



To: All Councillors

Our Ref CS/KK
Contact Krystyna Kowalewska kkowalewska@westsomerset.gov.uk
Date 8 March 2016

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Dear Councillor

I hereby give you notice to attend the following meeting:

COUNCIL MEETING

Date: Wednesday 16 March 2016
Time: 4.30 pm
Venue: Council Chamber, Council Offices, Williton

Please note that this meeting may be recorded. At the start of the meeting the Chairman will confirm if all or part of the meeting is being recorded.

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Yours sincerely

A handwritten signature in black ink, appearing to read "B. Lang".

BRUCE LANG
Proper Officer

WEST SOMERSET DISTRICT COUNCIL

Meeting to be held on Wednesday 16 March 2016 at 4.30 pm

Council Chamber, Williton

AGENDA

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting of Council held on 24 February 2016 to be approved and signed as a correct record – **SEE ATTACHED.**

3. **Declarations of Interest**

To receive and record any declarations of interest in respect of any matters included on the agenda for consideration at this meeting.

4. **Public Participation**

The Chairman to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public wishing to speak at this meeting there are a few points you might like to note.

A three-minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue. There will be no further opportunity for comment at a later stage. Your comments should be addressed to the Chairman and any ruling made by the Chair is not open to discussion. If a response is needed it will be given either orally at the meeting or a written reply made within five working days of the meeting.

5. **Chairman's Announcements**

6. **Transfer of Predicted Underspend to the Business Rates Smoothing Reserve and Sustainability Reserve**

To consider Report No. WSC 40/16, to be presented by Councillor M Chilcott, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of the report is to approve the transfer of funds to the Business Rates Smoothing Reserve and Sustainability Reserve as per the recommendation from Cabinet as part of the Financial Monitoring Report 2015/16 (April – December 2015).

7. **Dulverton Off-Street Parking Fees and Charges**

To consider Report No. WSC 38/16, to be presented by Councillor K Mills, Lead Member for Regeneration and Economic Growth – **SEE ATTACHED.**

The purpose of the report is to set out proposals to be considered for the increase in off-street parking fees and permits for WSC car parks located within Dulverton as requested by Dulverton Town Council in the support of traffic management of tourist industry by seeking to influence driver behaviour with the following outcomes:

- Provision of addition short stay parking bays for tourist
- Continue investment in parking assets.

It also identifies the ongoing investment needs to improve the assets, the customers experience and convenience

8. Tarr Steps Off-Street Parking Fees and Charges

To consider Report No. WSC 39/16, to be presented by Councillor K Mills, Lead Member for Regeneration and Economic Growth – **SEE ATTACHED.**

The purpose of the report is to set out a proposal to be considered for the increase in off-street parking fees and charges for Tarr Steps car park as requested by Exmoor National Park Authority to support continued investment in the parking asset.

9. HPC Planning Obligations Board – Allocation of CIM Funding

To consider Report No. WSC 41/16, to be presented by Councillor M Chilcott, Lead Member for Resources and Central Support – **SEE ATTACHED.**

The purpose of this report is to present the recommendations of the Hinkley Point C Planning Obligations Board and West Somerset Council Cabinet, for the allocation of monies from the Community Impact Mitigation (CIM) Fund secured through the Section 106 legal agreement for the Site Preparation Works at Hinkley Point.

10. Superfast Broadband – Delivery of Phase 2 Rollout

To consider Report No. WSC 32/16, to be presented by Councillor K M Mills, Lead Member for Regeneration and Economic Growth – **SEE ATTACHED.**

The purpose of the report is to update members on the procurement process for the delivery of Superfast Broadband Phase two - this programme is being delivered through the Connecting Devon and Somerset Partnership (CDS); to seek the necessary authorisations to enable the Council to finalise its commitment to phase 2 of this project; and to give an outline of the key issues, risks and considerations associated with this decision as they relate to the collaboration agreement.

11. Mandate for Development of Transformation Business Case

To consider Report No. WSC 42/16, to be presented by Councillor A Trollope-Bellew, Leader of the Council – **SEE ATTACHED.**

The purpose of the report is to formally update Members on the current position on Joint Management & Shared Services (JMASS). Both Councils are asked to confirm their continuing commitment to a joint future before work will start on any business case development, and to move forward and

develop a high level business case (with variants) that tests the ability to transform for both Councils together or separately.

COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS

WEST SOMERSET COUNCIL**Minutes of the Meeting held on 24 February 2016 at 4.30 pm****in the Council Chamber, Williton****Present:**

Councillor B Heywood In the Chair
Councillor J Parbrook Vice-Chairman

Councillor I Aldridge	Councillor D Archer
Councillor A Behan	Councillor M J Chilcott
Councillor R Clifford	Councillor H J W Davies
Councillor M O A Dewdney	Councillor S Y Goss
Councillor A P Hadley	Councillor T Hall
Councillor I Jones	Councillor B Leaker
Councillor R P Lillis	Councillor B Maitland-Walker
Councillor K M Mills	Councillor C Morgan
Councillor P H Murphy	Councillor S J Pugsley
Councillor R Thomas	Councillor N Twaites
Councillor A Trollope-Bellew	Councillor K Turner
Councillor T Venner	Councillor D J Westcott
Councillor R Woods	

Officers in Attendance:

Chief Executive (P James)
Director of Operations/S151 Officer (S Adams)
Assistant Chief Executive/Monitoring Officer (B Lang)
Assistant Director Resources (P Fitzgerald)
Senior Accountant and Deputy Section 151 (J Nacey)
Finance Manager (S Plenty)
HR Manager (F Wills) – Item 7
Corporate Strategy and Performance Manager (P Harding) – Item 6
Media and Communications Officer (D Rundle)
Meeting Administrator (K Kowalewska)

C108 Appointment of Vice-Chairman

RESOLVED that Councillor J Parbrook be appointed Vice-Chairman for the meeting.

C109 Apologies for Absence

An apology for absence was received from Councillor G S Dowding.

C110 Minutes

(Minutes of the meeting of Council held on 20 January 2016, circulated with the Agenda.)

RESOLVED that the Minutes of the meeting of Council held on 20 January 2016 be confirmed as a correct record.

C111 Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

Name	Minute No.	Member of	Action Taken
Cllr I Aldridge	All	Williton	Spoke and voted
Cllr D Archer	All	Minehead	Spoke and voted
Cllr H Davies	All	SCC	Spoke and voted
Cllr S Goss	All	Stogursey	Spoke and voted
Cllr B Maitland-Walker	All	Carhampton	Spoke and voted
Cllr C Morgan	All	Stogursey	Spoke and voted
Cllr P Murphy	All	Watchet	Spoke and voted
Cllr J Parbrook	All	Minehead	Spoke and voted
Cllr R Thomas	All	Minehead	Spoke and voted
Cllr N Twaites	All	Dulverton	Spoke and voted
Cllr A Trollope-Bellew	All	Crowcombe	Spoke and voted
Cllr K Turner	All	Brompton Ralph	Spoke and voted
Cllr T Venner	All	SCC / Minehead	Spoke and voted
Cllr D J Westcott	All	Watchet	Spoke and voted

In addition the following interests were declared:

Name	Minute No.	Description of interest	Personal or Prejudicial	Action Taken
Cllr K Mills	C119	Artlife Director	Personal	Spoke and voted
Cllr P Murphy	C119	Wife is a board member on Artlife	Personal	Spoke and voted
Cllr A Trollope-Bellew	C119	Chair of AONB	Personal	Spoke and voted

C112 Public Participation

Agenda Item 11 – Annual Budget and Council Tax Setting 2016/17

Tony White, Vice-Chairman of the Conservation Society, raised concerns regarding the closure of public conveniences and the effect this would have on West Somerset tourism.

