

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 6 February 2017 at 6.30 p.m.

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

Mrs A Elder – Chairman of the Standards Advisory Committee

1. Apologies

Councillors Mrs Adkins, Bowrah, Mrs Floyd, Govier, Martin-Scott, Nicholls, Ms Webber and Wren.

2. Minutes

The Minutes of the meeting of Taunton Deane Borough Council held on 13 December 2016, copies having been sent to each Member, were signed by the Mayor.

3. Communications

The Mayor reported that Councillor Horsley had submitted to her a letter of apology for Councillor Williams. The Mayor stated that she would hand Councillor Williams the letter at the end of the meeting.

4. Borough Council By-Election – 15 December 2016

The Democratic Services Manager, on behalf of the Returning Officer, reported that Ross Longhurst Henley of 20 Trinity Close, Wellington had been elected to the vacancy in the Blackdown Ward.

5. Declaration of Interests

The Mayor (Councillor Mrs Stock-Williams) declared a prejudicial interest in agenda item No. 8, as the Town Council's appointee to the Board of Governors of Wellington School. Councillor Edwards also declared a prejudicial interest in item No. 8 as the Chairman of the Governors of Queens College, Taunton. Both Councillors left the meeting during the consideration of the Motion. Councillor Mrs Tucker declared a personal interest in item No. 8 as an employee of Taunton School. Councillors Berry and Ross, as Members of the Somerset Waste Board, declared prejudicial interests in Agenda item No. 9 and left the meeting during its consideration. Councillor

Mrs Warmington declared a personal interest in agenda item No. 10 due to her close links with Avon and Somerset Constabulary.

Councillors M Adkins, Coles, Henley, Hunt, Prior-Sankey and Wedderkopp declared personal interests as Members of Somerset County Council. Councillors Mrs Adkins, Brown, Cavill, Gaines, Hunt, James, Mrs Reed, Ross, Mrs Stock-Williams, Townsend, Mrs Warmington and Watson all declared interests as Members of Town or Parish Councils.

6. **Public Question Time**

Mrs Dorothea Bradley asked the following questions:-

(1) Change is upon us. The General Election and 'Brexit' votes tell us the Liberal Left understanding or story of reality is broken. "Pink think" is finished. It does not deliver for many of us or accord with our experience of reality.

It is the job of our Councillors to give the lead in finding a new story, of re-inventing ourselves, our structures, our ways of doing things, our places - in particular Taunton. Please will more Councillors engage with the many interested and able people in Taunton and get thinking about a story for Taunton that reflects its unique identity and characteristics - its history, its situation, its scale, its quirkiness and recognise the changes in office working and shopping and the move to the sociability of urban living and the need for identity.

This requires greater density of buildings and people within a ten minute walk of theatre, concerts, art and cafes to make them all viable. As a start may I ask the Councillors all to visit Poundbury for ideas.

With regard to agenda item No. 8, education is a major player in our local economy. This motion looks like a regression to C19th Marxism, socialist spite and envy all dressed up as virtue signalling. It is exactly the petty party politicking that exasperates Councillors. It discredits the Council.

I do not dismiss Labour as all parties have got to re-invent themselves with a bottom up in place of a top down approach to life.

(2) The recent dismissal of the application for Judicial Review cost the Council in the region of £38,000. Did the 13 Councillors concerned not act in breach of their duties as trustees for Taunton Deane? Merger is a necessity and with Sedgemoor too to become Somerset West. Please will the Executive recover this sum from those Councillors' allowances?

In response, Councillor Williams thanked Mrs Bradley for her statement /questions. He promised her a written response, if appropriate.

7. **Motion – Demonstrating Public Benefit – Independent Schools**

Moved by Councillor Ross, seconded by Councillor Ms Lisgo.

“This motion is a means to facilitate a voluntary agreement in which local Independent Schools and Taunton Deane Borough Council innovate to jointly deliver and demonstrate the local charitable public benefit of the schools, while ensuring schools whose public benefit is not commensurate with the Business Rates Relief they receive from this Council are scrutinised and challenged.

