

Taunton Deane Borough Council

Council Meeting – 13 December 2011

Part I (Amended)

To deal with written questions to and receive recommendations to the Council from the Executive.

(i) Councillor John Williams

(a) Theme 5 of Core Council Review (CCR) - Corporate Management Team (CMT), Project Taunton (PT), Economic Development, Growth, and Legal and Democratic Services

The Executive has recently given consideration to a number of proposals for Theme 5 (CMT, Legal and Democratic and the Personal Assistants) which is the remaining part of the Core Council Review (CCR) that needs to be completed. Future proposals for Project Taunton and Economic Development and Growth have also been considered.

CMT was last reviewed in 2008 when it was reduced in size by one Director. Since then, it has been considered essential to maintain corporate capacity whilst the organisation has continued to manage its high level ambitions, good quality services and our change programme.

It is however recognised that the Council's current financial position dictates a need to further rationalise expenditure on staffing capacity to not only generate a saving for the 2012/2013 Budget, but to provide a Direction of Travel to meet the requirements of the Budget Review Project for the next three to four years.

Both Scrutiny and the Executive have previously agreed that the current Corporate Priorities should be maintained which will require the continued resourcing of a comprehensive Growth and Regeneration delivery capacity.

The Council has also agreed to retain Deane DLO and implement a comprehensive investment and savings plan that would deliver significant savings to the Council.

Taunton Deane therefore needs to continue to have the capacity and skills/experience to continue to:-

- Plan for, deliver and secure external funding for growth – physical, social and economic;
- Focus on securing and supporting our existing businesses and encourage and support further inward investment;
- Address levels of inequality in our communities, both social and economic;
- Support the delivery of affordable housing, through new innovative ways as public funding becomes increasingly squeezed;

- Focus on the “Green Agenda”, both in terms of our own performance as a business, and in terms of the community and the promotion of Taunton Deane as a place for green business and industry to flourish;
- Have capacity to appropriately support, develop and adequately manage our external partnerships and contracts;
- Ensure the Deane DLO transformation is a success and delivers the level of savings and quality promised;
- React to the Localism and Open Public Services White Paper; and
- Manage the increased pace of service transformation in response to unprecedented reductions in funding and future central Government policy developments.

In addition to these areas over which the Council has a degree of choice, there are some areas of work that have to be maintained. These relate to the proper governance and safe stewardship of the organisation and included Financial Propriety, Risk Management and Health and Safety, Corporate Governance, Standards and Ethics and delivering statutory services to an ‘adequate’ level.

The Council also has three statutory roles that it has to maintain, which are:-

- Head of Paid Service – currently the Chief Executive (CEO)/Penny James;
- Section 151 Officer – currently Strategic Director/Shirlene Adam; and
- The Monitoring Officer – currently a Theme Manager/Tonya Meers.

Over the past months, the Corporate Scrutiny Committee, the Political Groups and more recently, the Executive have given consideration to the future structure of CMT and have concluded that:-

- The post of CEO should be retained;
- The number of Directors should be reduced by one. It is therefore proposed that the Council should have three Directors as set out below:-

- (1) Strategic Director – Corporate;
- (2) Strategic Director – Growth and Regeneration; and
- (3) Strategic Director – Services.

A consequence of this proposal is that one of the existing Strategic Directors will become redundant with a last day of service of 31 March 2012.

- The Section 151 Officer role should continue to be held by a Director who is a qualified accountant.
- One of the Strategic Directors could reduce their hours by 2/5ths.
- If a significant change is made at Director level, then care should be taken not to destabilise the operational management of the organisation by significantly changing the current arrangements at Theme Manager level.
- The Monitoring Officer role is retained as an integral part of the Theme Manager - Legal and Democratic Services post.

Various options with regard to the Project Taunton Delivery Team have also been considered by the Corporate Scrutiny Committee the Executive and informally by all of the Group Leaders.

The Project Taunton Team is currently funded by residual Project Taunton partnership money and Growth Points and, as such, will not represent a direct cost to the Council until 2012/2013.

It is agreed that for the future Project Taunton should be brought “in house” and that historic reserves should be used to fund some of the posts required going forward for a three year period.

Together with all of the growth, regeneration and economic development functions of the Council, it is proposed that a new Growth and Regeneration Team should be created to:-

- become the Council’s ‘shop window’ for inward investment purposes;
- act as the Council’s Property Client;
- take the lead in marketing Taunton and Taunton Deane; and
- provide a function for the entire district. It is recognised that within this the regeneration of Taunton Town Centre and the urban extension of Monkton Heathfield would remain priority projects.

