principle borrowing of £7,700,000 to fund the scheme within the Housing Revenue Account and identify any additional funding for the Community Hub and play aspects of the development;

(6) To agree to commit Taunton Deane to “at risk” costs of approximately £120,000, to be funded by Housing Revenue Account resources;

(7) To waive Contract Procedure Rules and:-

- Appoint Knightstone Housing Association as Development Agents to act on behalf of the Council in relation to this project;
- Appoint Boon Brown Architects to continue to act on the Council’s behalf in relation to this scheme; and
- Undertake a joint mini competition amongst the five Employers Agent firms on the Knightstone Housing Association framework and appoint, as appropriate, one company to act on the Council’s behalf in relation to this scheme;

(c) In relation to the project as whole:-

(8) To approve a supplementary estimate from the Housing Revenue Account reserves of £200,000, which would be added to the 2012/2013 capital budget, as a proportion of the costs would be incurred in the current financial year.

(iii) Councillor Vivienne Stock-Williams

Localism Act 2011 – Pay Policy Statement

The Localism Act 2011 has made it a requirement for all Local Authorities to prepare a Pay Policy Statement each year for approval by Members.

The first Statement was prepared last year following consideration by Scrutiny and the Executive. However, due to the fact that the document is largely unchanged, a decision to refer the 2013/2014 Statement directly to Full Council was reported through the Weekly Bulletin on 21 February 2013.

The Statement has to include policies on which remuneration of its Chief Officers and its lowest paid employees (and the relationship between them) are based.

The Statement is also required to:-

- Set out arrangements for the remuneration of Chief Officers on appointment;
- Set out arrangements for payments on termination of employment for Chief Officers even if covered by other approved policies;
- Set out arrangements for the re-employment of Chief Officers; and
- Be published on the Council's website.

Taunton Deane's latest Pay Policy Statement is attached to this recommendation as an Appendix.

It is **recommended** that the Pay Policy Statement for 2013/2014 be approved.

Taunton Deane Borough Council

Pay Policy Statement – 2013/2014

The Pay Policy Statement for Taunton Deane Borough Council will apply to the following posts which collectively will be referred to as 'chief officers' for the purpose of this statement and for this statement only:

- Chief Executive Officer (Head of Paid Service)
- Strategic Director posts including the role of Section 151 Officer
- Theme Managers including the role of Monitoring Officer
- A person for whom the head of the authority's paid service is directly responsible.
- A deputy chief officer who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to one or more of the statutory or non-statutory chief officers.

Note: A person whose duties are solely secretarial or clerical or are otherwise in the nature of support services shall not be regarded as a non-statutory chief officer or a deputy chief officer.

1) The Level and Remuneration for each Chief Officer

Details of the level and remuneration for the identified chief officer posts is set out in Appendix A.

Salary information is also published on the Council's website to comply with the Accounts and Audit (Amendment) Regulations 2011 and the Code of Practice on Data Transparency 2011. It should be noted that there are different reporting dates and standards for this information.

2) Remuneration of Chief Officers on Appointment

- a) Chief Executive, Strategic Directors, Theme Managers, Regeneration Manager and Commercial Manager Posts

The Leader of the Council will, after taking independent pay advice from South West Councils or similar, recommend the remuneration package on appointment to the above posts to Full Council prior to advertisement of the vacancy. The remuneration package will therefore be subject to the approval of Full Council.

b) All other chief officer posts

The salary for all other posts covered by this Pay Policy Statement will be set within the job evaluation scheme operated by the Council. All other elements of remuneration will follow either the National Joint Committee for Local Government Services' (NJC) National Agreement on Pay and Conditions or local policy approved by the Council.

3) Increases and additions to remuneration for each chief officer

a) Chief Executive and Strategic Director Posts

The Leader of the Council may recommend to Full Council within the remuneration package prior to appointment how salary progression and any annual pay reviews will be administered or calculated. Any further changes to the remuneration package will be subject to Full Council approval.

Any annual pay award for the Chief Executive will follow the JNC for Chief Executives national pay award.

Any annual pay award for Strategic Director posts will follow the JNC for Chief Officers national pay award.

b) Theme Managers, Regeneration Manager and Commercial Manager

The Leader of the Council may recommend to Full Council within the remuneration package prior to appointment how salary progression and any annual pay reviews will be administered or calculated. Any further changes to the remuneration package will be subject to Full Council approval.

Any annual pay award for these posts will follow the NJC for Local Authority Services national pay award.

c) All other Chief Officer posts

The salary for all other posts covered by this Pay Policy Statement will be set within the Single Status Salary Scheme previously approved by Full Council. Any annual pay award increases will follow the NJC for Local Authority Services pay settlement. Any other increases or additions outside the approved Single Status Salary scheme and not specifically allowed for in this Statement will be subject to approval by Full Council.

