

Executive – 12 September 2012

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

Officers: Shirlene Adam (Strategic Director), Simon Lewis (Strategy and Corporate Manager), Scott Weetch (Environmental Health Lead), Alison North (Corporate and Client Services Lead), Dan Webb (Performance Lead), Paul Fitzgerald (Financial Services Manager, Southwest One), John Lewis (Parking and Civil Contingencies Manager), Vikki Hearn (Strategy Officer), Martin Griffin (Retained HR Manager) and Richard Bryant (Democratic Services Manager and Corporate Support Lead).

Also present: Councillors Coles, Horsley, Miss James, Meikle, Nottrodt, Stone and A Wedderkopp.
Juliette Dickinson (Managing Director, Tone Leisure), Karen Arnold (Chairman of the Tone Leisure Board) and Joel Chapman (Commercial Director, Tone Leisure)

(The meeting commenced at 6.15 pm.)

64. Apology

Councillor Mrs Herbert.

65. Minutes

The minutes of the meeting of the Executive held on 8 August 2012, copies of which had been circulated, were taken as read and were signed.

66. Public Question Time

Councillor Meikle asked when the Yearbook and Diary was going to be published? He added that publication seemed later each year.

In response, the Democratic Services Manager and Corporate Support Lead reported that the final draft of the Yearbook was currently being checked and that it would soon be with the printers. It should be available to Councillors at the end of September.

67. Declarations of Interest

Councillor Stone, as a Member of the Tone Leisure Board, declared a personal interest in the following item relating to Swimming Pool provision in Taunton.

68. Update on the proposal to build a swimming pool at Blackbrook Pavilion Sports Centre and the refurbishment of Station Road Pool, Taunton

Reference Minute No. 37/2012, considered report previously circulated, which set out options and proposals to build a new public swimming pool in Taunton and the

refurbishment of an existing pool in Station Road to provide future public swimming provision.

Following the presentation of this report, the Executive **resolved** that the press and public be excluded from the meeting to allow discussion of the contents of the confidential appendices, because of the likelihood that exempt information would otherwise be disclosed relating to Clause 3 of Schedule 12A to the Local Government Act, 1972 and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

The report had originated from the findings of the Swimming Task and Finish Review, supported by both the Corporate Scrutiny Committee and the Executive to investigate future swimming delivery options for Taunton. It had quickly been concluded that St James Street Pool was nearing the end of its life, which the Council was totally financially unprepared for and lacked any contingency or long term plan.

Without taking action, Taunton would be unable to offer swimming facilities for a variety of different organisations. The alternative would be to continue to invest increasing amounts of public money in the futile hope that St James Street Pool could be kept operational into the long term.

There were also great concerns with the Station Road Pool, in that the capital investment needed to continue to operate it was significant and that further investment would also be needed to ensure that the pool would continue to be attractive to users and to prevent any future decline in membership.

A wealth of research and evidence from external agencies and the Council's leisure management operator, Tone Leisure, had been reviewed to help inform the potential solutions.

The timetable for these pressing issues had already been agreed by all parties due to the continuing deterioration of the current pools with the resulting adverse impact on local users and the rising costs of maintenance. There was an imperative to progress the project as quickly as possible.

After detailed work was completed around the Business Case, the aim was to report back to the Executive in December 2012, seeking the necessary approvals for the pool project to commence. If this timetable was kept to the new pool, spa and café could be open by early summer 2014.

It was evident that in the absence of any substantial Council capital receipts or substantial external grants to carry out the project, the only route forward for a Council-funded development was to explore prudential borrowing that could only be approved with a clear business case that demonstrated how it would be repaid.

An independent study had been commissioned from FMG Consulting, who specialised in business modelling for the leisure industry and local authorities. Based on a future scenario of a new pool at Blackbrook, a refurbished Taunton Pool and St James Street Pool closed, the comprehensive FMG report identified that there was a positive potential for funding the proposals. This would be achieved

through:-

- Increased income and cost savings;
- Reduced staff costs, energy and maintenance costs;
- Increased demand for swimming, health and fitness; and
- A new high quality spa and café.

A second specialist report had been commissioned by Tone Leisure to investigate the addition of a spa which had confirmed the facility should generate a net operating surplus taking into account projected demand and costs.

The FMG report had concluded that the total amount of projected new income/savings available for the new pool project (including a spa and café) by Year 3 of operation would be between £357,000 at the lower range and £474,000 at the upper range. Initial estimates indicated that a leisure funding broker would be likely to access funds at a borrowing rate in the region of 6% over a 20 year loan term. At this rate the broker could leverage between circa £3,500,000 and £4,500,000 of capital resources.