The team would be directly managed by the post of Strategic Director – Growth and Regeneration and would comprise posts of:-

- Commercial Manager, for a fixed two year period, who would focus on the major regeneration projects in Taunton and lead on commercial and property negotiations;
- Regeneration Manager who would focus on the delivery of wider regeneration, infrastructure and growth including schemes within Project Taunton. This latter post would replace the existing ‘Project Taunton Regeneration Manager’ on the establishment and would be funded for three years from historic reserves; and
- Economic Development Manager (currently the Economic Development Specialist) to whom the Economic Development Team would report directly. The current vacant Lead role in the Economic Development Team would be deleted with 50% of the cost retained to allow for more restructuring and 50% being returned to the General Fund.

The current workload associated with the Project Taunton Project Co-ordinator post and Project Taunton Office Manager post has reduced in recent months to the extent that both posts can be deleted from the establishment.

The proposal also freed up some capacity for the Theme Manager - Growth and Development to focus on a number of key functions and retain the responsibility long term for:-

- Development Management;
- Conservation and Landscape; and
- Planning Enforcement.

It is intended that the Strategic Director - Growth and Regeneration will manage the Theme Manager - Growth and Development, Commercial Manager, Regeneration Manager and Economic Development Manager to ensure they develop and operate as 'one' team.

One of the other proposals is to create an Apprentice post to support the newly formed Growth and Regeneration Team. The new post holder will have the opportunity to work across the whole Growth and Development 'Directorate' and will help to mitigate the impact of the rationalisation of existing support posts.

Another proposal relates to the proposed creation of a Corporate Support Unit where all of the posts within Democratic Services, the Personal Assistants and the two administrative posts within Theme 1 will be part of a Support Team for Theme 5 and Theme 1 and the Leader of the Council.

The Theme Manager – Legal and Democratic Manager has been tasked with the creation of the Corporate Support Unit with a budget saving of at least £50,000 to become live on 1 April 2012.

The above proposals set out a way of achieving a saving in year one of approximately £360,000 (including a one-off saving of £55,000 - £73,000 Theme Manager costs met from reserves (less £18,300 in year one to fund the total maximum cost of an Apprentice for two years)) if the proposals are accepted in full. This went beyond the initial Core Council Review target of a 10% saving for CMT.

It is **recommended** that the following be agreed:-

- (a) The number of Strategic Director posts be reduced from four to 2.6 with the allocation of £103,000 from reserves (£62,000 General fund, £21,000 HRA, £20,000 CCR Earmarked Reserve) in 2011/2012 to fund the associated costs;
- (b) The creation on the establishment of the post of 'Commercial Manager' for a fixed two year period funded from historic reserves;
- (c) The change of the establishment post of 'Project Taunton Regeneration Manager' to 'Regeneration Manager' funded for three years from historic reserves;
- (d) The change of the establishment post of 'Economic Development Specialist' to 'Economic Development Manager';
- (e) The deletion of 0.5 FTE vacant Economic Development Lead;
- (f) The creation of an Apprentice post for the Growth and Regeneration Team for a two year period funded from the year one General Fund saving;
- (g) Minor changes to reporting arrangements as set out in the report to the Executive;
- (h) The creation of a Corporate Business Support Unit delivering a minimum saving of £50,000 to the Council;
- (i) The deletion of the Project Taunton Officer and Project Taunton Office Manager posts from the establishment; and

(j) The allocation of £55,000 from historic 'growth' reserves to fund the one-off costs of creating the Growth and Regeneration proposals, set out in the report to the Executive.

(b) General Fund Earmarked Reserves Review

A review has recently been undertaken of a number of earmarked reserves held by the Council to ensure that the level of each reserve is adequate and that the purpose for which the funds were set aside still apply.

The level of earmarked General Fund reserves as at 31 March 2011 was £6,858,000. This included money set aside for specific revenue purposes, but did not include the £2,937,000 in General Fund balances.

As a result of the review, there are various earmarked reserves, totalling £159,003, that are no longer required.

Details of the remaining earmarked reserves would be set out in the budget Packs provided to all Councillors.

It is **recommended** that £159,003 of surplus earmarked reserves be transferred to the General Fund Reserves in the current financial year.

(c) Fees and Charges 2012/2013

The Executive has given consideration to the proposed fees and charges for 2012/2013 for the following services:-

- Cemeteries and Crematorium – It is intended to increase the main cremation fee by £20 to £590 and make minor increases for other charges within the service. It is estimated that this will generate additional income of £44,000. The main burial fees are also due to be increased by £50 which will generate additional income of £6,000;
- Waste Services – It was not proposed to increase fees for Garden Bins and Garden Waste Sacks;
- Land Charges – No increase is proposed;
- Housing and Deane Helpline – It is proposed to increase all charges by 5.6% which is likely to generate additional income of £60,000 for the Housing Revenue Account;
- Licensing – Although many of the Licensing fees are set nationally, it is intended to raise local licensing fees by inflation to generate additional income of £12,427;
- Planning – It is proposed to increase pre-application advice and charges which will generate additional income estimated at £10,000;
- Environmental Health – Local Authorities are able to charge for the provision of health certificates for the export of foods to non-EU countries and could recover

costs for a few limited services the Council is asked to provide. It is anticipated this will generate approximately £250; and

- Recovery of Court Costs – No increase is proposed;

The results of previous public consultation events have clearly indicated that the public prefer to see increases in fees and charges, rather than in Council Tax, as a way for the Council to raise income.