4) Use of Performance Related Pay for Chief Officers

No performance related pay scheme is currently operated for chief officers. Should any performance related pay schemes for chief officers be implemented they will be subject to approval in advance by Full Council.

5) Use of Bonuses for Chief Officers

Bonuses are not currently paid to chief officers. Bonuses to chief officers will only be paid if approved in advance by Full Council.

6) Use of Honoraria

The policy on the use of Honoraria is set out in the Council's Tartan Book (TDBC local terms and conditions of employment) and may be applied to any post.

7) Use of Market Supplements

Currently no market supplements are paid to chief officers. Approval must be obtained from Full Council before an award of a market supplement payment can be made to any chief officer post other than those covered by the approved Job Evaluation Scheme.

8) Payment of chief officers on their ceasing to hold office under or be employed by the authority

Any termination payments to chief officers on ceasing office will comply with the Redundancy and Severance Pay Policy current at that time which will have been approved by Full Council. No additional termination payments will be made without the approval of the Executive, this will include any Compromise Agreement settlements, which may be subject to a confidentiality clause. The current Taunton Deane Compensation Policy is attached in Appendix B.

9) Remuneration of chief officers who return to Local Authority employment

Where the chief officer:

a) was a previously employed chief officer who left with a severance payment and applies to comeback as a chief officer.

Executive approval would be required to authorise re-employment within the authority of a previously employed chief officer who had left with a severance payment and is seeking re-employment within the severance payment payback period.

b) was previously employed by the same authority and has comeback as a chief officer under a contract for services.

The Executive will be required to approve any award of a 'contract for services' to a chief officer who has previously been employed by the authority.

c) are in receipt of a Local Government Pension Scheme Pension

If an employee receiving a pension from the Local Government Pension scheme becomes re-employed then their pension could be affected. If their pension plus the earnings from their new job is higher than the final pay their pension was calculated on, then their pension will be affected. For every pound that their earnings plus pension exceed previous pay, then their pension will reduce by a pound. This abatement will last for as long as the person exceeds their limit (so either when the new job ends or they reduce their hours so their earnings drop down below the acceptable level).

An abatement is not applied where the member's pension is less than £3000 per annum.

10) Employer Pension Discretions

All posts are eligible to be in the Local Government Pension Scheme and employers contributions for 2013/14 are 18.4%. The employer pension discretions will be subject of approval by Full Council. The Pensions Discretions adopted by the authority are attached in Appendix D.

11) Publication of and access to information relating to remuneration of chief officers

The remuneration of employees earning over a salary of £58200 per annum (the minimum level required by the Code of Practice on Data Transparency 2011) will be published on the Taunton Deane Borough Council website.

12) Lowest paid staff

The Council's lowest paid staff are defined as those on the lowest job evaluated grade within the authorities pay structure. Other than posts identified as chief officers within this Statement and recognised apprentices all posts within the Council have been subject to Job Evaluation to assess the value of job content and then, subject to that value, have been placed in the agreed Taunton Deane Borough Council pay scales (TDBC Grades A to L).

At present there are no posts evaluated within Grade A and therefore under the agreed pay structure the minimum starting salary for any staff member covered by the scheme will be the first incremental point of Grade B which is a full time equivalent salary of £12787.

Nationally the lowest pay point is National Spinal Column Point 4 (£12145).

13) Relationship between lowest pay and chief officer pay

The principle of using 'pay multiples' to track and review salary relationships has been, through the Review of Fair Pay in the Public Sector 2011 and the CLG's guidance on transparency, recommended as a way forward for local authorities.

The current multiplier between the lowest paid employee and highest paid chief officer is 8.66:1.

The current multiplier between the mean FTE salary and highest paid chief officer is 4.1:1.

Should either the multiplier between the annual salary paid to a full time employee on the lowest spine point and the annual salary paid to the highest paid chief officer be greater than 1:10 or the multiplier between the mean FTE salary and highest paid chief officer be greater than 1:5 then this will be reported by the Leader of the Council to Full Council for consideration.

14) Payments for Elections

Additional payments are made by Central Government to officers carrying out additional duties at elections. These payments will only be received when elections take place and will vary on the responsibility undertaken. Chief Officers to whom these payments are made are identified above.

15) Notes

- i) All salary references are for full time equivalent salaries and pay multipliers are all calculated using FTE salaries without additional payments being included.
- ii) The statement excludes any posts seconded into Southwest One.

