

Taunton Deane Borough Council

At a meeting of Taunton Deane Borough Council held in the John Meikle Room, The Deane House, Belvedere Road, Taunton on 26 July 2016 at 6.30 p.m.

Present The Mayor (Councillor Mrs Stock-Williams)
 The Deputy Mayor (Councillor Prior-Sankey)
 Councillors M Adkins, Aldridge, Beale, Berry, Booth, Bowrah, Brown,
 Cavill, Coles, Coombes, Cossey, Davies, D Durdan, Miss Durdan,
 Mrs Edwards, Edwards, Farbahi, Mrs Floyd, Gage, Gaines,
 Mrs Gunner, Habgood, Hall, Mrs Herbert, C Hill, Mrs Hill, Horsley,
 Hunt, James, Ms Lisgo, Martin-Scott, Morrell, Nicholls, Parrish,
 Mrs Reed, Ross, Ryan, Miss Smith, Mrs Smith, Stone, Sully,
 Townsend, Mrs Tucker, Mrs Warmington, Watson, Ms Webber,
 Wedderkopp, Williams and Wren

Mrs A Elder – Chairman of the Standards Advisory Committee

Before formally opening the meeting, the Mayor asked those in attendance to observe a one-minute silence to remember those who had died or had been injured in recent terror attacks in France.

1. **Apologies**

Councillors Mrs Adkins, Mrs Blatchford, Govier, R Lees and Mrs Lees.

2. **Declaration of Interests**

Councillors M Adkins, Coles, Hunt, Prior-Sankey and Wedderkopp declared personal interests as Members of Somerset County Council. Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillor Wren declared a personal interest as Clerk to Milverton Parish Council. Councillors Gage and Stone declared prejudicial interests as Tone Leisure Board representatives. Councillor Ms Lisgo declared a personal interest as a Director of Tone FM. She also confirmed that she was no longer a member of UNISON. Councillor Beale declared personal interests as a Board Member and Director of Tone FM and as a Governor of the South West Ambulance NHS Trust. Councillor Edwards declared a personal interest as the Chairman of the Governors of Queens College. Councillor Farbahi declared a personal interest as the owner of land in Taunton Deane. Councillor Hall declared a personal interest as a Director of Southwest One. Councillor Coombes declared a personal interest as a Stoke St Mary Parish Councillor and as the owner of land at Haydon. Councillor Parrish declared a personal interest as the District Council's representative on the Somerset Pensions Committee. Councillor Mrs Hill declared personal interests as a representative on the Board of Directors of Apple FM, as a Trustee of Hestercombe House and Gardens and the Somerset Building Preservation Trust. Councillor Miss Smith declared a personal interest as a member of Refugee Aid from Taunton. Councillor Ross declared personal interests as one of the Council's representatives on the Somerset Waste Board, as a member of the Wiveliscombe Area Partnership and as a Governor of Wiveliscombe Primary School.

3. Public Question Time

- (a) Mr Chris Mann stated that he was in favour of the proposed merger of Taunton Deane and West Somerset Councils. However, he did query why the merger would need such a big investment in a new IT system.

The present management structures of the Councils in Somerset were implemented 50 years ago and where most businesses had changed out of all recognition, the Local Government structure had not. These structures were now a very expensive way of providing Council services which looked very poor value indeed.

With West Somerset, Taunton Deane had already combined a shared Chief Executive, Senior Management Team and had merged Revenues and Benefits and Electoral Services. Managing the same work in a bigger area was easy and perfectly normal. Including Sedgemoor District Council in the merger would help support the financial difficulties in West Somerset as well as help convince citizens that normal business reform was being sought.

Mr Mann went on to enquire why the Council believed the huge new risky IT project with Ignite and Civica was essential? After the failures of Taunton Deane's CSL and the Southwest One projects, it was surprising that the Council was considering entering a third one.

He did not agree at all with the suggested need for a so called case management approach negating the need for a customer to know how the system would operate and who did what. Surely multiple service delivery options and providers would conflict with value for money? There was absolutely no need to spend a fortune on developing smart phone applications. Mr Mann felt that service silos could be good because people knew where it was, who was in it and how to contact it. They were not passed to false providers. The Councillors should reject this proposal for a third sticky, out-sourcing quagmire and quietly manage it to carry out the merger with minimal external support. The merger proposal should be re-costed to include a do it yourself option and perhaps include Sedgemoor. Council areas should of course still keep their ceremonial Mayors.

- (b) Sue Leving referred to the fact that Councillors were being asked to vote on a proposed merger between two Councils, yet the Council which stood to gain most had decided to delay six weeks before making up its mind. Where was the sense in stopping the dialogue between the two Councils any sooner than necessary? Why close off your options before you needed to, especially now Sedgemoor were suddenly being asked to join the party and an announcement on Hinkley C was expected later in the week? Surely common sense dictated that the two Full Council meetings should be synchronised as originally planned?