Christine Lawrence spoke about the reduction in the local economy if the funding for public toilets was withdrawn; West Somerset could not afford to lose its tourist trade; and that under the Equalities Act, it was important to provide disabled toilet facilities.

Eddie May, Vice-Chairman of CLOWNS, spoke on the work of the charity and its impact on the community, and urged Council not to cut its funding as it helped the organisation to lever in extra external match funding.

C113 Chairman's Announcements

In the absence of the Chairman, there were no announcements to record.

C114 Corporate Strategy 2016/20

(Report No. WSC 23/16, circulated with the Agenda.)

The purpose of the report was to seek approval for the adoption by the Council of the Corporate Strategy 2016/20.

The Leader of Council presented the report and provided information on the key elements of the Strategy. He drew Members' attention to the 'Role and Purpose' section and emphasised that the Strategy was developed and produced following a series of member workshops and feedback sessions. He further stated that many of the objectives within the Role and Purpose section of the Strategy could be achieved for the people of West Somerset without the need for the Council to spend money.

The Leader proposed the recommendation of the report which was seconded by Councillor M Chilcott.

Members were in agreement that the role and purpose was very important at the time of financial challenges and the opportunities offered by devolution. Key Themes 1b and 2c relating to young people were pointed out as being particularly relevant and significant as it was considered that young people's aspirations were not served very well in the district of West Somerset. The Lead Member for Regeneration and Economic Development informed that support had started in this regard and a tour of West Somerset College had been arranged for Members on 14 March 2016 and encouraged everyone to attend.

RESOLVED that the Corporate Strategy 2016/20 be adopted.

C115 Heart of the South West Devolution – A Prospectus for Productivity

(Report No. WSC 18/16, circulated with the Agenda.)

The purpose of the report was to introduce to Members the Prospectus for Productivity document, the purpose of which was to open a conversation and negotiation with Government about a potential devolution deal for the Heart of the South West area (i.e. Devon, Somerset, Plymouth and Torbay).

The Leader presented the report in detail and advised there were 23 partners involved in the Devolution for the Heart of the South West, emphasising the Prospectus was produced with a view to subsequently negotiating a deal with Government. Following the negotiation, any final devolution deal would be subject to approval by all partners individually. The Leader went on to highlight the main points from the report making reference to the key areas which would benefit from devolution; the use of LEP geographies to devolve powers and budgets to local authorities; no decision had been agreed on a governance model until the deal had been approved; and the favoured option of a Combined Authority.

He went on to propose the recommendations set out in the report which were duly seconded by Councillor M Dewdney.

Various comments and issues were raised in regard to the following:

- The sharing of development costs and finance implications.
- The delivery of the key outcomes contained within the prospectus.
- The concept of a Combined Authority.
- Wider partnership working was supported especially as WSC had limited resources and to be able to work on larger projects within the devolution partnership was seen to be a positive for the area bringing in additional benefits.
- Concerns that West Somerset would be by-passed for centres of development as it was not located near the M5 corridor.
- WSC would have more influence and if part of a Combined Authority would have an equal vote with the other partners.

RESOLVED (1) that the Prospectus for Productivity (as attached at Appendix A to the report) be noted and that it be endorsed as the basis for starting a negotiation with Government.

RESOLVED (2) that any devolution 'deal' emerging from negotiations with Government will come back to full Council (and all councils in the Heart of the South West) for approval.

Note: With the agreement of the Chairman this item was brought forward on the Agenda.

C116 **Staff Severance / Compensation Policies Update and Pay Policy Statement 2016/17**

(Report No. WSC 22/16, circulated with the Agenda.)

Senior Officers (Chief Executive, Director of Operations, Assistant Chief Executive and Assistant Director Resources) whose posts were specifically referred to in the report left the room for this item.

The purpose of the report was for Council to review and approve the recommended changes to the Severance and Compensation policies as set out in the Redundancy and Retirement policies of both Councils and the approval of the Pay Policy Statement 2016/17.

The Lead Member for Resources and Central Support presented the report highlighting the key issues contained within. She went on to propose the recommendations set out in the report which were duly seconded by Councillor A Trollope-Bellew.

RESOLVED (1) that the changes to West Somerset Council's Severance Policy and Taunton Deane Borough Council's Compensation Policy as set out in the Redundancy and Retirement policies be approved.

RESOLVED (2) that the Pay Policy Statement 2016/17 be approved.

C117 Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy 2016/17

(Report No. WSC 24/16, circulated with the Agenda.)

The purpose of the report was to obtain approval by Council of the proposed Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision (MRP) Policy for 2016/17 in line with the statutory and regulatory guidance. The updated MRP Policy will apply from 1 April 2015.

The Lead Member for Resources and Central Support presented the report and proposed the recommendations of the report which were seconded by Councillor S Pugsley.

During the discussion clarity was provided on external borrowing within the borrowing strategy.

RESOLVED (1) that the Treasury Management Strategy Statement (TMSS), Annual Investment Strategy and Minimum Revenue Provision Policy for 2016/17 be approved.

RESOLVED (2) that the Prudential Indicators included within the TMSS which include limits for borrowing and investment be approved.

RESOLVED (3) that the change to the Council's Minimum Revenue Provision (MRP) Policy be approved.

C118 Capital Programme 2016/17

(Report No. WSC 25/16, circulated with the Agenda.)

The purpose of the report was for Council to approve the recommended Capital Programme for 2016/17 including the proposed funding arrangements.

The Lead Member for Resources and Central Support presented the report and advised that the Council would be taking a low risk approach, giving assurance that it would not commit to any capital schemes that could not be delivered. She went on to highlight the proposed capital schemes for 2016/17.

The Lead Member proposed the recommendations of the report which were seconded by Councillor K Turner.

In response to a question, the Director of Operations/S151 Officer confirmed that the capital programme was based on resources the Council had available to spend, there was no financial risk and the funding plan was secure for the 2016/17 capital programme.

In response to a question regarding funding for the approved capital programme for 2015/16, it was agreed that a written response would be circulated to all Members detailing what capital money had been spent to date.

RESOLVED (1) that the 2016/17 Capital Programme Budget totalling £375,000, funded through a combination of capital receipts reserves and external grant funding, be approved.

RESOLVED (2) that a Supplementary Estimate to increase the 2015/16 Capital Programme by £15,000 to accurately reflect total asset disposal costs of land in Minehead be approved.

NOTE: Councillor B Leaker left the meeting.

C119 Annual Budget and Council Tax Setting 2016/17

(Report No. WSC 26/16, circulated with the Agenda; Report No. WSC 30/16, circulated prior to the Meeting; Voluntary Sector Grants Match Funding Leverage, circulated at the Meeting; and amended Appendix E Equality Impact Assessment re toilet funding 2017/18, circulated at the Meeting.)

The purpose of the report was to provide Members with all the information required for Council to approve the proposed revenue budget for 2016/17, and to approve its proposed Council Tax rate for 2016/17.

The Lead Member for Resources and Central Support presented the report in detail, emphasising the significant facts and figures contained within. It was noted that with regards to public toilets, Members should be aware from the detail in the appendices that the savings for 2017/18 included £107,000 for the council to stop directly funding the toilets from April 2017. In the meantime the Council would continue to work with towns, parishes and other local groups to seek ongoing provision and where this could not be achieved the facilities would close, and engagement thus far was proving very successful.

