

Executive – 9 September 2015

Present: Councillor Williams (Chairman)
Councillors Berry, Habgood, Parrish and Mrs Warmington

Officers: Penny James (Chief Executive), Matt Parr (Economic Development Project Officer), David Evans (Economic Development Manager), Paul Fitzgerald (Assistant Director – Resources), Martin Price (Tenant Empowerment Manager), Steve Plenty (Finance Manager) and Richard Bryant (Democratic Services Manager)

Also present: Councillors Coles and Morrell

(The meeting commenced at 6.15 pm.)

43. Apologies

Councillors Beale, Edwards and Mrs Herbert.

44. Minutes

The minutes of the meeting of the Executive held on 8 July 2015, copies of which had been circulated, were taken as read and were signed.

45. Proposal to Adopt a Client-based Approach to Delivering Construction Skills in Taunton Deane

Considered report previously circulated, concerning a proposal to work with the Construction Industry Training Board (CITB) to adopt a Client-Based Approach (CBA), aimed at delivering employment, apprenticeships and training through planning obligations related to major construction projects.

As part of their planning development management function, local authorities could request contributions, either financial or in kind, through planning obligations for measures directly related to a development.

Noted that the CBA, facilitated by the CITB, and a product of the National Skills Academy for Construction, provided a toolkit to deliver employment, apprenticeships and training for public sector clients through their construction projects. This included all of the necessary components to deliver opportunities using benchmarks that had been 'employer approved'. The CBA would also build on the existing 'Taunton Protocol' by ensuring that firm, measurable outputs for providing construction skills were delivered.

The Key Performance Indicators (KPI's) and benchmarks, approved by employers within the construction sector, would be used by the Council to justify and secure Section 106 Agreement contributions for education, employment and skills through the planning process.

Reported that the Council's Core Strategy made direct reference to the importance of employment and skills initiatives through Policies CP2 'Economy' and CP5 'Inclusive Communities'.

There were a number of significant infrastructure projects on the horizon, which included the urban extensions at Monkton Heathfield and Comeytrowe, Taunton Town Centre Redevelopments and Junction 25 Employment Site Delivery. Each planning application would have a dedicated Employment and Skills Plan, submitted by contractors, with KPI's and associated benchmark targets.

The CITB had approached the Council to adopt a CBA to deliver construction skills locally. It was intended that this approach would be embedded in all planning obligations relating to allocated sites, and would open up the opportunity for the Council to apply for National Skills Academy for Construction Status.

It was therefore proposed that the Council:-

- Confirmed its commitment to jointly adopting the CBA and applying for National Skills Academy for Construction status;
- Revise the necessary Planning policies and processes to embed the CBA;
And
- Maintain continuing dialogue between the Planning and Economic Development Teams to monitor qualifying planning permissions.

Resolved that:-

- (1) The Client-Based Approach be adopted to strongly encourage delivery of employment and skills opportunities in all major construction projects in which the Council was the Local Planning Authority; and
- (2) Officers be authorised to progress an application for National Skills Academy status.

46. **Write-Offs over £10,000**

Considered report previously circulated, concerning the write-off of two irrecoverable debts which had an individual value greater than £10,000.

The debts – one relating to a Housing Benefit overpayment, the other a Sundry Debt invoice concerning commercial rent arrears– had a combined value of £30,083.78, as detailed in the confidential appendix to the report.

In accordance with good financial management principles, the Council had made a provision for bad debts in all its income streams. This provision recognised that a proportion of the authority's debts would prove irrecoverable. Some common reasons for write-off included unable to trace the debtor, debtor insolvency or where a debtor had died with an insufficient estate.

Where a debt was deemed irrecoverable it was good practice to write-off the debt rather than provide a false impression of funds likely to be available to the Authority.

Reported that any debt that was written off could subsequently be re-raised should circumstances change, such as an unexpected dividend being received in an insolvency case, an absconded debtor being traced or if a person living abroad moved back to England or Wales.

In the two particular cases outlined in the report, it had been concluded that no further enforcement action could be taken on the Sundry Debt matter, however investigations around taking out a Charging Order to recover the Housing Benefit Overpayment were being researched.

Both of the debts were old and, as part of continuing reviews of debt by both the Joint Management Team and Corporate Recovery had been identified as irrecoverable at this time.

Noted that processes had been strengthened around commercial rents to help stop the build-up of arrears in the future.

During the discussion of this matter it was brought to the attention of the Executive that it might also be possible to pursue a debtor residing in Europe by way of a European Payment Order.

Resolved that:-

- (1) The write-offs detailed in the report be approved; and
- (2) It be agreed that the Housing Benefit matter be monitored in pursuance of a Charging Order and written back on should further legal action be deemed to be possible.

47. Apprenticeships in Housing and Communities

Considered report previously circulated, concerning a proposal to introduce an apprenticeship scheme into different sections within Housing and Communities.

Apprenticeships were jobs that combined on and off the job training, offering a practical solution to reducing unemployment, particularly by supporting individuals who were not in education, employment or training.

Apprenticeships had also been shown to facilitate the often difficult transition between full-time learning and work. The opportunity to work alongside experienced staff and gain job specific skills was designed to open future career paths.