Reported that extensive work has been undertaken in assessing different procurement models to deliver a new pool, supported by MMA Limited, a specialist leisure consultancy, with general technical advice provided by the Amateur Swimming Association and Sport England. This had produced four primary options and a fifth 'do nothing' option. Full details of the options were set out in the report although a summary was set out below:-

Option A (i)	Council undertakes the procurement via a framework, building a 'basic' 25m pool with learner, funded by prudential borrowing using Sport England's benchmark costs (as at Appendix B)
Indicative Costs	<p>A basic 6 lane pool construction with learner pool including professional fees and, external works and contingencies = £4,690,600</p> <p>A basic 8 lane pool construction with learner pool including professional fees and, external works and contingencies = £5,457,200</p>
Option A (ii)	A Council managed turn-key contract via a pool specialist to build a 'basic' 25m pool with learner, funded by Council prudential borrowing
Indicative Costs	<p>A basic 6 lane pool construction plus learner pool, £2,950,000 + 2.5% council procurement/client management/fees costs of £73,750. Total: £3,023,750 (costs from Jim Gordon Associates)</p> <p>A basic 8 lane pool construction plus learner pool, £3,100,000 + 2.5% council procurement/ client management costs of £77,500. Total: £3,177,500</p>

Option A (ii) variant	A Council managed turn-key contract via a pool specialist to build a 'basic' 25m pool with learner, high spec spa and café funded by Council prudential borrowing
Indicative Costs	<p>A basic 6 lane pool plus learner construction, £2,950,000, spa and café £850,000 (median cost) + 2.5% council procurement/client management/ design fees /costs of £95,000. Total: £3,895,000</p> <p>A basic 8 lane pool plus learner construction, £3,100,000, spa and café £850,000 (median cost) + 2.5% council procurement/client management/design fees/ costs of £98,750. Total: £4,048,750</p>

Option B	Tone Leisure procures the project via a specialist leisure funding broker to facilitate the funding and procuring the design and build of a new 25m pool, learner pool, spa and café
Indicative Costs	<p>A basic 6 lane pool and learner pool, construction, £2,950,000, spa and café £850,000 (median cost) Total: £3,800,000</p> <p>A basic 8 lane pool and learner pool, construction, £3,200,000, spa and café £850,000 (median cost) Total: £4,050,000</p>

Option C	'Do nothing and continue providing the status quo								
Indicative Costs/ Future Maintenance Costs	<p>Planned Spend for 2012/2013. These figures did not include any reactive work:-</p> <table> <tr> <td>St James Street</td> <td>£34,000</td> </tr> <tr> <td>Station Road Pool</td> <td>£95,000</td> </tr> </table> <p>Spend Identified in the Condition Survey 2013 – 2015: St James Street £300,000 – (NB: This figure had been prepared in the context of the limited life span of the facility. If pool provision was to be kept at this site this figure would be much higher and would likely require a complete re-build)</p> <table> <tr> <td>Station Road Pool</td> <td><u>£660,250</u></td> </tr> <tr> <td>Total</td> <td><u>£1,089,250</u></td> </tr> </table> <p>(Further specialist condition surveys would be required at a cost of £30,000-£50,000 to ascertain the life expectancy of the pool plant/ to inform a more accurate short term planned maintenance programme)</p> <p>Transfer of the maintenance liability for a fully refurbished Station Road pool to Tone Leisure could only be achieved if new plant and mechanical engineering were installed with a guaranteed life of 15 to 20 years and the fabric of the building overhauled. Overall indicative</p>	St James Street	£34,000	Station Road Pool	£95,000	Station Road Pool	<u>£660,250</u>	Total	<u>£1,089,250</u>
St James Street	£34,000								
Station Road Pool	£95,000								
Station Road Pool	<u>£660,250</u>								
Total	<u>£1,089,250</u>								

	cost £900,000 to £1,200,000.
--	------------------------------

As part of the development of the Business Case to support the proposed investment in swimming provision in Taunton Deane, one of the key financial objectives would be the affordability.

The analysis undertaken by FMG had identified the potential for reducing operating costs plus generating additional income within the scope of proposed development at the Blackbrook site. A key element of this was the provision of new spa and café facilities that would generate a projected net return for Tone Leisure.

The financial modelling had indicated that the proposed project should be affordable and could be delivered, subject to a detailed design brief for the pool, spa and café being agreed by the Council and Tone Leisure.

There were two most likely options for raising the loan finance for this investment:-

- (a) A specialist leisure broker who would raise the capital for Tone Leisure and procure the asset on behalf of the Trust who would then be liable to meet the loan repayments; and
- (b) The Council raising the capital and procuring the asset, which Tone Leisure would then manage with other existing leisure facilities.