Ms Leving went on to ask why Councillors were being asked to vote on two different things as one vote. Firstly you are being asked to vote on whether a full merger with West Somerset was a wise thing to do. Secondly, you are being asked to vote on the adoption of the High Level Business Plan.

Whether you vote 'yes' or 'no' to Option 2, you will end up agreeing the Business Plan where serious concerns as to its content had been expressed through the Councils' Scrutiny Committees. Had these concerns found their way into the Leader's new report or not?

Finally, did you really want to sign up to something which was going to cost a great deal of money, tie the Council into an un-tried software contract and, most of all, tie the electorate into a merger with a financially unviable Council with whom they had little in common based on a Business Plan of which you had had no chance to vote? I hope the answer will be no.

- (c) Phil Bisatt, UNISON asked Councillors to be particularly mindful of the recommendations of the Councils' Section 151 Officer regarding financial viability of the three Options. Ultimately the services delivered to the community and the welfare of staff and their terms of conditions were crucially dependent on the ability to come up with a financially sound option for the longer term. It appeared that Option 3 did not look to be financially sound and even if it was possible to do so, it would be very disruptive to employees working in the currently combined workforce of the two Councils. It was not clear that Option 1 for the two Councils was viable either based on the Section 151 Officer's recommendation. These views needed to be taken very seriously by Members when making their decision.
- (d) Alan Wedderkopp stated that what was being witnessed was a gargantuan mess which was the result of no-one taking responsibility for the initial mistakes and the Government shuffling off its responsibility on to others.

The mismanagement that has followed West Somerset Council since its inception was its responsibility. Taunton Deane should have told them so, but I think the administration have been blinded by a vision of absolute power and that often leads to absolute chaos. Why were the Council Tax payers of Taunton Deane paying the shared costs of West Somerset House which includes rented space, utilities as well as officer's time and travel expenses when there is ample surplus space in The Deane House? Was it anything to do with an over-charge of £300,000 in Business Rates to Hinkley Point which subsequently had to be paid back - but which had already spent on building West Somerset House? When I asked an officer over the telephone what were the costs to Taunton Deane Council Tax Payers, I was told it was too complex to explain and that a Freedom of Information request should be submitted. Really? Was that correct?

- (e) Alan Debenham referred to the biggest merger of all time in 1973/1974 when Taunton Deane Borough Council was formed following the Local Government Re-organisation. He thought that when it came to this current merger proposal one of the main factors was the identity of the new organisation. Another was democracy and he thought that this was a big argument in the recent referendum where people were saying they felt left out and not engaged any more with politics.

With the current proposals, it was likely local residents would not feel as connected to their local Council as they did now and so, on those two grounds alone, the proposed merger should be rejected.

Mr Debenham added that if change was desired, Councillors should agree to revert both Councils back to where they were. All the mergers being proposed were to do with one thing only which was cutting public services and public spending, which the Government had been hell-bent on doing ever since it got back into power. For some reason they hated public spending and, as far as Local Government was concerned, they had hacked it to pieces. The cuts in local services and Local Government was out of this world. Why you put up with this, I just do not know so please do not put up with this merger proposal.

- (f) Sam Harris referred Councillors to the report considered by the Corporate Scrutiny Committee on 11 July 2016. In the Executive Summary reference was made to the commercial approach but your administration's track record on behaving commercially was not one to be proud of in any way, shape or form.

Starting with £100,000's wastage on consultant fees for revenue of less than 1% on some £65,000,000 worth of property assets. In addition, you have a year on year loss of £37,000 on a plant nursery on Stoke Road which had cost Taunton Deane Tax Payers nearly £1,000,000 and now had only achieved agricultural value of one fifth of the original cost. There was a loss of revenue on the former Castle Green Car Park of a net of £135,000 per annum plus spending of £144,000 of taxpayers' money on the relocation of The Deane House to County Hall which had now been dropped.

Relocation of Deane DLO which was meant to give Taunton Deane a £300,000 net increase had instead cost taxpayers by £100,000's when some 85% of its workload was in Taunton adding paid commuter miles.

Could you please tell us why we should trust you in any way when you had proven to be pretty useless anyway?

As for projects that you had started but not finished, such as the ones at Firepool and the High Street, Taunton Improvement, should you not consider finishing those before you start off with an even larger project that was doomed to fail?

- (g) Paul Escott asked why Taunton Deane was deciding tonight on a recommendation to dissolve itself in order to merge with an insolvent neighbouring Council? Could I enquire how many Councillors here today put down in their manifestos or their leaflets during last May's campaign that by voting for them they would be wishing to do away with the very Council which they were seeking to get elected to? How was Taunton to be represented in the future without a Town Council and was there not a real danger that it would become the poor relation in the enlarged greater West Somerset Council?