The Lead Member thanked Officers and Members who had taken part in the budget setting process for their hard work and cooperation.

The Lead Member proposed the recommendations of the report which were seconded by Councillor M Dewdney.

The West Somerset Opposition Group presented some amendments to the budget proposal for 2016/17, advising the changes would be for next year only and would have no significant impact on the long-term financial position of the Council. Councillor P Murphy congratulated and thanked officers for managing to provide a balanced budget. He added that the importance of financial sustainability for the Council was recognised, but it must be balanced against supporting the West Somerset community through the delivery of services and partnership working. One of the key themes was to raise the educational outcomes of young people and some of the voluntary sector groups played an important role in this.

The West Somerset Opposition Group stated the extra Rural Services Delivery Grant (RSDG) received by the Council through the Final Settlement should not be used to increase reserves, but be used to deliver services to the rural areas and to maintain funding to the following local community organisations at the existing level in 2016/17 only: Homestart; Engage West Somerset; CLOWNs; the Quantock Area of Outstanding Natural Beauty (AONB); the West Somerset Advice Bureau (WSAB); the Exmoor Lengthsman Service, and Arlife.

The Leader of Council pointed out that these community organisations would have to find alternative ways of working and operate with the reduced level of funding as the Council could no longer afford to maintain the same level of support, and it was confirmed that long-term discussions with the groups had been undertaken on the proposed funding cuts. Extra match funding was available to most community organisations due to the fact that the Council supported them regardless of the amount; and it was hoped that parish and town councils could provide additional support. Attention was drawn to the charitable fund raising feasibility study which was currently looking at ways of providing funding to local organisations.

Both the Leader and Lead Member for Resources and Central Support advised the benefit from the RSDG money was welcome, however recent information indicated the Council faced a significant risk of business rates refunds that had not been allowed for within the draft budget, potentially in excess of £300,000, of which details were contained in the report at paragraph 7.19.

The following amendments were proposed and seconded by the West Somerset Opposition Group and were voted on separately:

(i) WSAB - that the proposed budget saving of £3,800 for 2016/17 is not progressed.

On being put to the vote the amendment was declared LOST.

(ii) Homestart – that the proposed budget saving of £2,000 for 2016/17 is not progressed.

On being put to the vote the amendment was declared LOST.

(iii) CLOWNS – that the proposed budget saving of £2,000 for 2016/17 is not progressed.

On being put to the vote the amendment was declared LOST.

(iv) Engage West Somerset – that the proposed budget saving of £2,000 for 2016/17 is not progressed.

On being put to the vote the amendment was declared LOST.

(v) Quantock AONB – that the proposed budget saving of £4,000 for 2016/17 is not progressed.

On being put to the vote the amendment was declared LOST.

(vi) Exmoor Lengthsman Service – that the proposed budget saving of £2,000 for 2016/17 is not progressed.

On being put to the vote the amendment was declared LOST.

(vii) Artlife – that the proposed budget saving of £6,000 for 2016/17 is not progressed.

On being put to the vote the amendment was declared LOST.

At this stage the amendments relating to the removal of funding for the feasibility study for fundraising, and the reduction in transfer to the Sustainability Earmarked Reserve were withdrawn by the West Somerset Opposition Group.

During the discussion concerning the original motion, Members were urged to work collectively and openly as the Council would face further considerable challenges in the future. Government's Revenue Support funding to WSC had reduced by over £1 million since 2013 and the impacts of this were reflected in the budget report, however, valued frontline services had been protected and the Council would continue to support the community in every way it could; and the Lead Member for Resources and Central went on to give some examples of what was currently being accomplished.

Councillor Murphy gave notice of two amendments at which point the Leader proposed a motion that the vote be now put. The Chairman took the vote which was carried. Given the fact that notice of the amendments had already been put it was agreed that Councillor Murphy could set out his proposed amendments which were in relation to recommendation 3.4 and 3.8, as follows:

- recommendation 3.4 – a request to separate the proposals for budget savings in 2016/17 and 2017/18 and thereby divide the recommendation into two to enable a separate recorded vote to be taken in respect of the 2017/18 proposed savings;
- recommendation 3.8 – to include the requirement of some scrutiny to the delegated decision;

at which point the mover and seconder of the original motion agreed to incorporate the amendments into the motion.

It was agreed to vote on all the recommendations, as amended, with the exception of 3.4 (b) which would be voted on separately.

Councillor I Aldridge	For	Councillor D Archer	For
Councillor A Behan	Against	Councillor M Chilcott	For
Councillor R Clifford	For	Councillor H Davies	Against
Councillor M Dewdney	For	Councillor S Goss	For
Councillor A Hadley	For	Councillor T Hall	Against
Councillor B Heywood	For	Councillor I Jones	Against
Councillor R Lillis	For	Councillor B Maitand-Walker	For
Councillor K Mills	For	Councillor C Morgan	For
Councillor P Murphy	Against	Councillor J Parbrook	For
Councillor S Pugsley	For	Councillor R Thomas	For
Councillor N Thwaites	For	Councillor A Trollope-Bellew	For
Councillor K Turner	For	Councillor T Venner	Against
Councillor D Westcott	For	Councillor R Woods	For

Recommendation 3.4 (b) that full Council approves a further budget saving of £122,000 in 2017/18, was then voted on.

Councillor I Aldridge	Against	Councillor D Archer	For
Councillor A Behan	Against	Councillor M Chilcott	For
Councillor R Clifford	For	Councillor H Davies	Against
Councillor M Dewdney	For	Councillor S Goss	For
Councillor A Hadley	For	Councillor T Hall	Against
Councillor B Heywood	For	Councillor I Jones	Against
Councillor R Lillis	For	Councillor B Maitand-Walker	For
Councillor K Mills	For	Councillor C Morgan	For
Councillor P Murphy	Against	Councillor J Parbrook	For
Councillor S Pugsley	For	Councillor R Thomas	For
Councillor N Thwaites	For	Councillor A Trollope-Bellew	For
Councillor K Turner	For	Councillor T Venner	Against
Councillor D Westcott	Abstain	Councillor R Woods	For

On being put to the vote the original motion, as amended, was declared CARRIED.

RESOLVED (1) that the forecast Medium Term Financial Plan and Reserves position be noted, and the S151 Officer's Robustness Statement as set out in Appendix A of the report be noted.

RESOLVED (2) that the use of £429,300 from capital receipts reserves to fund the annual Minimum Revenue Provision (MRP) of £143,100 from 2015/16 to 2017/18, thus reducing the revenue budget requirement for MRP to £0 from 2015/16 to 2017/18 be approved, and to further note that the Medium Term Financial Plan included a revenue budget requirement for MRP of £143,100 in 2018/19 and subsequent financial years.

RESOLVED (3) that the following reserve transfers be approved:

- a) £225,300 saving from the 2015/16 MRP Budget to General Reserves
- b) £51,500 to General Reserves in 2015/16 comprising surplus earmarked reserves of £39,384 plus surplus income of £12,116
- c) £200,000 from General Reserves to the Business Rates Smoothing Reserve in 2015/16
- d) £50,000 from General Reserves to a Planning Service Earmarked Reserve in 2016/17
- e) £166,456 from General Reserves to the JMASS Reserve to set aside funds to support transformation
- f) £22,302 from Final Settlement additional funding to the Sustainability Reserve in 2016/17 to help support invest to save schemes and other measures to help smooth the transition as the Council implements change
- g) £139,882 from Final Settlement additional funding to Business Rate Smoothing Reserve in 2016/17, with a further £79,168 to be reflected in the MTFP in 2017/18 to mitigate the new risks around business rates that could be in excess of £300k more than our current estimate of possible business rates refunds.