For Tone Leisure to raise finance from a specialist leisure funding broker, the total amount of loan capital that could be raised would be closely linked to the net savings driven by this investment. Initial estimates suggested that a borrowing facility in the region of £3,500,000 on an 'invest to save' basis.

Using the indicative median total cost of the project of £3,925,000, the estimated cost of borrowing for Tone Leisure with an indicative borrowing rate of 6% over 20 years was summarised as follows:-

Amount Borrowed	£3,925,000
Interest Rate	6%
Annual Repayment (principal + interest)	£341,773
Total Repayment (principal + interest)	£6,835,456

If the Council wished to fund and own the built asset, there was an option for the Council to borrow the funds. The Council was likely to be able to borrow more cheaply than Tone Leisure.

Using the indicative total cost of the project of £3,925,000, the estimated cost of borrowing with an indicative borrowing rate of 3% over 20 years was summarised as follows:-

Amount Borrowed	£3,925,000
Interest rate	3%
Annual Repayment (principal + interest)	£264,074
Total Repayment (principal + interest)	£5,281,482

To fund the cost of servicing the capital borrowing, the Council would need to review its annual subsidy to Tone Leisure. Tone would retain the savings from reduced operating costs of the new pool, therefore the Council could reduce its subsidy and use this funding instead to repay the Council's cost of borrowing for this investment.

The full Business Case would need to include an estimate of the impact of this investment on the annual amount currently included in the Council's annual maintenance budget for leisure assets. By having modern, efficient buildings and services it was feasible that maintenance costs would reduce, which could be used towards capital financing.

On balance, it was recommended by Finance at this stage that Tone Leisure procuring and funding the investment in a new pool, spa and café at Blackbrook was the preferred option.

Further reported that the refurbishment of Taunton Pool was estimated at £1,200,000. Funding of these costs would potentially come from one or a combination of several sources, including:-

- The Council's Leisure Maintenance Reserve;
- External funding;
- Borrowing;
- A capital receipt from the disposal of St James Street Pool; or
- The Community Infrastructure Levy.

The funding proposal would be finalised as part of the development of the full Business Case, with the intention of minimising the need to undertake capital borrowing.

VAT was a factor that would need to be explored to provide certainty of the financial implications for the full Business Case. It was recommended that specialist VAT advice be procured to provide this detailed advice on a scheme of this size.

A full list of risks and issues would be drawn up as part of the overall Business Plan. There was currently a risk register for the known and expected risks for this stage of the project and for potential future risks and issues.

A summary of key Issues was submitted for the information of Councillors.

Reported, that a, 'do nothing' policy for Taunton's Swimming Pools, was not tenable. The expected life of the St James Street Pool only extended to 2013, and the Taunton Pool faced continuing serious deterioration of its fabric and plant. This presented the prospect of no swimming pool provision for the majority of Taunton Deane residents, substantial compensation claims from Tone Leisure for loss of income and the possible impact on the Trust's future viability.

A minimalist approach for the maintenance of the pool buildings and plant had been adopted over recent years and was not therefore a viable option going forward.

There was a compelling opportunity for the Council working in partnership with Tone Leisure to achieve a successful outcome while minimising the risks for both parties. The high level business case had proved the affordability of a swimming pool, café and spa. The next stage would be a detailed (full) Business Case, involving architects, quantity surveyors and construction experts to gain cost confidence, prior to full cost certainty. This work can take place within a short length of time with Members updated in December 2012 on the full Business Case and modelling with final recommendations on future swimming pool provision for approval.

The table below set out an indicative timescale and likely fees, including costs for the leisure funding broker. The fees were risk costs that had to be met as irrecoverable costs if the project did not proceed. This would be shared between the Council (with a potential exposure of £68,000 – half of the £136,000 outlined below) and Tone Leisure. If the project proceeded the fees would be built into the overall project costs.

In addition, the Council would also need to fund its own one off costs of external VAT, leisure, legal, plant condition surveys and the proposed Passivhaus work of an estimated £57,000, plus half of project management costs (estimated at £50,000 overall) so £25,000, giving a total of £150,000 of exposure for the Council:-

Organisation	Cost Confidence		Cost Certainty	
	Fees	Timescale	Fees	Timescale
Architects	£5,000	4 – 6 Weeks	£35,000	8 - 12 weeks*
Construction	£0	4 weeks	£71,000	16 weeks*
QS	£0	n/a	£20,000	n/a
Leisure Funding Broker	£0	n/a	£10,000	n/a
Total	£5,000	-	£136,000	-

The Corporate Scrutiny Committee had considered this matter on 16 August 2012 and the comments made at that meeting were reported.