In response, Councillor Williams stated that he would reply in writing to the various questions raised by those who had spoken.

With regard to the comments made by Mr Sam Harris, Councillor Williams Stated that he could 'wax lyrical' for a long time as to where Taunton Deane had succeeded in the past. As an example, it was a little known fact that car

park income had gone up with a lot more people coming into Castle Green which sets off a wonderful Somerset Museum. It was long proven that what the Council had done was far better than before.

4. Receipt of Petitions

(i) On behalf of Taunton Deane Liberal Democrats, Mr Gideon Amos submitted a petition/questionnaire containing 180 signatures. The petition/questionnaire asked "Should Taunton Deane Borough Council merge with West Somerset Council?"

The document made available to members of the public asked four specific questions:-

"1a. It is proposed to advance TDBC reserves of £5.7m to facilitate this merger while WSC will advance only £1.1m. Do you think that TD Council Tax Payers should agree to this?"

1b. OR Should TDBC use the £5.7m to secure jobs, promote growth, encourage investment and pay towards infrastructure requirements such as schools, health centres and transport in its own area?

2. If a merger between Councils is required to make savings, should we be allowed to decide with which Council we should merge in order to safeguard services?

3. Would you be prepared to sign a referendum from all the voters in TD on whether we should merge or not?"

(ii) A further petition containing in excess of 200 signatures organised by Councillor Steve Ross was also submitted.

The petition called upon "Taunton Deane to wait to make a decision on a merger with West Somerset Council and on other available options until September 2016. A decision should only be made on the same day as West Somerset Council to ensure that the joint process which started in March 2016 continued and was shared with West Somerset Council and any other Council that wished to become involved".

5. High Level Transformation Business Case

Considered report previously circulated, concerning the High Level Business Case which tested what Transformation could deliver to both Taunton Deane

Borough Council (TDBC) and West Somerset Council (WSC).

In March 2016, TDBC and WSC had confirmed their commitment to a core, and continuing Joint Management and Shared Services (JMASS) Partnership and authorised and prioritised work to create a high level Transformation Business Case which considered the following sequential options:-

- ONE Team supporting two Councils (TDBC and WSC);
- ONE Team supporting a merged Council (TDBC and WSC); and
- Two Councils progressing their own Transformation agendas.

The full High Level Transformation Business Case had been circulated to all Members of both Councils prior to its consideration by TDBC's Corporate Scrutiny Committee on 11 July 2016 and WSC's Scrutiny Committee on 12 July 2016.

This report set out to summarise the findings of the Business Case, to share and comment on the feedback from Scrutiny and UNISON, and to present the Leader of the Council's thinking and final recommendations on the way forward for Taunton Deane Borough Council.

It was important that Members remembered why Transformation was being looked at and not lose sight of the need for our Councils to make savings. This was essential to allow Taunton Deane to continue to invest in Growth – the Council's top priority. For West Somerset, it was clear from the Affordability Project that significant financial viability challenges remained. The subsequent approach to Government had shaped the work approved in the Mandate Report of March 2016.

The High Level Transformation Business Case was the product of the Full Council meetings in March 2016 and showed what could be delivered from Transformation in various democratic scenarios. Noted that Transformation alone would not be enough to 'balance the books' and other proposals would therefore need to be considered to enable both Councils to become sustainable over the longer term.

Reported that both Councils were facing a challenging financial future, with predicted budget gaps over the coming years as shown below:-

	2017/18	2018/19	2019/20	2020/21	2021/22
TDBC Cumulative Gap	£0.527m	£1.401m	£2.128m	£2.327m	£2.532m
WSC Cumulative Gap	£0.120m	£0.618m	£0.945m	£1.104m	£1.227m

Members needed to be clear at the outset as to the scale of change that Transformation would bring. The degree of change both required and proposed far exceeded that for JMASS Phase 1, which involved delivering the ONE Team of officers to support both Councils but did little to change attitudes, behaviours, technology, processes, systems, customer access channels nor the traditional service structures to which officers were allocated, or the governance arrangements.

Although a natural progression from JMASS Phase 1, Transformation would go far beyond this and would propose radical changes to the way in which services would be delivered in the future. It also would have direct implications for democratic representation and governance. These democratic changes would be unavoidable, even if not palatable to all Members.

The Business Case firstly looked at the implementation route to deliver the Transformation Vision, before looking at what additional savings and costs would be incurred through the alternative democratic and delivery options.

Having explored two very different implementation approaches for this vision, it was recommended to progress the “future model” approach supplemented by additional work on eliminating failure demand.