RESOLVED (4) (a) that the 2016/17 Revenue Budget be approved, including the total budget saving of £259,000 in 2016/17; and **(b)** a further budget saving of £122,000 in 2017/18.

RESOLVED (5) that a 2016/17 Council Tax increase of 3.56%, increasing the Band D basic tax rate by £5 to £145.56 per year be approved.

RESOLVED (6) that a further 2016/17 one-off Council Tax increase of 1.25% in respect of funding for the Somerset Rivers Authority, adding £1.76 to a Band D tax charge per year be approved.

RESOLVED (7) that the minimum reserves level at £600,000 be approved.

RESOLVED (8) that a decision be delegated to the Leader, Lead Member for Resources and the S151 Officer, subject to appropriate scrutiny, regarding acceptance of a four year settlement provided it is in the Council's interests to do so.

C120 **Council Tax Resolution 2016/17**

(Report No. WSC 27/16 - amended, circulated at the Meeting.)

The purpose of the report was for Council to approve the calculation and setting of the Council Tax for 2016/17.

The Lead Member for Resources and Central Support presented the report and proposed the recommendation of the report which was seconded by Councillor A Trollope-Bellew.

Councillor I Aldridge	Abstain	Councillor D Archer	For
Councillor A Behan	Against	Councillor M Chilcott	For
Councillor R Clifford	For	Councillor H Davies	Abstain
Councillor M Dewdney	For	Councillor S Goss	For
Councillor A Hadley	For	Councillor T Hall	Abstain
Councillor B Heywood	For	Councillor I Jones	Abstain
Councillor R Lillis	For	Councillor B Maitand-Walker	For
Councillor K Mills	For	Councillor C Morgan	For
Councillor P Murphy	Abstain	Councillor J Parbrook	For
Councillor S Pugsley	For	Councillor R Thomas	For
Councillor N Thwaites	For	Councillor A Trollope-Bellew	For
Councillor K Turner	For	Councillor T Venner	Against
Councillor D Westcott	For	Councillor R Woods	For

RESOLVED that the formal Council Tax Resolution, as shown in Appendix A, B and C to the report, be approved.

C121 Minutes and Notes for Information

(Minutes and Notes relating to this item, circulated via the Council's website.)

RESOLVED (1) that the notes of the Exmoor Area Panel held on 19 January 2016 be noted.

RESOLVED (2) that the notes of the Dunster Area Panel held on 25 January 2016 be noted.

The meeting closed at 8.02 pm

WSC 40/16

West Somerset Council**Full Council – 16 March 2016****Transfer of Predicted Underspend to the Business Rates Smoothing Reserve and Sustainability Reserve**

This matter is the responsibility of Councillor Mrs Mandy Chilcott

Report Author: Steve Plenty Finance Manager

1 Executive Summary

- 1.1 Members are asked to approve the transfer of funds to the Business Rates Smoothing Reserve and Sustainability Reserve as per the recommendation from Cabinet as part of the Financial Monitoring Report 2015/16 (April – December 2015).

2 Recommendations

- 2.1 That Full Council approve the transfer of £50,000 of the projected underspend to the Business Rates Smoothing Reserve.
- 2.2 That Full Council approve the transfer of £50,000 of the projected underspend to the Sustainability Reserve.

3 Risk Assessment (if appropriate)**Risk Matrix**

Description	Likelihood	Impact	Overall
That the Authority overspends against the approved budget	2	4	8
Regular budget monitoring reports are produced and managers actively manage the budgets under their responsibility	1	4	4

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background and Full details of the Report

- 4.1 As part of the Financial Monitoring Report 2015-16 (April – December 2015) to Cabinet on 2 March 2016 it was recommended and approved that the current financial standing of the Council together with the estimated position at the end of the year was noted, and that a recommendation to Full Council was made to approve the transfer of £50,000 to the Business Rates Smoothing Reserve and £50,000 to the Sustainability Reserve.

Revenue Budget Outturn 2015/16

- 4.2 Members are requested to refer to the report to Cabinet on 2 March 2016 for the full background to the financial monitoring position for Q3. This report extracts the salient points in respect of the recommendation to transfer funds to the business rates smoothing reserve and Sustainability Reserve.
- 4.3 The Q3 position reported a projected underspend of £45,267 for the current financial year. This net position reflects the impact of the recommended earmarked reserve transfers within this report, therefore the position before these transfers is a net underspend of £145,267 comprising of:

Overspends

- a) The main projected overspend is £15,000 related to Bed and Breakfast temporary accommodation costs for people who are homeless. This forecast position reflects the cost of demand which is higher than estimated when the budget was set in February 2015. No significant variance was reported in Q2.

Underspends

- b) There is a predicted underspend on Rent Allowances of £87,000, as reported in Q2, due to ongoing benefit adjustments that are being recovered from claimants in respect of Housing Benefit overpayments and this is projected to exceed the budget estimate.
- c) There is a predicted underspend of £24,000 on the cost of waste containers. The original 2015/16 budget for waste included an amount for waste containers however it has since been clarified that this is included within the Waste Partnership's core budget and monthly precept. There is also predicted additional income from garden waste collection of £16,000, giving a total underspend this year of £40,000. No variances were reported at Q2.
- d) Business Rates Funding is predicted to exceed the current budget by £33,267. This relates to a combination of a reduction in Levy costs and additional renewable energy income being received compared to the current budget. A variance of £20,489 was predicted at Q2.

- 4.4 Earmarked Reserves Transfers: the recommendation to transfer £100,000 to earmarked reserves (£50,000 to Business Rates Smoothing Reserve and £50,000 to Sustainability Reserve) leaves the projected outturn net underspend for the year of £45,267.

Earmarked Reserves

- 4.5 The table below provides a summary of the movement in earmarked reserve balances during 2015/16 financial year to date together with the planned transfers included in this report.

Table 1 – Estimated Earmarked Reserves Balance 31 March 2016

	Balance £
Balance Brought Forward 1 April 2015	3,901,346
Transfers From Earmarked Reserves in 2015/16	-439,914
Transfers To Earmarked Reserves in 2015/16	200,000
Approved Transfers to General Reserves (Full Council 18 th Nov)	-156,119
Proposed transfer to BRR from General Reserve (Full Council 24 Feb)	200,000
Proposed transfer to BRR (Cabinet recommendation 2 March)	50,000
Proposed transfer to Sustainability Reserve (Cabinet recommendation 2 March)	50,000
Proposed Balance Carried Forward 31 March 2016	3,805,313

- 4.6 As can be seen from the table above, the current estimated reserves balance as at 31 March 2016 stands at £3,805,313.
- 4.7 This has been updated from the figure of £3,758,976 reported in the Cabinet Report on 2 March 2016 to reflect the need to use the balances held in the District Election Reserve and Other Election Reserve to fund District Council elections in the current year, as well

as including the proposed transfers as detailed in this report. Full details of earmarked reserves can be found in Appendix A to this report. A significant proportion of the balance – £3,230,228 – relates to the Business Rates Smoothing Reserve which is committed to fund the projected Collection Fund deficit of £2,729,063 in the 2016/17 budget and provide a contingency for business rates funding volatility.