Resolved that: -

(1) The development of Option B including:-

- (a) a new 25m pool with learner pool, spa and café at Blackbrook;
- (b) the refurbishment of Taunton Pool; and
- (c) the closure and sale of St James Street Pool at the appropriate time.

be supported;

(2) The principle of Tone Leisure being the lead partner on this proposal be

supported and the necessary extension to existing agreements be developed. Final approval on this would be required in December 2012 alongside the detailed Business Plan when final decisions on funding, procurement, project management, loan guarantee and governance would be needed.

- (3) Proposals for further joint working with Tone Leisure on a detailed Business Case to support the delivery of this project including but not limited to financing options, VAT advice, design advice, mechanical and engineering advice be also supported. Taunton Deane's share of the cost of this phase to be funded from the Leisure Maintenance Reserve (£150,000);
- (4) Full Council be recommended to approve the allocation of the £150,000, referred to above, from the Leisure Maintenance Reserve;
- (5) A total of £500,000 of the existing Leisure Maintenance Reserve be earmarked towards the project (a further £350,000 in addition to resolution (4)); and
- (6) Setting aside the future net capital receipt from St James Street Pool to part-finance this project be agreed.

69. Financial and Performance Monitoring – Quarter 1 2012/2013

Considered report previously circulated, concerning the update on the financial position and the performance of the Council to the end of Quarter 1 of 2012/2013 (as at 30 June 2012).

The detailed 2012/2013 financial position for Quarter 1 was provided in Appendix B to the report although a high level summary was also included in the Scorecard. The monitoring of the Corporate Strategy, service delivery, performance indicators and budgets was an important part of the overall performance management framework.

Analysis of the overall performance of the Council revealed that 65% of all performance measures were on target. This was a similar position compared to the previous quarter.

It had been recognised that there was a need to review the structure and content of the scorecard to better reflect the Council's priorities and to improve the range of services represented. This was particularly relevant considering the forthcoming likely change from the current Corporate Strategy to the new Corporate Business Plan later this year.

A full review of the scorecard would therefore take place at the end of Quarter 2 and recommended changes would then be discussed with Members. It was envisaged that a refreshed corporate scorecard would be implemented for the Quarter 3 report.

Further reported that the original Budget for the year had been approved by Full Council on 21 February 2012. As the budget requirement for the Council was unlikely to remain static for the whole financial year, officers could request changes to approved budgets during the course of the financial year, either in the form of: transfers to/from general reserves, known as "Supplementary Estimates and

Returns” (either General Fund or Housing Revenue Account); or transfers between budgets, known as “virements”.

Noted that virements that were above £50,000 in value required Executive approval.

A budget virement of £82,500 with regard to the return of the ‘Stores’ Team from Southwest One (SW1) back into Taunton Deane was now required. The budget currently sat as part of the payments due to SW1. It was recommended that this budget be moved to Theme 3 from where the Stores Team was now managed.

Resolved that:-

- 1) The Performance report be noted and
- 2) The Executive be recommended to approve a budget virement of £82,500 in connection with the return of the Stores Team from Southwest One to Taunton Deane.

70. Report on Orchard Multi-Storey Car Park, Taunton – Structural Survey and Lifts

Considered report previously circulated, which outlined the findings and recommendations of specialist investigations into the condition of the Orchard Multi-Storey Car Park structure and its integral lifts.

The report drew attention to the potential costs of fully implementing the recommended works in the context of the Project Taunton town centre retail redevelopment proposals.

Being a concrete structure with steel reinforcement there had been concerns about the structural integrity of the car park after a 40 year life. The car park was inextricably linked with the plans for retail redevelopment of the town centre. Maintenance activities had therefore been minimal and certainly nothing of substance structure-wise.

If the car park was to remain in public use for a further substantial period, a full structural survey needed to be carried out to establish the condition of the building and what works might be needed to remedy any defects.

The three passenger lifts within the car park were of a similar age and breakdowns were not an irregular occurrence, leading to public frustration and complaint. The lift maintenance contractor had therefore been asked to provide a costed schedule of works needed to fully refurbish them.

Property Services had commissioned a survey from Waterman Transport and Development Limited. Although the structure had performed well and was not in danger of failing, there were repairs and protective measures which needed to be carried out to prevent further deterioration and to provide a parking environment that was both safe and attractive to motorists. The works fell into three categories:-

Capital	
----------------	--

Structural repair work required within 12 months	£27,500
Preventative maintenance work required within five years (to give a life beyond 10 years)	£705,000
Revenue	
Minor repairs and redecorations	£25,000

The Capital Estimate provision was for £245,000. This also had to cover all professional fees associated with the survey and any works subsequently undertaken.