The Business Case demonstrated that the Transformation programme could deliver a major contribution to bridging the budget gap faced by both Councils. This proof of concept work had confirmed that significant annual revenue savings could be achieved through Transformation as illustrated below:-

	TOTAL £m	WSC £m	TDBC £m	<i>TDBC Gfd</i>	<i>TDBC HRA</i>
Ongoing Savings	2.6	0.4	2.2	1.5	0.7
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery	?	?	?	?	?
One-Off Costs	6.8	1.1	5.7	3.8	1.9

Key : Gfd – General Fund; HRA – Housing Revenue Account.

Confidence in the ability to deliver the savings was such that this could be built into the Councils’ Medium Term Financial Plans (MTFP’s). Going beyond this 22% saving for our MTFPs was not “safe” at this stage as further work would need to be done on the areas that had potential to deliver further savings.

Although the Transformation savings would make a contribution towards the predicted budget gaps, they would not resolve the financial challenge and, as a result, more would need to be done to achieve financial sustainability.

Further reported that the Business Case shared concepts on the commercial approach, service delivery reviews and accommodation reviews that would bring further savings. If the approach suggested was supported, further work would be done to provide assurance on these matters and the net savings could then be captured formally in the Council’s plans.

In order to achieve the Transformation savings, there was a need for significant one-off investment. This would largely be in respect of staff termination costs, additional technology to support the changes, additional support to help deliver the process and people change necessary and the programme costs of supporting the implementation of this change.

The indicative one-off costs required, on an “invest to save” basis, were projected to be:-

Total	WSC	TDBC	TDBC	}	3.5m	Staff termination and other staff costs
£	£	GF	HRA		1.2m	Technology
		£	£		1.6m	Transition/Programme costs
6.8m	1.1m	3.8m	1.9m		0.5m	People/OD
					6.8m	Total

The Business Case offered both Councils significant savings where the payback period was within acceptable “invest to save” parameters.

The High Level Business Case also explored the impact of creating a new merged Council. From due diligence work it was believed this would deliver a minimum net ongoing additional revenue saving of £551,000 per annum (in addition to the Transformation savings outlined above).

The document also shared the impact on each Council of progressing stand-alone “futures”. The Transformation savings outlined above would reduce to £1,886,000 for TDBC but the future was radically different for WSC and its community. The Financial Summary of Business Case Options was outlined as follows:-

OPTION 1	TOTAL	WSC	TDBC	<i>TDBC</i>	<i>TDBC</i>
Joint Transformation	£m	£m	£m	<i>Gfd</i>	<i>HRA</i>
Ongoing Savings	2.6	0.4	2.2	1.5	0.7
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery	?	?	?	?	?
One-Off Costs	6.8	1.1	5.7	3.8	1.9
Payback (Years)	2.59	2.59	2.59	2.59	2.59

OPTION 2	TOTAL
Merged Council	£m
Ongoing Savings	3.1
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery	?
One-Off Costs	7.1
Payback (Years)	2.29

OPTION 3		WSC	TDBC	<i>TDBC</i>	<i>TDBC</i>
Stand Alone Futures		£m	£m	<i>Gfd</i>	<i>HRA</i>
Ongoing Savings		To Meet MTFP	1.9	1.3	0.6
Further potential savings: - Commercialism - Accommodation - Growth		-	?	?	?

- Service delivery					
One-Off Costs		Unknown	6.7	4.5	2.2
Payback (Years)		-	3.5	3.5	3.5

Reported that the High Level Transformation Business Case had been subject to an external assurance review by Local Partnerships (a company that was jointly owned by HM Treasury and the Local Government Association). A copy of its findings had been circulated to all Councillors.

The review had concluded that the Business Case was at “Green Status” which broadly meant the company was confident in the approach taken, the assumptions made and its deliverability. A number of areas had been identified where more work was required and this would be picked up as part of implementation planning.

The Local Partnerships’ report posed the following two key questions for Members to reflect upon when considering the recommendations in the report:-

- Given the recommendations in the Bill Roots report, which of the options reassured Members about the medium-term financial viability of the Councils?
- Given the earlier meeting with the Department for Communities and Local Government (DCLG) Minister, how would whatever option chosen be received by Ministers?

The Business Case clearly set out the financial implications of the three sequential variants and showed the potential savings that could be achieved. Detailed Funding Plans had now been developed by the Finance Team and these were fully set out in the report and were reflected in the recommendations.

Further reported the views of the Councils’ Section 151 (S151) Officer, Shirlene Adam. In her view, the financial opportunity offered to each Council by the options in the Business Case was clear and the funding proposals contained in the report were deliverable.

From a purely financial perspective, the optimum option in the Business Case was clearly Option 2. This would deliver minimum additional ongoing savings of over £500,000 per annum for the combined community of Taunton Deane and West Somerset. There were other issues to consider, and the resource equalisation issue would be important.

It was also important that Members did not “over focus” on resources (New Homes Bonus (NHB) and Business Rates) that were currently under policy review by the Government. The Councils’ could not assume that the existing NHB income stream, or the existing Business Rates income rules would continue to apply moving forward. However, the £500,000 ongoing savings was certain and could be built into the MTFP.