Therefore, where possible, fees have been increased to take these views into account. The Corporate Scrutiny Committee also considered this matter at its meeting on 24 November 2011.

It is therefore **recommended** that the fees and charges for 2012/2013 in respect of Cemeteries and Crematorium, Housing and Deane Helpline, Licensing, Planning and Environmental Health be agreed.

(ii) Councillor Cavill

Proposal for Exemption to Contract Standing Order 13 for the Procurement of Development, Construction and related services from the Partner Panel set up by the Homes and Community Agency

The Council has previously endorsed the use of the South West Regional Development Agency's (SWERDA) consultant's list by Project Taunton. However SWERDA would cease to exist in March 2012. The Homes and Communities Agency (HCA) has a similar list of contractors who have been through the European Procurement process and are available for Local Authorities to use.

It is proposed to make use of the HCA's list for a period of three years ending in December 2014.

Due to the size of the contracts handled by Project Taunton, some of the commissions are in excess of the Council's Standing Orders Threshold 2 and Threshold 3.

Usually all contracts that fall under paragraphs 13(c) and (d) in the Contract Standing Orders have to comply with the process laid down. However, for contracts under 13(c), there is an exemption in paragraph 14(e) as follows:-

"14(e) - the contract to be entered into is to be dealt with in a prescribed manner under agency arrangements entered into by the Council with another authority."

Unfortunately, this exemption does not also cover 13(d), which relates to contracts above Threshold 3 in the Contract Standing Orders. A further exemption for such contracts is therefore requested.

The advantages of using this exemption, include the following:-

- The HCA has already complied with EU Regulations;

- The HCA's framework agreement is for three years with an option to extend by a year. The rates tendered represent the maximum rates that businesses on the panel could apply;
- The HCA Panel has been procured through a fully OJEU compliant process; and
- The attraction of a three year framework agreement should give businesses an incentive to offer suitable rates.

It is **recommended** that:-

- (1) The exemption to the Council's Standing Orders at paragraph 14(e) being extended to cover paragraph 13(d) be approved; and
- (2) The use of the Homes and Communities Agency Framework under exemption 14(e) to cover the three year period, 2011 – 2014 be also approved.

(iii) Councillor Mrs Adkins

Halcon North, Taunton Regeneration Project

At its meeting on 12 October 2011, the Executive considered a report concerning proposals to redevelop the Halcon North area of Taunton which comprised 7.25 hectares of housing land and approximately 220 dwellings.

A Development Appraisal has explored financial viability by considering the various elements including:-

- The number and type of new homes to be built on the site;
- The tenure mix to be provided;
- Build costs;
- Sales values; and
- Future rental income.

The appraisal calculated a gross development value of the various different types of home, and then deducted development costs (construction, professional fees, financing and profit) to produce a scheme surplus or deficit. In order for the scheme to have a neutral impact on Council finances, the surplus needed to be sufficient to fund the costs of buying back properties previously sold under the Right to Buy and the decanting costs of moving tenants to enable the development. It also needed to fund the cost of developing any units which the Council wished to retain.

Different scenarios were assessed in order to determine the scheme which produced the best financial viability, while addressing as many of the project objectives as possible.

The development appraisal has shown that it is possible to produce a broadly viable scheme of approximately 400 dwellings by reducing the percentage of affordable units on the scheme to 50%. At this level the scheme produces a surplus which will be larger if fewer retained units are required.

Both the Community Scrutiny Committee and the Executive have considered a number of options relating to the proposed redevelopment and accept that the wider benefits of regeneration outweigh any concerns around mix and tenure. The Executive therefore agreed that the project should proceed to the next stage and a developer should be procured, but with a view to 50 dwellings or more being returned to the Council.

The next stage would involve the following in preparing for procurement:-

- Drafting an information brief;
- Procuring advisors;
- Consulting residents;
- Legal and procurement advice;
- Specification/employers' requirements;
- Drafting heads of terms; and
- Establishing an evaluation panel.

Making these preparations will have a cost and a Supplementary Estimate is therefore sought to provide the necessary funding.

It is **recommended** that a Supplementary Estimate of £65,000 from the Housing Revenue Account Reserves to fund the next stage of the Halcon North Regeneration Project be approved.