The following motion recognises that the charitable status and unique global perspective of our Independent Schools as international businesses has a key role to play in the growth agenda of Taunton Deane and in improving the lives and outlook of local people.

1. From February 2017, and annually in February thereafter, it will be the policy of this Council to invite Taunton Deane’s Independent Schools who receive Business Rates Relief to each make a donation equivalent to 10% of their mandatory Business Rates Relief to a fund to be held by the Community Council for Somerset.
2. The fund will be established for educational, environmental and recreational initiatives towards health and well-being in Taunton Deane. 50% of that fund will be targeted at projects within the Taunton Deane Priority Areas, projects to be considered on a criteria prepared by a Public Benefits Panel, comprising of representatives of the schools and the Council’s Voluntary and Community Sector (VCS) Grants Panel.
3. The Council will additionally invite the Independent Schools to provide volunteer resourcing and support to the One Teams in Taunton East, North Taunton and Wellington and to specific service providers in the rural areas, by jointly offering and organising 25 days per year, each day for 30 young people who are tenants of Taunton Deane Borough Council.
4. It will be the policy of this Council to support and endorse the formal Public Benefit Statements of schools in receipt of Business Rates Relief and participating in the initiatives above, to ensure that they are able to clearly evidence to the Charity Commission and the Courts the public benefit our community derives from their operation in our area and their status as charities.
5. From February 2017, Independent Schools in receipt of mandatory Business Rate Relief will be required to provide a detailed report of public benefit for the previous calendar year with their application for mandatory Business Rates Relief to be eligible to receive that relief from Taunton Deane Borough Council. This must be considered by the Council’s VCS Grants Panel, who must report to the Corporate Scrutiny Committee on the levels of public benefit the organisations offer and the amount of relief given.
6. If in the opinion of the VCS Panel and the Corporate Scrutiny Committee a charity fails to demonstrate public benefit the Chairman of Scrutiny will recommend that the Chief Executive writes to the trustees

and the Charity Commission to address issues and report to the Section 151 Officer, who must consider responses to assess whether the trustees are offering public benefit and whether mandatory relief can be still applied.

7. This Council will write to the Prime Minister, Department of Communities and Local Government, the Local Government Association and the Charity Commission to request that the Government changes the law to describe Discretionary and Mandatory Relief to charities as 'Public Benefit Relief' to recognise and distinguish its special status in allowing charities to give public benefit".

The following amended motion was proposed by Councillor Williams, seconded by Councillor Beale:-

- “(1) That the control and verification of Charitable Status remains with the Charities Commission as the proper body authorised to carry this out;
- (2) That we set up a forum of four Members (Two Conservatives, One Liberal Democrat, One Independent or Labour) to meet at least six monthly intervals to review progress for the year and receive any ideas from the wider Membership of Taunton Deane as to how community benefits may be increased and extended; and
- (3) That this Council applauds and recognises the huge contribution already made to our local economy and the great work already done in providing community benefits. It further welcomes the willingness of all the major Independent Schools to engage voluntarily in investigating even greater involvement.”

The amended motion was put and was carried.

The substantive motion was then debated.

The following amendment was proposed by Councillor Ms Lisgo, seconded by Councillor Coles:-

“That part (2) of the substantive motion should read as follows:-

That we set up a forum of Members (Two Conservatives, One Liberal Democrat, One Independent and One Labour) to meet at least six monthly intervals to review public benefit for the year and receive any ideas from the wider Membership of Taunton Deane as to how public benefit may be increased and extended;”

The amendment was put and was lost.

The substantive motion was put and was carried.

8. **Loan to Somerset Waste Partnership for Vehicles to support the New Operating Model**

Considered report previously circulated, concerning the request for a further loan from the Somerset Waste Partnership for the purchase of new vehicles.