- 4.8 Despite holding this contingency sum, and the previous Hinkley B appeal being concluded, the risk of funding volatility in future remains high. For example, within the recommended Budget for 2015/16 the Council could experience funding losses of approximately £516,000 before a Safety Net payment is triggered. It is therefore prudent for the Council to increase its contingency to cover the impact of budget losses on business rates funding. This is also to mitigate the new risks around business rates, which could be in excess of £300,000 more than our current estimate, related to possible backdated claims for mandatory relief in certain public sector properties and to implement any necessary action to respond to a change in the underlying funding position. With this in mind Members are asked to approve the transfer of £50,000 of the predicted underspend to the Business Rates Smoothing Reserve.
- 4.9 Members are also asked to approve a transfer of £50,000 of the projected underspend to the Sustainability Reserve to set aside funding to help support 'invest to save' schemes and other measures to help smooth the transition as the Council implements change and initiatives that have a positive impact upon the long term sustainability of the Authority.

5 Links to Corporate Aims / Priorities

- 5.1 The financial performance of the Council underpins the delivery of corporate priorities and therefore all Corporate Aims.

6 Finance / Resource Implications

- 6.1 Contained within the body of the report.

7 Legal Implications

- 7.1 There are no legal implications associated with this report.

8 Environmental Impact Implications

- 8.1 None for the purpose of this report.

9 Safeguarding and/or Community Safety Implications

- 9.1 None for the purpose of this report.

10 Equality and Diversity Implications

- 10.1 None for the purpose of this report.

11 Social Value Implications

- 11.1 None for the purpose of this report.

APPENDIX A

SUMMARY OF PREDICTED EARMARKED RESERVES AS AT 31 MARCH 2016

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March (Projected Balance) £	Comments
Area Based Grant	84,384		-84,384		0	Fund 40% of economic regeneration manager. Approved by Full Council on 18 th Nov 2015 that £45,000 be returned to General Reserves and on 24 th Feb 2016 recommended balance of £39,384 also be returned to General Reserves.
Community Safety	3,533				3,533	External funding specifically earmarked for community safety initiatives
Land Charges	25,511				25,511	Government grant specifically earmarked for providing refunds when due
Tourism	12,107				12,107	Specifically earmarked for tourism and is topped up by Exmoor National Park Authority
Sustainability Reserve	57,698	50,000	-40,000		67,698	Earmarked for initiatives that have a positive impact upon the long term sustainability of the Council.
Minehead Events	396				396	Mary Portas grant – specifically earmarked
DHP Reserve	44,861		-44,861		0	Government Grant received 'on account' and unused balance held in reserve pending repayment to Government under regulations. During 2015/16 £44,861 was deducted at source from the Government Grant paid in the current year, therefore balance held returned to General Reserves. Approved by Full Council on 18 th Nov 2015.
District Election Reserve	30,000		-30,000		0	Earmarked for costs of 2015 elections
Water Bathing Signs	1,266				1,266	Environmental grant specifically earmarked
Other Election Reserve	23,663		-23,663		0	Funds to meet the additional costs of Individual Electoral Registration
Inspire	7,131				7,131	Earmarked for costs under the Inspire Directive

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March (Projected Balance) £	Comments
Transparency Code	2,588		-2,588		0	Earmarked to meet the cost of complying with the Transparency Code. Approved by Full Council on 18 th Nov that £2,588 be returned to General Reserves
Exmoor at your Fingertips	1,780		-1,780		0	LARC Fund to fund the Exmoor at your fingertip project
Minehead Town Centre Signage	500				500	Contribution from Minehead Chamber of Trade and Morrison s106 to fund the signs
Our Place	10,934				10,934	Contribution for the Our Place project
CCTV	1,565				1,565	Underspend in 2013/14 earmarked to fund the purchase of a new CCTV camera
Homelessness Prevention	43,620				43,620	Balance of Homeless Prevention funding plus remainder of Mortgage Rescue Grant
Morrison's Footpath	6,000				6,000	Earmarked to part fund the footpath upgrade
JMASS Reserve	275,714				275,714	Funding to support transformation costs under JMASS, which comprises £150,000 share of Transformation Challenge Grant, £105,514 remainder of the £358,000 allocated to fund original JMASS Business Case, and £20,200 for up front Business Case costs.
Watchet Harbour Dredging	13,200		-13,200		0	Underspend in 2013/14 earmarked to fund additional dredging.
Customer Service Equipment Reserve	666		-666		0	Specialised Chair Required (Health and Safety)
Car Parking Reserve	15,767		-5,767		10,000	Monies set aside in respect of maintenance and signage required during 2015/16. Approved by Full Council on 18 th Nov that £5,767 be returned to General Reserves
Environmental Health Reserve	3,718				3,718	Destitute Burial Reserve

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March (Projected Balance) £	Comments
Minehead Harbour Dredging Reserve	5,500		-5,500		0	2014/15 unused budget carried forward to 2015/16
Online DHP Reserve	5,375		-5,375		0	Online Software Requirement for Revenues and Benefits
Compliance Works – Estates	26,736		-26,736		0	Asset maintenance compliance works to be completed in 2015/16
Strategic Housing Market Area Assessment Reserve	1,000		-1,000		0	Contribution towards the Strategic Housing Market Area Assessment in 2015/16
Business Development Reserve	3,195				3,195	Funding from various sources (Somerset Skills & Learning £500, Chairman Fund £1,500, Hinkley C S106 £1,000 plus £100 from Eat Exmoor ER) to fund initiatives to support small businesses
Planning Reserve	20,000		-20,000		0	Carry forward of £20,000 from planning fee income to fund specialist technical advice for major planning applications. E.g. Landscape visual impact assessments, retail studies etc.
Somerset Growth Board	957		-957		0	Growth Board core costs for 2015/16
Dulverton Mill Leat	12,195				12,195	Carry forward of unused budget agreed as part of 14-15 financial monitoring reports
Hinkley Corporate Cost Reserve	50,000		-50,000		0	To Earmark Hinkley Contribution to the Corporate Core (Full Cost as we are still under the SPW Agreement at 31st March) to cover salary cost in the event that the transition to the DCO is significantly delayed or does not happen. Approved by Full Council on 18 th Nov that £50,000 be returned to General Reserves

Earmarked Reserve Account	1 April Balance £	Transfers In	Transfers Out	Transfers Between Accounts	31 March (Projected Balance) £	Comments
Revenues and Benefits Reserve	67,905		-7,903		60,002	Transfer to earmarked reserve to mitigate reduction in New Burdens grant. Approved by Full Council on 18 th Nov that £7,903 be returned to General Reserves
Training Reserve	10,000		-10,000		0	Underspend carried forward to 2015/16
Licensing Staff Reserve	10,000		-10,000		0	To fund extra resource within West Somerset Council.
Finance Reserve	15,000				15,000	Underspend to provide resilience / maternity cover cost share
Community Right to Challenge	5,000				5,000	Government Grant set aside to support the administration of applications under regulations.
Assets of Community Value	10,000				10,000	Government Grant set aside to support the administration of applications under regulations.
Business Rates Retention Smoothing Account	2,930,156	450,000	-149,928		3,230,228	The balance brought forward of £2,930,156 is required to fund the Council's 40% share of the Business Rates Collection Fund Deficit reported for 2014/15 and forecast for 2015/16. This reflects the impact of total £7.18m refund for Hinkley B.
Planning Policy Reserve	61,725		-61,725		0	Monies set aside and to be drawn down in 2015/16 to cover additional costs arising and relating to the West Somerset Local Plan preparation through to examination and beyond to adoption.
Totals	3,901,346	500,000	-596,033	0	3,805,313	

Report Number: WSC 38/16

West Somerset Council

Full Council – Wednesday 16 March 2016

Dulverton Off-street Parking Fees and Charges

This matter is the responsibility of Cabinet Member Cllr Karen Mills

Report Author: Tracey-Ann Biss, Parking and Community Safety Manager

1 Purpose of the Report

1.1 The report sets out proposals to be considered for the increase in off-street parking fees and permits for WSC car parks located within Dulverton as requested by Dulverton Town Council in the support of traffic management of tourist industry by seeking to influence driver behaviour with the following outcomes:

- Provision of addition short stay parking bays for tourist
- Continue investment in parking assets.

