

Executive – 12 March 2014

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Cavill, Mrs Herbert, Hunt and Mrs Stock-Williams

Officers: Shirlene Adam (Director – Operations), Ian Timms (Assistant Director – Business Development), Dan Webb (Performance Lead), Tim Burton (Assistant Director – Planning and Environment), Tim Child (Divisional Manager (Estates)), Tom Gilham (Interim Assistant Director – Property and Development) and Richard Bryant (Democratic Services Manager and Corporate Support Lead)

Also present: Councillors Coles, Farbahi, Horsley and A Wedderkopp

(The meeting commenced at 6.15 pm.)

25. Apologies

Councillors Edwards and Mrs Warmington.

26. Minutes

The minutes of the meeting of the Executive held on 5 February 2014, copies of which had been circulated, were taken as read and were signed.

27. Taunton Deane Borough Council response to the Somerset Health and Wellbeing Strategy 2013-2018

Reported that this item would now be considered at the meeting of the Executive on 16 April 2014.

28. Somerset Growth Plan

Reference Minute No 61/2013, considered report previously circulated, concerning the Somerset Growth Plan which set out Somerset's plans to promote growth between now and 2020.

The purpose of the Growth Plan was to attract and guide investment, to overcome barriers and maximise sustainable growth from local opportunities, benefiting Somerset's communities, businesses and residents.

A key purpose of the Growth Plan was to inform the Heart of the South West Local Enterprise Partnership's (LEP) Strategic Economic Plan which would be submitted to the Government on 31 March 2014. This would be used during negotiations with the Government to agree the allocation of funding from the Local Growth Fund (the 'Growth Deal') over which the LEP would have control. The Growth Plan had also been used to influence the LEP's European Structural Investment Funds Plan.

The Growth Plan for Somerset aimed to:-

- Create a shared ambition and vision for growth and progression across enterprises, residents and the public sector;
- Support the delivery of infrastructure to enable growth to take place;
- Increase the scale, quality and sustainability of economic opportunity in Somerset; and
- Ensure participation and access to these opportunities for local residents.

The Strategic Framework, which underpinned the Growth Plan had been endorsed by all Somerset local authorities in December 2013 and the full Plan – a copy of which had been circulated – had recently been endorsed by the Somerset Chief Executives and Leaders Group. Each authority was now seeking endorsement of the full Growth Plan through local governance processes to ensure that Somerset could influence the LEP's final version of the Strategic Economic Plan.

It was imperative that Somerset had a clear understanding of its local priorities to be able to effectively influence the LEP priorities within its Strategic Economic Plan to ensure the County received its fair share of the funding allocation. Not only would the LEP be competing on a national scale for funds, but there would be competition within the south-west region. Somerset therefore had to work together to deliver a consistent and clear message of its priorities.

Further reported that the Corporate Scrutiny Committee had reviewed the plan at its meeting on 20 February 2014 and a summary of the view expressed by Members was provided. In particular, it was thought the Growth Plan lacked finite projects and a 'direction of travel' especially for Taunton Deane – views that were strongly expressed to the Executive.

Reported that the Council would continue to develop the business case for projects within its area. This would include a range of measures such as creating the correct planning framework for sites and putting together a financial package for each site. As such, the appendices within the document were not the finished article. Detailed work would be undertaken on these over the forthcoming months to enable appropriate bids to be made when funds became available.

Resolved that the Somerset Growth Plan be endorsed.

29. **Financial and Performance Monitoring – Quarter 3 2013/2014**

Considered report previously circulated, concerning the update on the financial position and the performance of the Council to the end of Quarter 3 of 2013/2014 (as at 30 December 2013).

The detailed 2013/2014 financial position for Quarter 3 was set out in 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.

The overall financial position of the Council remained within 0.38% of the approved budget.

The current forecast outturn for the Council's General Fund services was an under spend of £50,000 (0.38% of net Budget) for the financial year 2013/2014. The significant variances to the forecast in this quarter were:-

- a) **Rent Allowances/Rent Rebates to Housing Revenue Account (HRA)** : Adverse variances of £69,000 for Rent Allowances and £45,000 for Rent Rebates were predicted.
- b) **Somerset Waste Partnership** : Under spend of £116,000.
- c) **Dealing with Planning Applications** : The positive variance had decreased to £45,000 since the last quarter.
- d) **Off-Street Parking** : The service was currently projecting an underspend of £121,000.

Details as to why these variances had occurred were submitted.

Reported that the General Fund Reserves balance at the start of the year was £3,943,000. Following approved budget allocations during 2013/2014 the budgeted balance at the end of the current financial year had reduced to £1,481,000.

If the current trend continued on all of the budgets highlighted above and the Council took no further alternative action in the year, the potential under spend of £50,000 would be transferred to this reserve, increasing the projected balance to £1,531,000 at the end of the financial year.

Although the projected balance for the year end was above the current minimum balance required in the Council's Financial Strategy, it was at the lower end of acceptability, and provided limited flexibility to respond to new pressures or provide one-off funding for new initiatives.

Noted that budgets and forecasts were based on known information and the best estimates of future spending and income of the Council. The income and expenditure of the Council over the financial year was estimated by the budget holders in the Council and then reported through the budget monitoring process. During this process, risks had been identified which could affect the financial projections but the likelihood and/or amount were uncertain. Details of a number of risks identified during the Quarter 3 process were provided.

Further reported that the current forecast outturn for the Council's Housing Revenue Account (HRA) was a surplus of £240,000 for the financial year. This included some additional non-recurring rental income due to there being 53 rent payments due in 2013/2014.