The key issues which the Section 151 Officer had recommended should be considered were:-

Option 1 – Joint Transformation	
TDBC	WSC
<p>This would deliver ongoing savings of £2,200,000 across the General Fund (GFd) and Housing Revenue Account (HRA). There was potential for further savings above this level to be achieved from work on driving out failure demand.</p> <p>The funding proposal would leave GFd Reserves above the minimum level and considerable NHB resources to progress ambitions.</p> <p>The remaining budget gap would require focus and strong leadership to resolve, but the S151 Officer was confident there was sufficient capacity within the Councils spending plans and income capability for this to be achieved.</p>	<p>This would deliver ongoing savings of £400,000. There was potential for further savings above this level to be achieved from work on driving out failure demand.</p> <p>The funding proposal would leave GFd Reserves at minimum level and little financial capacity to deal with risk.</p> <p>The remaining budget gap would be a significant challenge for the Council. Based on the S151 Officer's knowledge of the financial position of the Council, and of the limited existing plans for achieving financial sustainability, there were serious concerns on the Council's ability to deliver this over the medium term. This aligned with the concerns shared in the conclusion of the Bill Roots report.</p> <p>Members would therefore need to seriously consider the ability for the Council to meet the budget gap (post Transformation) and commit to deliver a plan to achieve sustainability over the next few months.</p> <p>The S151 Officer would need to make a further assessment of the 'going concern' status of the Council as next year's budget was set, and as the Statement of Accounts for 2016/2017 was signed off.</p> <p>Should robust plans not be agreed and in place to achieve the further savings by this point then there would be a need for formal intervention under the Local Government Finance Act 1988.</p>
Option 2 – Merged Council	

This would deliver ongoing savings of £3,100,000 across the communities currently served by TDBC and WSC. There would be potential for further savings above this level to be achieved from work on driving out failure demand. There was also potential for further savings (cash and efficiencies) to be driven out from the staffing structure arrangements (as less would be needed to support One Council).

The remaining budget gap for the new merged Council (post Transformation and post-merger) would be significant, and would require focus and strong leadership to resolve. The scale and capacity of the new Council meant the S151 Officer was confident there were sufficient choices within the new Councils' budget and income generating capability for this to be achieved.

Option 3 – Stand Alone Futures

The Business Case was modelled on the working assumption that any exit would be triggered by a mutual decision to end the partnership. Even under this assumption there would be serious issues to consider regarding each Councils' ability to continue delivering services to the public and the financial challenge potentially created by the TUPE outcome. A mutual decision would impact – financially and operationally – for both Councils.

Any formal contractual termination would bring additional costs on the Councils forcing the end of the partnership, as well as potentially creating a delay to progress, due to dates for termination being fixed in the agreement.

The impact on Statutory Officers should a termination be triggered (mutual or otherwise) would be significant and arrangements would need to be put in place to ensure that each Council had access to independent advice immediately.

TDBC	WSC
<p>In addition to the termination issue flagged above, the Council would pick up additional one-off costs of around £1,000,000 as the Transformation costs would not reduce significantly under the stand-alone model. This would need to be funded from either NHB reserves or require a higher target for asset sales.</p> <p>This option would deliver ongoing savings of £1,900,000 across the GFd and HRA. There would be potential for further savings above this level to be achieved from work on driving out failure demand.</p> <p>The funding proposal would leave GFd Reserves above the minimum level and considerable NHB</p>	<p>The outcome from Option 3 was described in terms of what it would mean for the community.</p> <p>The down-sizing required to achieve this result was considerable and strong leadership would be required.</p> <p>The Council would need to develop plans to put the changes in place over the short-term – sufficient to meet the budget challenge over the medium term.</p> <p>The S151 Officer would need to make a further assessment of the 'going concern' status of the Council as next year's budget was set, and as the Statement of Accounts for 2016/2017 was signed off.</p>

<p>resources to progress ambitions.</p> <p>The remaining budget gap would require focus and strong leadership to resolve, but the S151 Officer was confident there would be sufficient capacity within the Council's spending plans and income capability for this to be achieved.</p>	<p>Should robust plans not be agreed and in place to achieve the further savings by this point then there would be a need for formal intervention under the Local Government Finance Act 1988.</p>
--	--

The S151 Officer also drew attention to the questions posed at the end of the Assurance Review report (see above).

The first question was answered in the comments made in the above table. Option 2 offered the strongest financial outcome from the three options in the Business Case. Although the future financial situation had to be taken into account, sustainability and viability also needed to be borne in mind.

The second question was one for Members to consider. The DCLG Minister for Local Government, Marcus Jones, remained in post following the recent refresh of the Cabinet. He had made it quite clear at the meeting with the Council Leaders earlier in the year that merger was his preference and he was prepared to listen and assist further if the Councils proceeded in this direction. There was clearly therefore an opportunity to open up fresh dialogue with the Government should Option 2 be the Councils' preferred option.