Appendix A

The Level and Remuneration for each Chief Officer

Post	Statutory Role	Terms and Conditions and JE Status	Salary	Salary Progression	Bonus or Performance related pay	Other Benefits	Pension Enhancement in Year
Chief Executive	Head of Paid Service	JNC Chief Executives – Out of JE	£90,708 - £100,786	Annual Increment subject to satisfactory performance.	No	Lease Car Payment of Professional Subscription Election Payments – Returning Officer Payments relating to LGPS Employer Contributions	No
Strategic Director	Section 151 Officer	JNC Chief Officers – Out of JE	£64,251 - £71,391	Annual Increment subject to satisfactory performance.	No	Honorarium Payment for S151 Role Lease Car Payment of Professional Subscription Payments relating to LGPS Employer	No

						Contributions	
Strategic Director		JNC Chief Officers – Out of JE	£64,251 - £71,391	Annual Increment subject to satisfactory performance.	No	Cash Alternative to Lease Car Payment of Professional Subscription Payments relating to LGPS Employer Contributions	No
Strategic Director		JNC Chief Officers – Out of JE	£64,251 - £71,391	Annual Increment subject to satisfactory performance.	No	Lease Car Payment of Professional Subscription Payments relating to LGPS Employer Contributions	No
Legal and Democratic Manager	Monitoring Officer	NJC Local Authority Services – Out of JE	Below £58,200	Spot Salary	No	Payment of Professional Subscription Payments relating to LGPS Employer Contributions	No
Strategy Manager		NJC Local Authority Services – Out of JE	Below £58,200	Annual Increment subject to satisfactory performance.	No	Payment of Professional Subscription Payments relating to LGPS	No

						Employer Contributions	
Corporate and Client Services Manager		NJC Local Authority Services – Out of JE	Below £58,200	Annual Increment subject to satisfactory performance.	No	Lease Car Payment of Professional Subscription Payments relating to LGPS Employer Contributions	No
Growth and Development Manager		NJC Local Authority Services – Out of JE	Below £58,200	Annual Increment subject to satisfactory performance.	No	Lease Car Payment of Professional Subscription Payments relating to LGPS Employer Contributions	No
Housing and Health Manager		NJC Local Authority Services – Out of JE	Below £58,200	Annual Increment subject to satisfactory performance.	No	Payment of Professional Subscription Payments relating to LGPS Employer Contributions	No
Regeneration Delivery Manager x 2		NJC Local Authority Services – Out of JE	Below £58,200	Annual Increment subject to satisfactory performance.	No	Lease Car Payment of Professional Subscription	No

						Payments relating to LGPS Employer Contributions	
Economic Development Manager		NJC Local Authority Services - In JE	Below £58200	Annual Increment subject to satisfactory performance.	No	Payment of Professional Subscription Payments relating to LGPS Employer Contributions	No
Communities and Commercial Services Manager		NJC Local Authority Services - In JE	Below £58200	Annual Increment subject to satisfactory performance.	No	Payment of Professional Subscription Essential Car User Payments relating to LGPS Employer Contributions	No
Corporate Support Lead – Theme 1		NJC Local Authority Services - In JE	Below £58200	Annual Increment subject to satisfactory performance.	No	Lease Car Payment of Professional Subscription Election Payments Payments relating to LGPS Employer Contributions	No

Electoral Services Manager		NJC Local Authority Services - In JE	Below £58200	Annual Increment subject to satisfactory performance.	No	Payment of Professional Subscription Election Payments – Deputy Returning Officer Payments relating to LGPS Employer Contributions	No
Legal Services Manager		NJC Local Authority Services - In JE	Below £58200	Annual Increment subject to satisfactory performance.	No	Payment of Professional Subscription Payments relating to LGPS Employer Contributions	No
Parish Liaison Officer		NJC Local Authority Services - In JE	Below £58200	Annual Increment subject to satisfactory performance.	No	Election Payments Payments relating to LGPS Employer Contributions	No

Taunton Deane BC - Compensation Policy

Appendix B

1. The following policy on Compensation Payments applies to redundancies and early retirements on the grounds of efficiency of the service, which take effect after 31st March 2007.
2. The calculation of redundancy payments is on the basis of actual salary.
3. The Council exercises discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, to make compensatory payments to employees being made redundant based on a multiplier of three times the number of weeks an employee would be entitled to under the statutory redundancy formula, inclusive of any statutory redundancy payment, up to a maximum of 90 weeks' pay.
4. The Council requires that the full cost of any redundancies is recovered within a period not exceeding five years or by the normal retirement age, whichever is sooner.
5. Employees who are eligible to be paid a compensation payment on being made redundant, and who are members of the Local Government Pension Scheme, are given the option of converting their compensation payment (excluding the statutory redundancy payment) into augmented pensionable service. Augmentation is not an option where the compensation payment (excluding the statutory redundancy payment) purchases more pensionable service than the maximum allowable at age 65.