1.2 It also identifies the ongoing investment needs to improve the assets, the customers experience and convenience

2 Recommendations

- 2.1 That it be recommended to Council to approve an increase in off-street parking fees.
- 2.2 That it be recommended to Council to approve an increase to six months and yearly permits.

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
Reduction in use of the car parks	3	2	6 (low)
Reduction in the number of permits issued	2	2	4 (low)

4 Background and Full details of the Report

4.1 In May 2014 West Somerset District Council and Dulverton Town Council entered onto a licence and management agreement for the operation of car park services in Dulverton. The regulatory responsibility for the operation of these car parks remain under the authority of WSC and is incorporated within the West Somerset District (Off-Street Parking Places) Order 2015, however the Agreement does permit DTC to set

tariffs after negotiation and agreement with WSC. This report sets out the request from DTC for the change to fees and charges.

- 4.2 Dulverton Off-street car parking tariffs and permits were last revised within the West Somerset Notice of Variation (Off-Street Parking) Civil Enforcement Order 2014 No. 2.
- 4.3 The charge for both the Guildhall and Exmoor House car parks commence at an “up to 2 hour tariff”. The proposal is to introduction an “up to 1 hour tariff” which is likely to increase the availability of short stay parking spaces. At present only the Lion Stable car park offers an “up to 1 hour tariff”.
- 4.4 It is also proposed to amend some tariffs across the three car parks, with the maximum increase being £0.50 from the 18 April 2016.

Table 1 Current and proposed tariff charges

Dulverton	Period	Current	Proposed
Lion Stables	Up to 1 hour	£0.50	£0.50
	Up to 2 hours	£1.00	£1.50
	Up to 3 hours	£1.50	£2.00
Guildhall Exmoor House	Up to 1 hour	Not available	£0.70
	Up to 2 hours	£1.00	£1.50
	Up to 3 hours	£1.50	£2.00
	All Day	£4.50	£4.50

- 4.5 The final proposal is to increase both the 6 months and 12 month permits by £5.00 from the 18 April 2016.

Table 2 Current and proposed permit charges

Permits	Period	Current	Proposed
Lion Stables	Weekly	£20.00	£25.00
	6 months	£45.00	£50.00
	12 months	£80.00	£90.00
Exmoor House	Weekly	£20.00	£25.00
	6 months	£45.00	£50.00
	12 months	£80.00	£90.00
Guildhall	Weekly	£20.00	£25.00
	6 months	£45.00	£50.00
	12 months	£80.00	£90.00

This increase would still provide a significant saving against the “Cost at Meter”.

Table 3 Example of 12 month Permit Savings (£90.00)

	Cost at Meter	Permit Savings
5 days per week x 48 weeks @ £4.50 =	£1,080	£990
7 days per week x 48 weeks @ £4.50 =	£1,512	£1,422

- 4.6 Ongoing investment needs to improve the assets, the customers experience and convenience. Current surveys have indicated investment will be required in the lighting of the car parks and review of signage.

5 Links to Corporate Aims / Priorities

5.1 Ongoing investment needs to improve the assets, the customers experience and convenience.

6 Finance / Resource Implications

6.1 The proposed changes to the tariff and permit for off-street car parking will be forecasted to raise £4k - £5k additional income.

6.2 Additional resources will be required to make the necessary changes to car park equipment and compensation package of approximately £4k as listed below:

- Changes to tariff board signage – £500 one off;
- Changes to pay and display machine programs £1,000 one off.
- Compensation to Dulverton Town Council for negotiated exit of Agreement - £2,500.

6.3 Preparation and change as appropriate to Traffic Regulation Order (refer to Section 7.1)

7 Legal Implications (if any)

7.1 Implementation of these proposals would be as specified in the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulation 1996.

8 Environmental Impact Implications (if any)

8.1 Not applicable

9 Safeguarding and/or Community Safety Implications (if any)

9.1 Not applicable

10 Equality and Diversity Implications (if any)

10.1 No implication

11 Social Value Implications (if any)

11.1 Not applicable

12 Partnership Implications (if any)

12.1 Not applicable

13 Health and Wellbeing Implications (if any)

13.1 Not applicable

14 Asset Management Implications (if any)

14.1 Investment required in asset

Report Number: WSC 39/16

West Somerset Council

Full Council – Wednesday 16 March 2016

Tarr Steps Off-Street Parking Fees and Charges

This matter is the responsibility of Cabinet Member Cllr Karen Mills

Report Author: Tracey-Ann Biss, Parking and Community Safety Manager

1 Purpose of the Report

The report sets out a proposal to be considered for the increase in off-street parking fees and charges for Tarr Steps car park as requested by Exmoor National Park Authority to support continued investment in the parking asset.

2 Recommendations

- 2.1 That it be recommended to Council to approve to increase the Tarr Steps car park tariff as requested by the Exmoor National Park Authority.

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
Reduction in use of the car parks	3	2	6 (low)
Reduction in the number of permits issued	2	2	4 (low)

4 Background and Full details of the Report

- 4.1 In April 2008 the District Council of West Somerset in Partnership with Exmoor National Park Authority (ENPA) brought into force the 'West Somerset (Off-Street Parking Places) (Tarr Steps) Order 2008.
- 4.2 The regulatory responsibility for the operation of this car park is under the authority of WSC and therefore to vary the Order the process must be compliant with WSC procedures.
- 4.3 Tarr Steps Off-street car parking tariffs were last revised within the West Somerset (Off-Street Parking Places) Order 2008 (as varied) Notice of Variation in July 2013.
- 4.4 The current Tarr Steps parking fee is set at a single tariff of £2.00 for parking during the enforcement hours of 10:00hr and 18:00hrs.

4.5 It is proposed to amend this tariffs to £3.00 for parking during the enforcement hours of 10:00hr and 18:00hrs as from the 18 April 2016.

4.6 All income, maintenance and daily administration of this car park is the responsibility of ENPA.

5 Links to Corporate Aims / Priorities

5.1 Not applicable

6 Finance / Resource Implications

6.1 To enable the Order to be varied there is an administrative cost to WSC which ENP have agreed to reimburse.

7 Legal Implications (if any)

7.1 Implementation of these proposals would be as specified in the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulation 1996.

8 Environmental Impact Implications (if any)

8.1 Not applicable

9 Safeguarding and/or Community Safety Implications (if any)

9.1 Not applicable

10 Equality and Diversity Implications (if any)

10.1 No implication

11 Social Value Implications (if any)

11.1 Not applicable

12 Partnership Implications (if any)

12.1 Not applicable

13 Health and Wellbeing Implications (if any)

13.1 Not applicable

14 Asset Management Implications (if any)

14.1 Not applicable

15 Consultation Implications (if any)

15.1 Not applicable

16 Comments / Recommendation(s) (if any)

- 16.1 Scrutiny support the approval to increase the Tarr Steps car park tariff as requested by Exmoor National Park.
- 16.2 Cabinet agreed that it be recommended to Council to approve to increase the Tarr Steps car park tariff as requested by the Exmoor National Park Authority.