It was proposed that the scheme would be a rolling programme appointing one apprentice per year over three years to gain skills in three different sections of Housing and Communities. Part of an apprenticeship would be to study for a nationally recognised qualification – NVQ Levels 2 and 3 in Business Administration.

Full details of roles the apprentices would perform over the period they were employed by the Council were detailed in the report.

To ensure the success of the scheme, the apprentices needed to be put at the heart of the programme, with effective and appropriate support mechanisms built in.

It was proposed that a mentor would act as an advocate. Line managers within the service areas concerned would also be able to pick up on any issues in terms of performance, behaviour or attendance as soon as they emerged.

Further reported that the National Minimum Wage for an apprentice was £2.73 per hour for 16 to 18 year olds and those aged over 19 in the first year of their apprenticeship. For all other apprentices the National Minimum Wage appropriate to their age would apply.

The following table showed the current and future levels of National Minimum Wage hourly rates:-

	Apprentice	Under 18 Years Old	18 to 20 Years Old	21 Years Old and Over
From October 2014	£2.73	£3.79	£5.13	£6.50
From October 2015	£3.30	£3.87	£5.30	£6.70

Noted that the proposed financial cost of employing one apprentice per year on a three year rolling programme would be as follows:-

	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
Apprentice – Business Support	£3,703	£10,326	£6,751	£0	£0	£20,780
Apprentice – Estate Management	£0	£4,904	£11,054	£4,822	£0	£20,780
Apprentice – Property Services	£0	£0	£4,904	£11,054	£4,822	£20,780
Total Cost	£3,700	£15,230	£22,709	£15,876	£4,822	£62,340

Reported that the proposed apprenticeship scheme had been considered by the Community Scrutiny Committee at its meeting on 6 September 2015.

Whilst Members were generally supportive, there were concerns as to the level of pay which would be offered to the apprentices. It had therefore been recommended that HR should be requested to review the appropriateness of the hourly rates quoted in the report. This view was supported by the Members of the Executive.

Resolved that subject to the proposed hourly rates for apprentices being reviewed by HR as to whether they had been set at the appropriate level, the introduction of the proposed apprenticeship scheme in Housing and Communities.

48. **Financial Monitoring – Quarter 1 2015/2016**

Considered report previously circulated, which provided an update on the projected outturn financial position of the Council to the end of Quarter 1 of 2015/2016 (as at 30 June 2015).

Monitoring the budget was an important part of the Council's performance management framework. Regular scrutiny of its performance was an essential part of the Council's Governance framework.

Reported that a summary of the Council's Financial Performance at the end of Quarter 1 was as follows:-

General Fund (GF) Revenue

The overall financial position of the Council was that the GF outturn position was currently projected as a net overspend of £132,000 which was 1% above budget.

At this early stage in the year, there was only one significant variance which related to Taunton Deane Assets Income which was reporting an underachievement of income against budget.

Budgets and forecasts were based on known information and the best estimates of the Council's future spending and income through the budget monitoring process. During this process risks and uncertainties were identified which could impact the financial projections, but for which the likelihood, and/or amount were uncertain.

Reported that the risks identified through the Quarter 1 process were Fluctuation in demand for services; General Spend; Business Rates and Year End Adjustments.

General Fund (GF) Reserves

The GF reserve balance at the start of the year was £2,109,000. The 2015/2016 Budget included a one-off transfer of £105,000, and the Council approved an allocation of £222,000. If the current trend continued and the Council took no further alternative action in the year, the potential underspend of £132,000 would be transferred to this reserve, decreasing the projected balance to £1,650,000 at the end of the financial year.

Housing Revenue Account (HRA)

The current forecast outturn for the Council's Housing Revenue Account (HRA) was a surplus of £12,000 (0.05% of budget). The major underspends and overspends forecasted for the year were Rental Income; Other Income; Housing Management;

Specialist Works; Communal Areas; and Provision for Bad Debt.

Noted that the only risk identified to date was Rental Income which fluctuated due to Voids.

Housing Revenue Account (HRA) Reserves

The HRA reserves at the start of the year were £3,484,000, and the Council had approved an allocation of £776,000 for a number of initiatives and investment in services through the Outturn report in July 2015. This reduces the current budgeted balance to £2,708,000 and was forecasted to be £2,720,000 at the end of the current financial year.

Deane DLO Trading Account

At Quarter 1 the DLO was not forecasting an over/underspend/over recovery after contributing £101,000 to the General Fund. Any surplus would be transferred to the DLO trading reserve.

The Trading Account Reserves Position balance brought forward of £679,000 related to a retained trading surplus of £314,000, plus capital reserves set aside to support investment in the service.

Deane Helpline Trading Account

The Deane Helpline was forecasting a year end outturn net deficit of £80,000. There were no funds held in the Deane Helpline Trading Account Reserve.

General Fund (GF) Capital Programme

The GF approved Capital Programme for 2015/2016 was £13,582,000. This related to schemes which would be completed over the next five years. Of this, £7,575,000 was planned to be spent during the current financial year.

Housing Revenue Account (HRA) Capital Programme

The HRA approved Capital Programme for 2015/2016 was £23,459,000 of which £12,927,000 related to works on existing dwellings and £10,532,000 for the provision of new housing through development

Resolved that the report be noted.

49. Executive Forward Plan

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

Resolved that the Forward Plan be noted.

(The meeting ended at 7.05 p.m.)