The Revenue Estimate for car parks maintenance was £63,000 and covered all maintenance activities in all Council car parks. This budget was fully expended every year and could not fund an item of £25,000 in one car park.

The items identified as being needed within 12 – 18 months could be carried out within this year's funding allocation so should proceed.

However, Members would need to be advised of the latest Project Taunton proposals for the retail redevelopment before making decisions on whether the other identified works should be funded. Current proposals for the town centre retail development did not require demolition of this car park.

During the discussion of this item, Members agreed that the current available Capital finance should be used to focus on replacing all three lifts at an estimated cost of £180,000 as a matter of priority.

Members also considered that the Capital resources amounting to £164,000 which remained unallocated after the Budget Setting Full Council meeting in February 2012 should now be allocated towards the other works needed at the Orchard Multi-Storey Car Park.

The Corporate Scrutiny Committee had considered this matter on 16 August 2012 and the comments made at that meeting were reported.

Resolved that:-

- (1) The contents of the report of the Parking and Civil Contingencies Manager be accepted;
- (2) The need for the works on the car park structure and lifts to be carried out in order to maintain the Council's physical assets and protect the parking income stream be accepted, with the required works to replace the lifts being undertaken at the earliest opportunity; and
- (3) Full Council be recommended to consider the inclusion of the works in the future Capital Programme – funded by the £164,000 of unallocated Capital resources and a four years Revenue Contribution to Capital Outlay (RCCO) of £125,750 (to be agreed as part of the Budget Setting for the 2013/2014 Financial Year).

71. **Report on The Deane House Accommodation Project**

Reference Minute No. 71/2011, considered report previously circulated, which set out the background to The Deane House Project and summarised the results of the Feasibility Study and business planning processes.

Members were asked to consider the future of The Deane House as part of last year's Budget Review Project. Additionally, Avon and Somerset Constabulary (ASP) had contacted Taunton Deane to request consideration of the possibility of co-locating with the Council in The Deane House following the planned future closure of the Police Station. This culminated in an options report being taken to the Executive in August 2011 detailing four options. As a result, Property Services had undertaken a Feasibility Study within the following remit:-

- To identify areas of The Deane House that could be considered for letting to ASP for the management of local operations and to consider areas of 'shared service' to provide the public office for Taunton both during and outside normal Taunton Deane office hours;
- To provide options of space planning for both ASP and Taunton Deane including a concept design of the main reception foyer for a shared reception;
- Budget costs to include the capital cost of alterations, refurbishment, mechanical and electrical (M&E) implications and the necessary IT upgrade; and
- To confirm the anticipated rental and service costs.

The results of Feasibility Study has established four main options. In summary these options were:-

- Option 1 – minimal relocation and refurbishment within The Deane House releasing sufficient space for Police, but not releasing space for further partnering;
- Option 2 – more extensive relocation and refurbishment within The Deane House releasing sufficient space for Police, but not releasing space for further partnering;
- Option 3 – significant relocation (with the ability to enable the implementation of full modern ways of working in a smart office environment in parts of the building) and M&E and ICT refurbishment and which provided the opportunity for further partnering. This would result in parts of the building being fully refurbished and enabled for modern ways of working.
- Option 4 – option 3, but also including the conversion of the Committee Suite to offices.

ASP had indicated that Options 1 and 2 were not acceptable, because they did not include sufficient refurbishment of the premises to reach a standard that was available elsewhere. Option 4 did not work for the Council, because it removed the Committee Suites, so Option 3 was the only workable solution, which achieved the objective.

Reported that the Feasibility Study had been used to inform a more detailed business case which had largely focussed on Option. It had not though examined the feasibility of maximising the use of accommodation through the full implementation of modern ways of working.

The business case had indicated that the project would only be financially viable over a 10-year plus timescale and would involve significant changes to the way in which we currently worked. The headline financial figures were set out below:-

	10-year scenario	15-year scenario
Costs (construction, plant, ICT, telephony, furniture etc)	£2,629k	£2,801k
Income/cost savings (rental, business rate reduction etc)	(£1,668k)	(£2,611k)
Maintenance offset (money we would have to spend anyway, although not all budgeted for)	(£656k)	(£656)
Net Cost	£305k	(£466k)

These were high-level estimates and would vary either way in practice. The income/cost savings figures had assumed that we could maximise the use of the building - not just the ASP, but other organisations as well.

Further reported that the only acceptable solution which would bring the Police into The Deane House would entail significant change to the building and the way in which Taunton Deane used it. Implementing even elements of modern ways of working through Smart Office was still potentially a big cultural change. Financially, the project only stacked up over a 10-year plus period.