Democratic Path:

- **Scrutiny – Yes**
- **Cabinet – Yes**
- **Full Council – Yes**

Reporting Frequency: **Once only** **Ad-hoc** **Quarterly**
 Twice-yearly **Annually**

Report Number: WSC 41/16

West Somerset Council

Full Council – 16nd March 2016

HPC Planning Obligations Board – Allocation of CIM Funding

This matter is the responsibility of Cllr M Chilcott, Lead Member for Resources and Central Support.

Report Author: Lisa Redston, CIM Fund Manager

1 Purpose of the Report

- 1.1 Present the recommendations of the Hinkley Point C Planning Obligations Board and West Somerset Council Cabinet, for the allocation of monies from the Community Impact Mitigation (CIM) Fund secured through the Section 106 legal agreement for the Site Preparation Works at Hinkley Point

2 Recommendations

- 2.1 That Full Council notes the decision of West Somerset Cabinet as follows.
- 2.1.1 **That the application for £19,850 from Watchet Arts Group should be refused on the basis that it did not sufficiently meet the value for money criteria.**
- 2.2 That Full Council endorses the recommendation of the Hinkley C Planning Obligations Board and West Somerset Cabinet as follows:
- 2.2.1 **To release £37,820 from the CIM Fund 1st Annual Payment to Otterhampton Parish Council for the Recreation Ground Enhancement Project.**

3 Risk Assessment

Risk Description	Current Score	Existing and planned control measures	Target Score after control
Lack of quality approvable bids to the CIM Fund due to communities not having the means (skills/resources) to make quality bids and deliver projects resulting in a lack of effective impact mitigation projects	Medium (12)	Community development officers in post in WSC/TDBC and Sedgemoor District councils and Engage WS contracted to support communities in WS in making bids and project delivery. Risk remains feasible as capacity of community development officers is limited.	Medium (9)

Risk of future community impacts not being mitigated due to early demand for funding exceeding available budget resulting in an inability to respond to future or unknown impacts.	Medium (12)	Annual contribution payments (2015 and 2016) will ensure a budget is available to respond to future demand. Planning Obligations Board to continue to develop funding strategy that includes mechanisms for review and reprioritisation and trigger points for release of funding to reflect changes in circumstances and impacts.	Low (8)
Failure of the Planning Obligations Board to allocate CIM fund by August 2017 resulting in continued requirement for staff resource to manage application/decision making process, finances and to support community.	Medium (9)	Planning Obligations Board to continue to develop funding strategy to provide direction for release of funding.	Low (4)
Failure of the Planning Obligations Board to monitor the actual and potential impacts of the development due to the lack of a defined impact monitoring procedure resulting in the inability of the Planning Obligations Board to apply funding to achieve maximum mitigation of impacts.	Medium (16)	Planning Obligations Board to develop process and procedures for monitoring the impact and potential impact of the development and reflect this in the funding strategy.	Low (8)

3.1 The scoring of the risks identified in the above table has been based on the WSC and TDBC council's risk assessment scoring matrix. Only those risks that score medium or high are detailed in this report. The full risk assessment is available on request from the CIM Fund Manager.

4 Background

4.1 Applications to the CIM Fund are considered by the Planning Obligations Board against nine criteria outlined in the Section 106 legal agreement for the Site Preparation Works at Hinkley Point. A recommendation is subsequently made to West Somerset Council's Cabinet. Any proposals above £25,000 also require approval by West Somerset's Full Council.

Criteria	Evaluation Criterion
Priority Impact Zones	<p>Priority shall be given to those areas that are anticipated in the Environmental Statement to experience or which actually experience the greatest adverse impact from the project in accordance with the following hierarchy:</p> <ol style="list-style-type: none"> 1) Directly adjacent to the site 2) Directly adjacent to the main transport routes to and from the site within West Somerset, Sedgemoor and Somerset 3) Within West Somerset and/or Sedgemoor and directly affected by adverse impacts of the project 4) In Somerset but beyond West Somerset and Sedgemoor and experiencing the next greatest degree of adverse impact, with projects which benefit West Somerset and Sedgemoor as well as its immediate area 5) In Somerset and experiencing indirect adverse impacts or in relation to a measure which benefits West Somerset and/or Sedgemoor.

Quality of Life	The principal purpose of the contribution shall be to enhance the quality of life of communities affected/potentially affected by the Project.
Sustainability	To what extent will the project contribute to achieving sustainable communities, contribute to regeneration objectives and raising environmental sustainability?
Extent of benefit	To what extent has the applicant demonstrated that the project will ensure a positive benefit and/or legacy to an adequate proportion of people within that community?
Community Need	To what extent has the applicant demonstrated a need for the project
Community Support	To what extent is there demonstrable local community and and/or business support for the project?
Partner Support	To what extent is there demonstrable local partner support for the project?
Governance	Demonstrate that good governance arrangements are in place, including financial and project management to ensure deliverability?
Value for Money	Can the applicant demonstrate value for money and that reasonable effort has been made to maximise the impact of any investment? Has match funding been secured where appropriate?

5 CIM Applications considered by the HPC Planning Obligations Board

- 5.1 Two new applications were presented to the HPC Planning Obligations Board for consideration on 12th February 2016. The Board considered the applications against each of the nine funding criteria.
- 5.2 All applications have been subject to financial viability checks, any concerns in relation to the viability of an organisation or project are highlighted within the summary.
- 5.3 Cabinet are asked to consider the following 2 applications for CIM Funding.
- 5.4

Project Name:	Watchet Industrial Heritage Murals
Expression of Interest Ref No:	159
Organisation Applying:	Watchet Arts Group
Summary of Project:	To provide an additional tourist attraction in Watchet that will link with other attractions as part of a trail around the town. The project will create a series of 10 murals depicting the industrial heritage connections of the town, including the Mint, Lime Kiln, Railways, Paper Mill, harbour and Hinkley Point C on the sea defence wall, adding to a community mosaic already installed on the wall and helping to improve a run down and under used area of the town.
Impacts mitigated as stated in application:	[There is likely to be] a negative impact on tourism in the town and area as a result of HPC. Watchet particularly is heavily reliant on the tourism economy. Watchet has already seen a significant impact

	<p>this year in the reduction of visitors due to the Tropiquaria roundabout works and the town is very vulnerable economically. The burgeoning arts scene in Watchet will be impacted by a reduction in visitors, reducing the future success of this emergent industry. There may also be community cohesion impacts with Hinkley workers living in and around the town.</p>
<p>Start Date: 01/04/16</p>	<p>Total Project Costs: £21850</p>
<p>Completion Date: 30/09/16</p>	<p>Amount applied for: £19850</p>
<p>CIM Fund Manager Comments:</p>	<p>A well-presented application. The application demonstrates impact of HPC on the local and wider community in relation to the tourist economy and provides a solution that will go some way toward mitigating the impacts through the provision of a new attraction.</p> <p>The project aims to regenerate the harbour wall, attract visitors to an underused area of the town and restore community pride in the area.</p> <p>The project scored particularly well in relation to partner and community support. The project links well with other projects and the wider tourist offer in Watchet.</p> <p>The project offers some opportunities for volunteers to be involved in supporting the paid artists.</p> <p>Ongoing costs of the project are low, however are reliant on further fundraising.</p> <p>The License for a use of wall is given on an annual basis and is renewable after 5 years. If WSC does not renew license WAG must reinstate walls and remove all displays. The benefits of the project will be limited to the life of the license.</p>
<p>POB Comments:</p>	<p>The Board recognised the benefits of the project as an additional tourist offer in Watchet, and the potential for Watchet to benefit from the additional interest in the area due to the Hinkley Point C development.</p> <p>However the Board had concerns in relation to the long term sustainability of the project and the value for money the project offers.</p> <p>The Board had particular concerns over the high project management and artist costs.</p>
<p>POB Recommendation:</p>	<p>The Board recommends that the application from Watchet Art Group is refused.</p>