Back in September 2014, Full Council approved a loan of £3,500,000 to enable the Somerset Waste Partnership to purchase new vehicles as part of a rolling programme, through the purchasing power of Kier.

This loan had not been drawn down until 1 August 2016 and was split between Taunton Deane and South Somerset District Council. Taunton Deane's resulting share was £1,567,000. The term of the loan was seven years at a fixed rate of 2.22% (1% above Public Works Loan Board (PWLB) rate at the time).

The Council had now been approached for a further loan in relation to new vehicles which would be required by the Waste Partnership for the New Operating Model.

Somerset Waste Partnership was seeking to borrow £17,500,000 over a seven year period, paying back both principal and interest on an annual basis. This borrowing had been proposed to be spread across the five district partners of the Waste Partnership in equal proportions. At this stage, Somerset County Council was not proposing to be one of the lenders. Taunton Deane's share would equate to 20% or £3,500,000 at a fixed rate of PWLB plus 1%. Noted that as a guide, as at 28 December 2016 this had given a rate of 2.18% for a seven year loan.

The start date of the loan would be approximately September 2017 and the interest rate would have to be calculated again at this time to ensure that the rate to be received was current. The "surplus" that the 1% equated to would stay the same.

Providing the loan alongside other capital commitments within the Capital Programme was affordable and an annual cashflow of repayments would serve to replenish cash balances.

Reported that repayment of the principal amount of an average £500,000 each year would form a capital receipt which would replenish the unallocated capital, and it was proposed to 'set aside' this capital receipt to offset the capital financing of the loan advance. This meant there would be no revenue impact for the loan principal amount.

The loan would generate interest receipts in the region of £286,125 over the seven year period. However, if external borrowing was required the "surplus" to the Council would only be the 1% premium which would be £131,000.

Further reported that this matter had been discussed at the meeting of the Corporate Scrutiny Committee on 25 January 2017 and details of the main issues raised were submitted. A recommendation to Full Council to approve the loan in principle was however supported.

Resolved that:-

- (a) A £3,500,000 loan in principle to the Somerset Waste Partnership be approved;
- (b) The associated capital budget requirement be incorporated in the 2017/2018 Capital Programme; and
- (c) The Leader of the Council and the Section 151 Officer be granted delegated authority to agree full terms and conditions with the Somerset Waste Partnership in line with the principles contained in the report.

9. **The Deane House Accommodation Project**

Considered report previously circulated, concerning a project to fully refurbish The Deane House as the Council's main headquarters location and to let surplus space to third party organisations in order to offset some of the Council's costs.

The Deane House had been built in 1987 and other than some minor internal changes and day to day repairs, it had had little refurbishment since then.

Whilst the building was structurally sound and robust, many of its components and infrastructure including its mechanical and electrical systems were coming to the end of their natural life.

The internal configuration and finish of the building was tired and outdated, and it provided poor quality and frequently inadequate and uncomfortable accommodation for staff and other users. The building was also now too large for the Council's current requirements.

Consequently the building now needed significant investment and without this, the Council ran the risk of the building becoming unfit for purpose and incurring increasing unplanned maintenance costs.

Reported that the future of The Deane House as Taunton Deane's administrative base had been debated on previous occasions culminating in the selection of two preferred options:-

- (1) A move to County Hall; or
- (2) A new build at Firepool.

A detailed feasibility study of these options had subsequently been undertaken and Full Council decided in August 2014 (Minute No 5) that County Hall was the preferred option. At the time, the key features that were found attractive by the Council were the cost for occupying a much smaller footprint and the ability to work more closely with other public sector partners to deliver face to face interaction at one "hub" location.

Unfortunately whilst progression of this option was underway, a comprehensive accommodation offer from Somerset County Council was changed for affordability reasons resulting in its attractiveness to the Council being substantially reduced.

Reported that since then the Project Team had been ‘taking stock’ of the options that appeared to be available including the option to remain in The Deane House.