The report also detailed the Legal implications which arose from the High Level Transformation Business Case some of which would need to be addressed (potentially in different ways) in all of the options. These implications related to:-

- Contractual/Procurement Implications;
- Governance and Standards Arrangements;
- Operating More Commercially;
- Inter Authority Agreement;
- Council Merger;
- Brexit; and
- General Matters.

Noted that there were numerous legal implications associated with each of the options outlined in the High Level Transformation Business Case. When the preferred option had been determined, the legal implications would form a key element of the Transformation Implementation Programme.

The Business Case had been considered by TDBC's Corporate Scrutiny Committee on 11 July 2016 and the key discussion points were submitted in detail.

The meeting had concluded with the majority of the Committee supporting the need to transform and a number of Members expressed a view for Option 2 –

a merger. A public referendum option was tabled but did not receive a majority vote. There were no formal recommendations agreed from this meeting for Full Council to consider.

WSC's Scrutiny Committee had also considered the Business Case at its meeting on 12 July 2016. Again, details of the key discussion points were submitted for the information of Members.

The meeting concluded with only one Member expressing a view – that Option 3 should not be considered for WSC. There were no formal recommendations from this meeting for Full Council to consider.

In terms of consultation with UNISON, a copy of the Business Case had been provided to the Union in advance of publication to Members.

UNISON had attended both Scrutiny meetings and shared their initial concerns with those Committees. Consultation and engagement would continue as the Business Case implementation plans were developed.

UNISON had also been asked to consider the recommendations in the report and provide Councillors with any further comments.

The Leader of the Council, Councillor Williams, reported that WSC had agreed to defer a decision on this matter until a special Full Council meeting on 7 September 2016. This was to allow the WSC Leader further time for debate with Members.

Councillor Williams stated that it was clear that Transformation was an essential part of the future and therefore implementation therefore needed to be progressed as quickly as possible. This would deliver considerable savings for the community and any delay would have an opportunity cost.

Whilst Option 1 would deliver a Transformed future, this was unlikely to leave a sustainable future for WSC. Therefore Option 1 was not an option that could be recommended as WSC's short to medium term viability and sustainability was seriously in question.

It was however clear that Option 2 offered the optimum way forward for the local community, delivering an additional minimum £500,000 savings per year (totalling £3,100,000 savings per annum for both communities) and operational efficiencies. Whilst it was recognised that Option 2 required TDBC to give up its sovereignty, Councillor Williams believed that this was the right thing to do in the best interests of the combined communities.

Councillor Williams went on to propose the recommendation that TDBC should agree to progress Option 2. Having ruled out Option 1 due to sustainability, should WSC feel unable to support Option 2 at its meeting on 7 September 2016, then that would regrettably leave Option 3 as the only viable and reasonable option for TDBC to deliver Transformation and to ensure the Council could continue to deliver vital front-line services to the Taunton Deane community.

(i) Moved by Councillor Coles, seconded by Councillor Ross:-

“That in order to facilitate Members with sufficient time to fully consider all available options in an aligned timescale with that now being followed by West Somerset Council, consideration of the following recommendations be deferred until a special meeting of Full Council, to be convened on or as soon as possible after 7 September, 2016”.

In accordance with Standing Order 18(2)(a), the Mayor called for a formal roll call of votes to be taken and recorded in the Minutes.

The amendment was put and was lost with eighteen Councillors in favour, thirty two against and one abstaining, as follows:-

Yes	No	Abstain
Councillor Aldridge	Councillor Beale	Councillor M Adkins
Councillor Booth	Councillor Berry	
Councillor Coles	Councillor Bowrah	
Councillor Farbahi	Councillor Brown	
Councillor Mrs Floyd	Councillor Cavill	
Councillor Gaines	Councillor Coombes	
Councillor Mrs Hill	Councillor Cossey	
Councillor Horsley	Councillor Davies	
Councillor Ms Lisgo	Councillor D Durdan	
Councillor Morrell	Councillor Miss Durdan	
Councillor Nicholls	Councillor Mrs Edwards	
Councillor Prior-Sankey	Councillor Edwards	
Councillor Ross	Councillor Gage	
Councillor Miss Smith	Councillor Mrs Gunner	
Councillor Mrs Smith	Councillor Habgood	
Councillor Stone	Councillor Hall	
Councillor Wedderkopp	Councillor Mrs Herbert	
Councillor Wren	Councillor C Hill	
	Councillor Hunt	
	Councillor James	
	Councillor Martin-Scott	
	Councillor Parrish	
	Councillor Mrs Reed	
	Councillor Ryan	
	Councillor Mrs Stock-Williams	
	Councillor Sully	
	Councillor Townsend	
	Councillor Mrs Tucker	
	Councillor Mrs Warmington	
	Councillor Watson	

	Councillor Ms Webber	
	Councillor Williams	

(ii) Moved by Councillor Coles, seconded by Councillor Horsley:-

“That paragraph 2.2 of the Recommendations contained in the report be altered to read:-

“In the event of West Somerset Council not agreeing to Option 2 (Merged Council) at its meeting on 7 September 2016, that the High Level Business Plan be brought back to Full Council for further consideration”.