Noted that the gross costs of implementing Option 3 were very near the realistic costs of a new build. Under the circumstances, Members had to consider whether the proposed accommodation project should proceed.

ASP's position throughout initial discussions and the meetings related to the Feasibility Study had been consistent that they were committed to maintaining a core presence in Taunton Town Centre. Their preferred option had been to relocate with the Council, hence the Feasibility Study. There was no reason therefore to believe their commitment to maintaining a presence in the town centre would change if that option did not materialise.

The Corporate Scrutiny Committee had considered this matter on 16 August 2012 and the comments made at that meeting were reported.

Resolved that:-

- (1) In view of the cost and longevity of the payback period, and the conclusions

derived from the Feasibility Study, it be agreed that no further work be undertaken on the specific issues covered by the Feasibility Study and that this specific project be closed down;

- (2) The principle of shared accommodation at The Deane House with a view to reducing the Council's ongoing revenue expenditure; and
- (3) The officers be requested to look comprehensively at the Council's future accommodation needs in light of the priorities identified in the Corporate Business Plan due to be approved later this year.

72. Somerset Strategic Housing Partnership Tenancy Strategy

Considered report previously circulated, concerning the development of a new sub-regional Tenancy Strategy for Somerset in partnership with a range of agencies including the five Somerset Districts and Registered Landlord Partners.

The Localism Act had introduced the requirement for all local housing authorities to publish a Strategic Tenancy Policy consistent with their Homeless Strategy and Allocation Scheme which took account of the tenancy and rent standards which social housing providers in the area had to have regard to when drawing up their own tenancy policies. The tenancy policies of housing providers needed to set out their approach to the new flexibilities that had been introduced with regard to affordable rents and fixed term social tenancies.

As Somerset already had a county-wide Homeless Strategy and Allocation Scheme (Homefinder Somerset) it was considered expedient to produce a county-wide Strategic Tenancy Policy.

A copy of the draft Strategy had been circulated to all Members of the Executive.

In developing the Strategy all key stakeholders (landlords, external agencies such as Shelter and CAB Housing and Enabling officers) had been involved. The contents of the Strategy were largely defined by the Localism Act.

Consultation had taken place via an on-line survey circulated to staff and Members across the five local Housing Authorities and Registered Provider partners. Additional comments were received from stakeholders outside of the consultation. Guidance from the Department of Communities and Local Government had also been taken into consideration.

Overall the feedback had been very positive with the majority (over 75% in most cases) of respondents agreeing with the key principles within the strategy. Just less than 85% of respondents had agreed that all relevant evidence had been included.

The Tenancy Strategy was intended to provide guidance to social and other landlords operating in Somerset, informing their policies and practices to produce lettings for customers that met local housing need and improved market function. It would also prove invaluable to policy makers and property professionals.

The management and monitoring of the Strategy would be through a Project Team reporting to the Somerset Strategic Housing Partnership through the Somerset Strategic Housing Group. Representation on the Project Team included the Council's Strategy and Corporate Manager.

Resolved that Full Council be recommended to adopt the Somerset Strategic Housing Partnership Tenancy Strategy.

73. **Taunton Deane Troubled Families Programme 2012 to 2015**

Considered report previously circulated, concerning proposals aimed at helping to turn around the lives of Troubled Families.

The Coalition Government had previously pledged to radically reduce the disproportionate cost to the taxpayer generated by approximately 120,000 'Troubled Families' throughout the country. It was estimated that on average these families each costed the public sector in excess of £75,000 per annum.

The Government had launched a three year £500 million programme and had asked all local authorities to work with Troubled Families living within their area to try and improve outcomes for these families by 2015.

As a top tier authority, Somerset County Council (SCC) was ultimately accountable to the Government for the success of the project. SCC was, however, adopting a 'hub and spoke' model within which Districts, in partnership with their respective Local Strategic Partnerships, were being asked to lead and co-ordinate project delivery at the local level.

The Government's definition of a Troubled Family was one which displayed at least three of the following characteristics:-

- i) Had an adult on out of work benefits;
- ii) Had children not in school (i.e. exclusion or absenteeism);
- iii) Been involved in crime or anti social behaviour; or
- iv) Discretionary filter (to be determined by the local authority).

The discretionary filter provided local authorities with a degree of flexibility with which they could include families that they wanted to work with within the scope of the project.

The Government had estimated that in Somerset there were 870 Troubled Families, 182 of which were within Taunton Deane. A contribution of up to £4000 per Troubled Family would be available to support project delivery. A portion of this money would be paid upfront as an 'attachment fee', with the remainder paid on a performance by results basis. The percentage paid as an attachment fee would vary over each year of the project.