The proposal now suggested was to pursue the ‘sharing route’, with occupation by Avon and Somerset Police as our first co-occupiers. The objective of this process has been to look to ways to remain in The Deane House but offset some of the Council’s costs. This was distinct from looking for purely the cheapest option as this route would not necessarily fulfil the following list of non-financial criteria which had been ranked by Members.

The project as now proposed would fulfil many of these criteria:-

Criteria	Rank
Asset Retention	1
Premises that are able to change as the authority changes	2
Opportunities to add value by close working or shared / integrated services with other partners	2
Improvement in Environmental Sustainability	4
Location within Taunton	4
Make sense of the public purse / taxpayers (public perception)	4
Supporting the regeneration of Taunton	7
Deliverable in the next 3 years	8

Whilst the report considered a significant investment in its office accommodation, the Council was underway with a wide and ambitious Transformation Programme. The accommodation solution was just one part of the wider change agenda which also included better IT enablement, a new Customer Access Strategy and more agile and flexible ways of working for staff.

Other organisations which had chosen to rationalise their office accommodation had at the same time incorporated new ways of working. Locally, these included Somerset County Council, Mendip District Council and Sedgemoor District Council.

The outcome of introducing these new ways of working was to reduce the amount of office space provided, utilising the fact that desk spaces were occupied on average only on a 60% basis. These programmes were often described as “Smart Office”.

Some Authorities had then sought to share accommodation with other public and community sector colleagues in order to minimise overhead costs. This sharing had brought the additional significant benefit of closer working between organisations and improved access for customers by introducing ‘One Stop-Shop’ approaches.

The recent experience of creating new Smart Office type accommodation at the new Deane Depot in Wellington had been well received and the new premises had, and would be a very tangible catalyst for further change in

these services. Whilst The Deane House Project would be just a part of the Council's Transformation Programme it would be really important as a very visible symbol to staff and others that the way the Council worked would radically change in the future.

Any potential new Council created for the Taunton Deane and West Somerset areas, would have an opportunity to consolidate head office accommodation and use all new Council assets more flexibly to balance service delivery efficiency with commercial interests. A refurbished 'Deane House' would provide greater opportunities to support such flexibility.

As for the current West Somerset Council's accommodation at Williton, a project was currently underway to relocate the local Police Station and enquiry office into the Council offices along with extending the occupation of the building by Somerset County Council by the inclusion of the local Library and Registrar's services and an additional third party tenant.

Further reported that the fact that the Council had not had certainty on its accommodation solution for a number of years meant that an absolute requirement to make a decision on the way forward was now paramount. A backlog of works and components reaching their end of life meant that the Council had to act or risk unplanned expenditure and potential service disruption.

Therefore, making the final decision to remain at The Deane House would inevitably result in the requirement for substantial investment in the building.

Doing nothing was not considered to be an option. The opportunity to share with the Police to help mitigate overall costs was also only available to the Council now.

The commercial opportunity to let further space to others in due course would be much improved by being able to practically demonstrate the decision had been made and tangible evidence of design and work progressing would improve our ability to attract new tenant interest.

The current proposal to share accommodation with the Police, potentially from April 2018, would mean that the Council would have additional surplus space to let within the building.

Although surplus space in The Deane House was a commercial risk, noted that positive dialogue was continuing with a range of other organisations, even without any formal marketing being undertaken to date.

Reported that the refurbishment of The Deane House would be a full refurbishment of the whole building and would include Mechanical and Electrical replacement, windows, fittings and repairs to the roof and lift. The project would essentially strip out all partitioning within the building to create a more open plan environment, with new furniture and IT infrastructure.

The appendices to the report provided indicative area plans for the ground, first and second floors showing the area that the Police would occupy and

how the building could be split between the Council, the Police and other tenants.

The work programme would be on a two stage Design and Build open book contract with contractors selected via the Southern Construction Framework. Pre-construction detailed design would commence in February 2017 with onsite construction to start in June 2017. The works would be broken up into phases and would start with the area identified for Avon and Somerset Police, with potential handover in December 2017. It was hoped the Council would take possession of its parts of the building by June 2018.