The amendment was put and was lost.

(iii) Moved by Councillor Coles, seconded by Councillor Miss Smith:-

“(a) That paragraph 2.1 of the Recommendations contained in the report be deleted in total and replaced with the following:-

“2.1 That Taunton Deane Borough Council agrees to progress Option 1 (Joint Transformation) described in the High Level Transformation Business Case”;

(b) That the existing paragraph 2.2 of the Recommendations contained in the report be replaced with a new paragraph 2.2 which set out the financial details required for Option 1 to be delivered; and

(c) That the existing paragraph 2.2 of the Recommendations contained in the report be re-numbered as paragraph 2.3 and amended to read as follows:-

“In the event of West Somerset Council not agreeing to Option 1 at their meeting on 7 September 2016 - then as a consequence, Option 3 will be progressed. It is recommended that the additional funding requirement of £776,000 is approved (£517,000 from the General Fund funded from “assets for sale” (underwritten by New Homes Bonus) and £259,000 from the Housing Revenue Account – funded from reserves including unallocated capital). The updated savings would be reflected in the Medium Term Financial Plan”.

The amendment was put and was lost.

In accordance with Standing Order 18(3), Councillors Booth, Coles, Farbahi, Mrs Floyd, Gaines, Horsley, Ms Lisgo, Nicholls, Ross, Miss Smith, Mrs Smith and Wedderkopp all asked for their votes in favour of the amendment to be recorded in the Minutes of the meeting.

(iv) Moved by Councillor Coles, seconded by Councillor Miss Smith:-

“That paragraph 2.1 (a) of the Recommendations contained in the report be amended by the deletion of the words “of £3,100,000”.

The amendment was put and was lost.

(v) Moved by Councillor Coles, seconded by Councillor Horsley:

“That paragraph 2.1 (b) of the Recommendations contained in the report be amended to include the words “after 7 September 2016” to follow the words “That the Leader”.

The amendment was put and was lost.

In accordance with Standing Order 18(3), Councillors Coles and Horsley asked for their votes in favour of the amendment to be recorded in the Minutes of the meeting.

(vi) Moved by Councillor Horsley, seconded by Councillor Miss Smith:-

“That paragraph 2.1 (b) of the Recommendations contained in the report be amended to include the following words at the end of the paragraph “only after West Somerset Council had voted on the options and Sedgemoor District Council had confirmed its involvement in the process and that involvement had been considered by both the Corporate Scrutiny Committee and Full Council”.

The amendment was put and was lost.

(vii) Moved by Councillor Coles, seconded by Councillor Farbahi:-

“That paragraph 2.1 (c) of the Recommendations contained in the report be amended by the inclusion of the following sentence after the existing first paragraph:-

“All “assets for sales” in excess of £150,000 in the programme below whether for the General Fund or the Housing Revenue Account share of the implementation costs to be scrutinised by the Corporate Scrutiny Committee and/or the Corporate Governance Committee with their recommendations being sent on to Full Council.”

The amendment was put and was lost.

(viii) Moved by Councillor Coles, seconded by Councillor Horsley:-

“That the seventh ‘bullet point’ of paragraph 2.1 (c) of the Recommendations contained in the report be amended to read as follows:-

“Using £1,218,000 of New Homes Bonus (NHB) funding only after a full risk assessment had been carried out and scrutinised by both the Corporate Governance Committee and the Corporate Scrutiny Committee to ensure the Growth Plan was secure”.

The amendment was put and was lost.

(ix) Moved by Councillor Coles, seconded by Councillor Farbahi:-

“That the eighth ‘bullet point’ of paragraph 2.1 (c) of the Recommendations contained in the report be amended to read as follows:-

“Progressing “assets for sale” to the target sum of £1,758,000 (underwritten by New Homes Bonus) only after a full review was undertaken and the method of disposal (secret tender, public auction, expression of interests etc.) was clearly understood after the Corporate Scrutiny Committee had scrutinised the process and made further recommendations to Full Council”.

The amendment was put and was lost.

(x) Moved by Councillor Coles, seconded by Councillor Farbahi:-

“That the last ‘bullet point’ of paragraph 2.1 (c) of the Recommendations contained in the report be amended to read as follows:-

“Progressing “assets for sale” to the target sum of £1,160,000 (underwritten by Housing Revenue Account Reserves) only after a full review was undertaken and the method of disposal (secret tender, public auction, expression of interests etc.) was clearly understood after the Corporate Scrutiny Committee had scrutinised the process and made further recommendations to Full Council”.