As top tier authority, this money would initially be paid directly to SCC. For its funding to be released, Taunton Deane would need to sign a Service Level Agreement with SCC, which committed itself to working with its allocation of Troubled Families.

A detailed breakdown of funding for Taunton Deane in 2012/2013 was set out in the report. In summary this would amount to £160,000 (50 families x £3,200 attachment fee) plus 'success money' depending on the type of successes secured.

In addition to the national funding, Taunton Deane had been given £16,600 from SCC to support project delivery locally

The newly established Troubled Families Programme Board, which would be chaired by the County Council's Director of Children's Services, would oversee the countywide Troubled Families Programme. Each District Council would be represented at this Board.

Noted that the Government would be awarding each top tier authority £100,000 per annum for three years to employ a Troubled Families Co-ordinator. This senior post, which had yet to be filled in Somerset, would report to the Programme Board and would co-ordinate the Programme across the County.

Across Somerset, district councils were developing slightly different models of implementation. Three broad approaches were emerging: the South Somerset model; the Sedgemoor/Mendip/West Somerset model and the Taunton Deane Model.

The emerging South Somerset model would use family mentors and they recently went through a tendering process to identify a supplier. The emerging Sedgemoor/Mendip/West Somerset model built on the Total Somerset High Contact Families Pilot Project. It used volunteer family coaches to support the family and had a dedicated Triage Team which would help to coordinate service delivery.

The proposed Taunton Deane model could be distinguished from the above models because it was *not* adding any more resource to support delivery. This was for two important reasons:

- a) *Sustainability* : Government funding for this project was limited. For the project to be sustainable it could not rely on this funding to support it. If this money was spent directly on supporting families it would only be a short term solution. The Taunton Deane model would instead focus on service redesign and making changes to delivery which did not rely on a continuation of this funding.
- b) *Chaotic Services* : Troubled Families interacted with a significant number of public sector services. In many instances, services were delivered in a fragmented way, leading to duplication and inefficiency. If a new team or function was created to support families the risk is that it would simply add an extra layer of complexity to this already 'chaotic' picture. The Taunton Deane approach would instead focus on trying to join up service delivery and reduce the number of providers that contacted families.

In year one of the project it was proposed that the Taunton Deane model would use geography as a discretionary filter – focusing specifically on Halcon and Priorswood. This was partly because there were likely to be a high number of 'troubled families'

in these areas, but also because the work would align very well with work already taking place in these areas.

The proposed Taunton Deane model would centre around two groups: the *Troubled Families Practitioner Group* and the *Troubled Families Strategic Group*.

The former would build upon existing multi-agency 'Healthy Child' Groups which operated out of Children's Centres and would consist of professionals working with a particular Troubled Family. The latter would identify learning from the practitioner group and then work to unblock barriers to joined up working; plug gaps in service provision and look at how services can be redesigned.

The proposals would require a Project Support Officer to provide administration support to the Practitioner Group. It was suggested that this post be appointed at a Taunton Deane Grade D and work three days a week. With 'on costs' this would cost £14,340 per annum, which will be entirely funded from existing resources.

The Troubled Families Strategy Group would initially be supported by the Taunton Deane Strategy Team. As the project developed it was anticipated that further resources would be required and that it will be necessary to appoint a Project Manager in early 2013. This post would be responsible for driving service redesign.

Such a Project Manager would need to be appointed in early 2013 in order to deliver the project. This would be a two year fixed term contract, which would coincide with the end of the project. The post would be funded from Troubled Families money awarded to the Council.

During the discussion of this item, it was reported that it was intended to change the name of the Troubled Families Programme to the Family Futures Programme.

Resolved that:-

- (a) The proposed Taunton Deane Borough Council implementation model be approved;
- (b) The proposed recruitment of a part time Project Support Officer for 12 months to support the Troubled Family Practitioner Group, subject to the normal sign off and approval process be approved;
- (c) The Executive be requested to provide a steer on the discretionary field that could be adopted to help identify Troubled Families. This would ensure the Troubled Families work was able to meet the broader ambitions of the Council; and
- (d) It be noted that the Troubled Families Programme would in future be known as the Family Futures Programme.

(The Strategic Director (Shirlene Adam) and the Democratic Services Manager and Corporate Support Lead (Richard Bryant), as beneficiaries of the Lease Car Scheme, both declared prejudicial interests in the matter dealt with by Minute No. 74 below and left the meeting during its consideration.)

74. **Review of Lease Car, Cash Alternative and Car Loan Schemes**

Considered report previously circulated, which proposed a number of changes to the Lease Car and Cash Alternative Schemes and the Car Loan Scheme.

As part of the Budget Review Project the Car Leasing and Cash Alternative Schemes were identified as possible staff benefits where changes could be made.