During the refurbishment, The Deane House would remain fully functional for staff, Members and customers. Staff would be required to relocate around the building whilst the refurbishment works were underway, which would require a sequencing plan to allow for clear access to the Police wing where on-site construction would start first.

During the discussion of this issue, it was **resolved** that the press and public be excluded from the meeting to allow Members to consider the confidential financial appendix as it contained exempt information as defined in paragraph 3 of Part 1 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 appendix was a detailed financial appraisal of the proposal. From this it could be seen that the inclusion of rental income from the Avon and Somerset Police would reduce the impact on the Council's Medium Term Financial Plan in relation to the impact of the projected backlog and refurbishment costs of The Deane House. Despite the relatively long payback period of the one off costs of the work, it would secure additional life of the building by at least another 25 years.

The Police would occupy a substantial amount of space, but there would be substantial further potential space for other partners to occupy to increase the Council's income. However, the Council would only require to let a further 95 sq. m in order to break even in cash flow terms over a ten year period.

In order to fully offset the revenue cost over a ten year period a total of 2,082 sq. m (an additional 1,332 sq. m over the Police requirement) would need to be occupied on similar terms.

Although this would provide a break-even position for revenue, the period in which the cost of the refurbishment for the area occupied by the Police was covered through generated income was slightly longer at 12 years. After this period any income would contribute towards Taunton Deane's costs, although it would take 50 years for income from the Police only to cover the full cost of the refurbishment. If however, occupation of 2,082 sq.m was achieved, the period in which all of Taunton Deane's costs were covered would reduce to 24 years.

Reported that the capital costs of £5,874,000 could be funded through

borrowing. It was not possible to borrow for the revenue expenditure of £1,643,000, which included some backlog maintenance, along with other costs such as project management. However, it was proposed that revenue funding currently held in the Capital Financing Earmarked Reserve could be diverted, with new borrowing taken out for the existing capital projects that this was due to fund, leaving these projects unaffected.

This would mean additional interest payments and Minimum Revenue Provision (MRP) which had been taken into account in the financial appraisal of this project since they would not have been payable otherwise.

Preparatory work had been progressed in order to expedite moving the project forward as quickly as possible, but formal appointments could only be made following a positive Council decision. The following work had though been undertaken:-

- Procurement and selection of Employers Agent/Clerk of Works and other professional services support;
- Recruitment of additional Project Manager capacity;
- Appointment of a design professional to progress building master planning prior to the design and build process; and
- Procurement and selection was underway of the Two Stage Design and Build Contractor from Construction Framework South.

Should a positive decision to proceed by Council be made, the next steps would include making these appointments, gearing up the Project Team and project management mechanics and progressing quickly to the detailed design stage.

Resolved that:-

- (1) The project to refurbish The Deane House to appropriate and modern standards to facilitate a more agile way of working for staff and to make available surplus space to let to other organisations in order to offset the Council's costs be approved;
- (2) Delegated authority be granted to the Director of Housing and Communities in conjunction with the Portfolio Holder and the Project Member Steering Group to progress the project, make appropriate appointments and to negotiate terms and let space to third party organisations;
- (3) A Supplementary Estimate of £5,873,600 be added to the Capital Programme in 2016/2017, and a Supplementary Revenue Budget of £1,643,300 be added to the 2016/2017 budget, with the balance to be held in an earmarked reserve and carried forward at the end of the year; and
- (4) Borrowing totalling £7,516,900 be also approved; £5,873,600 of this to fund The Deane House Accommodation Project, and £1,643,300 to fund existing capital projects in order to release revenue earmarked reserves to fund The Deane House Accommodation Project.

(Councillors Gaines and Henley left the meeting at 8.10 p.m. and 8.58 p.m. respectively.)

(Councillor James arrived at the meeting at 8.45 p.m.)

(The meeting ended at 9.20 p.m.)