The amendment was put and was lost.

Following consideration of the above amendments, a lengthy discussion on the substantive recommendations then took place.

During the debate, Councillor Morrell proposed a Motion in accordance with Standing Order 5(1)(b) to defer consideration of the recommendations. This was seconded by Councillor Aldridge.

The Motion was put and was lost.

In accordance with Standing Order 18(2)(b), the Mayor called for a formal roll call of votes to be taken in respect of the substantive recommendations and recorded in the Minutes.

The substantive recommendations, which were detailed below, were put and were carried with thirty two Councillors in favour, sixteen Councillors voting against and two abstaining.

Resolved that:-

(1) It be agreed that Taunton Deane Borough Council progressed Option 2 (Merged Council) described in the High Level Transformation Business Case and that the following be approved:-

(a) That, on the basis of the potential savings contained within the Joint Management and Shared Services Phase 2 - High Level Transformation Business Case, the implementation of Option 2 (Merged Council) delivering a shared Transformation Vision for both communities and ongoing annual savings of £3,100,000 for the community represented by the newly formed Council be supported.

(b) That the Leader of the Council (Councillor Williams) be authorised to commence discussions with the Secretary of State and the Local Government Boundary Commission for England concerning the proposed merger and that officers be authorised to implement the proposals in Option 2 in accordance with the financial targets and timeline as set out within the Joint Management and Shared Services Phase 2 - High Level Transformation Business Case, with the financial targets to be included in the Council's budgets and Medium Term Financial Plans.

(c) That the necessary respective financial approvals be hereby agreed to fund the Taunton Deane Borough Council share of Implementation Costs of Transformation totalling £5,966,000 as set out in the Finance/Resource Implications section of the report.

For Taunton Deane Borough Council to fund their General Fund share of the implementation costs (£3,982,000) by:-

- A supplementary estimate from General Fund Reserves of £200,000;
- Using Joint Management and Shared Services Reserves of £180,000;
- Using Southwest One Exit Funds already set aside for technology replacement of £137,000;
- Using unallocated Capital Resources of £46,000;
- Directing £153,000 of 2016/2017 in-year revenue savings towards this;
- Using "returned" Earmarked Reserves totalling £290,000;
- Using £1,218,000 of New Homes Bonus Funding – and making the necessary reprioritisation to the Growth Plan; and
- Progressing "assets for sale" to the target sum of £1,758,000. (underwritten by New Homes Bonus);

For Taunton Deane Borough Council to fund their Housing Revenue Account share of the implementation costs (£1,984,000) by:-

- Using unallocated Capital Resources of £324,000;
- Using agreed revenue resources for transformation of £500,000;
- Progressing "assets for sale" to the target sum of £1,160,000 (underwritten by Housing Revenue Account Reserves); and

(2) In the event of West Somerset Council not agreeing to Option 2 (Merged Council) at its meeting on 7 September 2016 - then as a consequence, Option 3 (Stand Alone Futures) would be progressed, with approval of the additional funding requirement of £776,000 (£517,000 from the General Fund funded from “assets for sale” (underwritten by New Homes Bonus) and £259,000 from the Housing Revenue Account – funded from Housing Reserves Account Reserves including unallocated capital). The updated savings to be reflected in the Medium Term Financial Plan.

Yes	No	Abstain
Councillor M Adkins	Councillor Aldridge	Councillor Martin-Scott
Councillor Beale	Councillor Booth	Councillor Wren
Councillor Berry	Councillor Coles	
Councillor Bowrah	Councillor Farbahi	
Councillor Brown	Councillor Gaines	
Councillor Cavill	Councillor Mrs Hill	
Councillor Coombes	Councillor Horsley	
Councillor Cossey	Councillor Ms Lisgo	
Councillor Davies	Councillor Morrell	
Councillor D Durdan	Councillor Nicholls	
Councillor Miss Durdan	Councillor Prior-Sankey	
Councillor Mrs Edwards	Councillor Ross	
Councillor Edwards	Councillor Miss Smith	
Councillor Gage	Councillor Mrs Smith	
Councillor Mrs Gunner	Councillor Stone	
Councillor Habgood	Councillor Wedderkopp	
Councillor Hall		
Councillor Mrs Herbert		
Councillor C Hill		
Councillor Hunt		
Councillor James		
Councillor Parrish		
Councillor Mrs Reed		
Councillor Ryan		
Councillor Mrs Stock-Williams		
Councillor Sully		
Councillor Townsend		
Councillor Mrs Tucker		
Councillor Mrs Warmington		
Councillor Watson		
Councillor Ms Webber		
Councillor Williams		

(The meeting ended at 11.36 p.m.)