However, due to the complexity of these schemes, Counsel's Opinion had been sought in October 2011. Bearing in mind the advice received, the other changes being introduced as part of the budget review and the need to have resources to manage this appropriately a decision was taken by the Corporate Management Team to reschedule this review until 2012/2013.

Counsel had been asked to provide advice on eight issues, as follows:-

1. Whether the proposed closure of both schemes could be done safely through a Collective Agreement with UNISON for all affected employees;
2. On what basis the closure of the schemes could be achieved if a Collective Agreement was not appropriate;
3. What, if any action, should the Council take (in addition to notifying each employee of the proposals being discussed with UNISON) with employees who were not members of UNISON;
4. Whether the cash alternative payment given and accepted by staff should be superannuable where their previous lease car arrangements were superannuable;
5. The level of one off compensation which would be appropriate and whether such compensation should vary between those employees with a superannuable right and those without;
6. Whether any compensation payment would be subject to tax or whether such a payment could be made as an ex-gratia payment;
7. Whether the alternative proposal (the Council set out an alternative to closure of the schemes in the covering document) could be achieved without a 'collective agreement' and whether this approach could be challenged as a breach of contract; and
8. Generally – any other advice.

Counsel's Opinion provided Taunton Deane with legal advice and also the main elements of a negotiating stance to be taken with UNISON and individual staff. As such, the detail of the 'opinion' needed to remain confidential but had been shared with the Portfolio Holder and Shadow Portfolio Holder.

However to assist Members with their understanding of the advice and approach proposed some elements of the 'opinion' had been included in the report, details of which were shown below:-

- 'Taunton Deane is right when it says that the provision of a lease car is a contractual benefit.....the best way to attempt to change or vary...is through negotiation and consultation with UNISON. This is undoubtedly best achieved via a collective agreement.'

- ‘Should collective agreement not be possible, the Council will automatically be at risk.....There are two possible courses of action.....’
- ‘Thus, the importance of collective agreement cannot be overstated.....’
- ‘There is always the alternative suggestion....Taunton Deane should include this as part of its discussions with UNISON/the other affected employees....if it is really something that could achieve the desired cost savings...’

Reported that the advice from Counsel had been used by the Retained HR Manager to formulate a range of options which had been revised and reviewed with the Chief Executive.

The Portfolio Holder and Shadow Portfolio Holder had been fully briefed and Counsel’s Opinion provided prior to the proposal being submitted to UNISON, to affected individual staff by letter and before the issues were considered by the Corporate Scrutiny Committee on 19 July 2012. An Equality Impact Assessment had also been completed.

Initial consultation ran for 21 days ending on 5 July 2012 and a summary of the responses received were submitted for the information of Members. Following further consultation and amendments to the proposals some further comments had been received from an affected employee which were provided to Executive Members. The Chairman outlined these to ensure that they were fully considered. UNISON had not provided any further comments for the Executive to consider.

The Retained HR Manager also advised that further discussions with affected staff on the proposals before the Executive had raised an issue on whether affected staff could choose to move before 31 March 2013 to where they wished to go.

The amended proposal was to maintain a reduced (between 40% and 45% of current benefit levels) Lease Car and Cash Alternative Scheme with the option to ‘buy out’ the contractual benefit of the car lease or cash alternative scheme with a payment (subject to deductions for tax and NI) equivalent to the current allowance of the affected employee. The ‘buy out’ option would be treated as an ‘invest to save’ initiative and would be funded by the use of General Fund Reserves.

If these proposals were agreed and implemented savings would be in the region of £57,500 per annum with effect from 1 April 2013.

Further reported that retaining a scheme still meant there were some risks retained with regard to equal pay – although these would be reduced and if there was a collective agreement, the likelihood of challenge would be reduced.

Noted that the proposals would also help support the Council’s stated aim to reduce carbon emissions.

During the discussion of this item, Members were pleased that a full consultation had taken place but accepted that this was a budget commitment which needed to

be addressed. It was also felt that the option for staff to move to the new scheme or 'buy out' prior to 31 March 2013 was sensible.

Resolved that:-

- (1) The amendments to the Lease Car, Cash Alternative and Car Loan Schemes as set out in this report be approved and that the Retained HR Manager be granted delegated authority to implement the Schemes by 31 March 2013 taking due regard of the result of the ballot of affected UNISON members and the advice of Counsel; and
- (2) Full Council be recommended to approve a supplementary estimate from General Fund Reserves of £103,000 to fund the maximum potential cost of buy-out from the existing schemes.

75. **Executive Forward Plan**

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

Resolved that the Forward Plan be noted.

(The meeting ended at 8.50 pm.)