6. *No compensation payments are made to employees who are allowed to retire early on the grounds of interests of efficiency of the service, following a voluntary request from the employee.*
7. Where early retirements in the interests of efficiency of the service are management instigated, the Council awards a lump sum compensation payment, which is based on the enhanced compensatory element (excluding the statutory redundancy payment) awarded on redundancy.
(For example: 2 x Stat Red = Interests of efficiency)
8. Employees who are eligible to be paid a compensation payment on early retirement in the interests of efficiency of the service and who are members of the Local Government Pension Scheme, are given the option of converting their compensation payment into augmented pensionable service. Augmentation is not an option where the compensation payment purchases more pensionable service than the maximum allowable at age 65.

APPENDIX C

Taunton Deane Borough Council – Job Evaluated and Locally Determined Pay Scales

April 2012

Job Evaluated Pay Scales

Grade	SCP				
A	4 £12,145	5 £12,312	6 £12,489	N/A	N/A
B	7 £12,787	8 £13,189	9 £13,589	10 £13,874	11 £14,733
C	12 £15,039	13 £15,444	14 £15,725	15 £16,054	16 £16,440
D	17 £16,830	18 £17,161	19 £17,802	20 £18,453	21 £19,126
E	22 £19,621	23 £20,198	24 £20,858	25 £21,519	26 £22,221
F	27 £22,958	28 £23,708	29 £24,646	30 £25,472	31 £26,276
G	32 £27,052	33 £27,849	34 £28,636	35 £29,236	36 £30,011
H	37 £30,851	38 £31,754	39 £32,800	40 £33,661	41 £34,549
I	42 £35,430	43 £36,313	44 £37,206	45 £38,042	46 £38,961
J	47 £39,855	48 £40,741	49 £41,616	50 £42,510	51 £43,377
K	52 £44,262	53 £45,138	54 £46,023	55 £46,704	56 £47,388
L	57 £48,066	58 £48,747	59 £49,428	60 £50,109	61 £50,790

Locally Determine Pay Scales

Chief Executive

£90,708 to £100,786

Strategic Directors

£64,251 to £71,391

Theme Managers

£50,797 to £55,029 with Monitoring Officer on 'spot salary' of £56,679

**WRITTEN STATEMENT ON LOCAL GOVERNMENT PENSION SCHEME
EMPLOYERS DISCRETIONS AND KEY PENSIONS POLICY**

TAUNTON DEANE BOROUGH COUNCIL

JANUARY 2013

LGPS (Administration) Regulations 2008

Regulation B12

It is not the policy of the Council to augment active member's service.

Regulation B13

It is not the policy of the Council to grant additional pension service to an active member.

Regulation B18 (1)

The Council will allow benefits to be paid to a member of staff if they reduce their hours/grade (known as flexible retirement) and this is set out in the Flexible Retirement Policy.

Regulation B18 (3)

With regard to flexible retirement the Council retains the right to waive the actuarial reduction of benefits.

Regulation B30 (2)

The Council will allow individual employees the option to request early payment of benefits after age 55 which will be considered on a case by case basis following the production of a business case. In these cases no additional compensation will be awarded.

Regulation 30 (5)

With regard to the early payment of benefits after age 55 the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

Regulation B30A (3)

The Council will allow the option to request an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60

which will be considered on a case-by-case including the production of evidential support.

Regulation B30A (5)

With regard to an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 made under B30A (3) the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

Local Government Pension Scheme Regulations 1997 (as amended) in relation to active councillor members and pre 1.4.08 scheme leavers.

Regulation 31 (2)

The Council will allow a post 31/3/98/pre 1/4/08 leaver or from a councillor member the option to request early payment of benefits after on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

Regulation 31 (5)

With regard to the early payment of benefits made in accordance with Regulation 31 (2) the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

Regulation 31 (7A)

The Council will allow councillor optants out and pre 1/4/08 employee optants out the option to request payment of benefits at normal retirement date and these will be considered on a case-by-case basis following the production of a business case.

LGPS Admin Regulations

Regulations A16

It is not Council policy to extend the 12 month limit on transfer of previous pension rights into the LGPS.

Regulation B3

It is not the Council policy to determine employee contribution rates as changes occur during the financial year.

Regulation A22 (2)

It is not Council policy to extend the 30 day period members of staff have to opt to repay contributions due after absence (in relation to strike action etc)

The Local Government (Early Termination of Employment) Discretionary Compensation Regulations 2006

As set out in the Redundancy Policy the Council do not limit redundancy payments to the statutory maximum weekly pay threshold and instead use actual weekly pay of the employee.

The Council does not offer a minimum payment with regard to redundancy. Benefits are calculated using actual weekly pay and the statutory number of weeks as calculated against continuous local government service (and service covered by the Modification Order).

The Council provides up to 60 weeks compensation, in addition to any redundancy payment as set out in both the Compensation Policy.

Where additional compensation is paid the employee has the option to augment pension benefits by using all of the additional compensation unless specific criteria are met.