The significant variances to the forecast in this quarter were:-

- (a) **Provision for bad debt** : An under spend was expected of £403,000 due to

prudent budgeting of the impact of Welfare Reform, which was now not expected to fully hit the HRA in this financial year.

(b) **Grounds Maintenance** : Costs incurred had increased leading to a predicted overspend of £190,000.

(c) **Responsive Maintenance** : Overall this was forecast at £45,000 under budget.

The HRA General Reserves “working balance” at the start of the year was £2,247,000. Following approved budget allocations during 2013/2014, the projected balance at the end of the current financial year was currently £2,199,000.

The forecast year end outturn for the Deane DLO Trading Account showed no significant departure at the end of December from the budgeted position. There was currently a great deal of work underway to more accurately align budgets within both Grounds Maintenance and Building Maintenance, and this would improve the ease and accuracy of reporting during the remainder of the financial year.

Based upon the position at the end of the third quarter, the Deane Helpline Trading Account was projected to have a £125,000 deficit, which was a £25,000 overspend against budget. The fundamental service review to address the costs to the General Fund of operating the service was continuing.

The current budget for the Council’s General Fund Capital Programme was £17,499,000. Due to the profiling of planned capital spending between years, the current forecast is for £6,100,000 capital expenditure in 2013/2014, with the balance of £11,334,000 to be spent in future financial years, dependent on the planned programme of works. The forecast variance was an under spend of only £30,000 against total approved budgets for capital schemes.

The main areas of risk and uncertainty in the General Fund Capital Programme were submitted for information.

The current budget for the Council’s Housing Revenue Account Capital Programme was £20,364,000. Due to the profiling of planned capital spending between years, the current forecast was for £9,700,000 capital expenditure in 2013/2014, with the balance of £10,646,000 to be spent in future financial years, dependent on the planned programme of works. The forecast variance was an under spend of only £43,000 against total approved budgets for capital schemes.

Analysis of the overall performance of the Council had revealed that 71% of all performance measures were on target. This was a better position compared to the previous quarter (Quarter 2 was 67%). A summary / overview of the Quarter 3 scorecard was shown in the table below:-

Section	No. of measures	☺ Green	☹ Amber	☹ Red	N/A	Trend (from last quarter)
Aim 1 - Quality Sustainable Growth and Development	10	6 (60%)	3 (30%)	1 (10%)		↑
Aim 2 - A Vibrant	8	7	1			↑

Economic Environment		(88%)	(12%)			
Aim 3 - A Vibrant Social, Cultural and Leisure Environment	10	6 (60%)	4 (40%)			↔
Aim 4 – A Transformed Council	5	5 (100%)				↔
2) Managing Finances	14	10 (71%)	4 (29%)			↑
3) Corporate Health	12	8 (67%)	4 (33%)			↑
TOTALS	59	42 (71%)	16 (27%)	1 (2%)		↑

KEY:

- ↑ = Improving (ie more Green, less Amber and/or Red alerts)
- ↓ = Worsening (ie less Green, more Amber and/or Red)
- ↔ = No change

Reported that the new 'Joint Management Team' had recently participated in a Corporate Performance Review session. Key aspects of the Corporate Scorecard were reviewed, and where significant issues and risks were identified, management response actions were agreed.

Performance scorecards were in place for each 'Theme'. These would be reviewed by the Joint Management Team as part of the overall corporate performance monitoring process.

As part of changes made to the performance framework for 2013/2014, it had been agreed that one Theme Manager each quarter would attend meetings to provide a more in-depth report on that Theme's performance and progress of key projects and activities. This quarter's 'feature' Theme was Planning and Development and the Assistant Director – Planning and Environment, Tim Burton attended the meeting and provided information to Members on Major Planning Applications and the efforts that were being made to meet the Government performance targets.

Following the decision to join up the management teams and share services between Taunton Deane and West Somerset Councils, some initial work had commenced to review and understand the respective Performance Management Frameworks (PMF). It was anticipated that recommendations for a single aligned framework would be introduced for the Quarter 1 2014/2015 reporting cycle.

Some key principles had been identified and endorsed by the new Joint Management Team, including:-

- Members would be involved in the development of a new framework; and
- The newly established PMF would need to recognise the demands of a single organisation serving two separate democratic Councils.

A summary of the whole performance reporting framework was also submitted. This indicated where other performance information could be obtained relating to a wide variety of services, partnerships, projects, and strategic aims and objectives.

Resolved that the report be noted.

30. **Executive Forward Plan**

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

Resolved that the Forward Plan be noted.

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

Resolved that the press and public be excluded from the meeting for the following item because of the likelihood that exempt information would otherwise be disclosed relating to Clause 3 of Schedule 12A to the Local Government Act, 1972 and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

32. **Wood Street, Taunton**

Reference Minute No. 64/2013, considered report previously circulated, which further explored the options of exchanging an area of land in the Castle Street area of Taunton for a site in Wood Street.

Having now undertaken further work through negotiation and due diligence, the exchange proposal had been de-risked as far as possible. Some risks still existed though and the benefits of such an exchange were not now considered to be sufficient to outweigh the risks.

Therefore, it was now recommended not to progress the land exchange but to take a capital receipt direct from the sale of the Castle Street site.

Resolved that:-

- (a) As the risks appeared to outweigh the benefits, the proposed land exchange involving sites in Castle Street and Wood Street, Taunton be not progressed; and
- (b) The Council's external agent be instructed to undertake the action described in the report.

(The meeting ended at 8.05 p.m.)