5.5

Project Name:	Otterhampton Parish enhanced play, recreation and outdoor gym area
Expression of Interest Ref No:	150
Organisation Applying:	Otterhampton Parish Council
Summary of Project:	To replace current play equipment and enhance Combwich Common to include a wider range of play equipment, outdoor gym equipment, improved access to the park (enabling access during winter months), increased landscaping and vegetation. The project aims to reduce the need for the community to travel to other areas to access opportunities, provide access to outdoor play and recreation opportunities for those unable to travel, reduce volume of traffic on C182 and improve the aesthetics of the area.
Impacts mitigated as stated in application:	Parishioners have had & are having difficulties accessing Combwich, Steart & Otterhampton at their junctions with the C182 (their only access). Also numerous delays [due to] roadworks & AIL's along the C182/A39 to Bridgwater for at least the last 18 months. The future impact regarding traffic & access will worsen as Hinkley C work accelerates, plus the additional impact of the Combwich Wharf lay-down area & wharf enhancements.
Start Date: 14/4/16	Total Project Costs: £99,000
Completion Date: 14/6/16	Amount applied for: £37,820
CIM Fund Manager Comments:	<p>A well-presented and very thorough application that meets all funding criteria to a high standard. The application clearly describes the impact of the HPC development on the community and provides a solution that helps to mitigate these impacts.</p> <p>Quality of life for residents and visitors will be improved by the provision of local access to free facilities and removing the need to travel for social and recreational opportunities.</p> <p>The project is sustainable and will leave a lasting legacy for the community.</p> <p>There is a proven high level of community need and support for the project, including inclusion of local school children in the design and linking to other projects in the area.</p> <p>There is a high level of match funding (62% £61k), 100 hours of volunteer time committed and ongoing costs will be funded by the Parish Council.</p> <p>£8961 match funding is still awaiting a decision – if the application is approved for grant funding all additional match funding must be secured before any grant payment is released.</p>

POB Comments:	<p>The Board noted that the current impacts on the parish of Otterhampton and recognised the value of the project and the sound case for funding the project.</p> <p>In reaching their recommendation the Board noted the EDF Energy Community Fund which is due to become available in May 2017 which includes the provision of £500,000 ring-fenced for projects within Otterhampton Parish. The Board will take into account the existence of this ring-fenced fund when considering any future applications within Otterhampton Parish.</p>
POB Recommendation:	<p>The Planning Obligations Board recommend that the application from Otterhampton Parish Council for £37,820 is approved and that the project should be funded from the 1st Annual CIM Fund payment.</p>

6 Links to Corporate Aims / Priorities

- 6.1 The allocation of these funds will enable the Council to deliver against the Corporate Priorities of '*Our Communities* - Helping our communities remain sustainable and vibrant is vital in keeping West Somerset a great place in which to live and work' and '*Our Place and Infrastructure* - West Somerset is a beautiful place to visit and in which to live and work. We want to keep West Somerset a place to be proud of and one which is well maintained and welcoming to residents, visitors and businesses alike.

7 Finance / Resource Implications

- 7.1 On 6th May 2015, EDF has made the payment for the first anniversary of phase two under the Site Preparation Work (SPW) agreement. Under this, the CIM fund has received £1,751,749, inclusive of inflation uplift. This is in addition to the £3,735,426 previously under phase two, bringing the total CIM Fund received to £5,487,175.
- 7.2 Financial information regarding allocated funding from the Community Impact Mitigation Fund can be found in Appendix A.
- 7.3 These proposals will not have an impact on the Council's own resources.
- 7.4 All organisations applying for funding are subject to financial viability checks to reduce risk associated with the award of grant funding.

8 Legal Implications

- 8.1 These funds have been paid by a developer (NNB Genco) due to the signing of a Section 106 legal agreement for planning permission to carry out the site preparation works at Hinkley Point C (West Somerset Council Planning Application No: 3/32/10/037). As part of this legal agreement West Somerset Council shall take into account the recommendations of the Planning Obligations Board when deciding how to apply those elements of the Community Impact Mitigation Contributions (Schedule 1 – General, Para. 5.3 of the S106).

9 Environmental Impact Implications

- 9.1 There are environmental impacts associated with the wider proposed development of Hinkley Point C. These have been assessed within the Environmental Statement submitted by NNB Genco with the application to carry out Site Preparation Works at Hinkley Point C (West Somerset Council Planning Application No: 3/32/10/037) and mitigation measures have been secured.

- 9.2 Applicants are encouraged to consider any environmental implications of their project and are asked to describe how their projects will promote environmental sustainability.

10 Safeguarding and/or Community Safety Implications

- 10.1 Applicants are encouraged to consider the promotion of community safety and community cohesion as part of their project.
- 10.2 Applications for projects that provide facilities or services to children, young people or vulnerable adults are required to include copies of the applicants safeguarding policy and procedures.
- 10.3 The requirement for organisations to adhere to Safeguarding legislation are included in the CIM Fund grant terms and conditions.

11 Equality and Diversity Implications

- 11.1 Members must demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 11.2 Organisations applying to the CIM Fund are required to describe how their project will promote equal opportunities and will be accessible to all people in the community regardless of background, ability or personal circumstances.
- 11.3 Projects that restrict membership or access to services without being able to 'objectively justify' their reasons for doing so will not be eligible to be considered for funding. Projects that wish to limit access must be able to show that the less favourable treatment contributes to a 'legitimate' aim and that it is 'proportionate.'
- 11.4 Organisations are required to provide a copy of their Equal Opportunity Policy with their application to demonstrate awareness of their responsibility to deliver accessible services that advance equality.
- 11.5 Wider community benefit and the ability of the project to promote cohesive communities are both taken into account when scoring applications and making recommendations.

12 Social Value Implications

- 12.1 Applications to the CIM Fund must demonstrate that they provide economic, social and or environmental benefits for the local area. Applicants are also encouraged to provide opportunities for volunteering and community involvement wherever possible.

13 Partnership Implications

- 13.1 The Planning Obligations Board has representative members from Sedgemoor District Council, Somerset County Council, EDF Energy and West Somerset Council.

14 Health and Wellbeing Implications

- 14.1 The Community Impact Contribution and Stogursey Contribution have been paid to West Somerset Council for the purpose of mitigating the impacts of the Hinkley C development on local communities through projects that promote or improve the economic, social or environmental wellbeing of local communities.
- 14.2 The application and scoring process has been developed to prioritise funding of projects that aim to improve the health and wellbeing of people, families and communities affected by the development.
- 14.3 Applications are required to evidence and demonstrate that
- The communities is taking responsibility for their own health and wellbeing;
 - Projects provide benefits which empower communities to be thriving and resilient
 - Projects provide benefits which support people to live independently.

15 Asset Management Implications

- 15.1 There are no asset management implications as a result of these recommendations.

16 Consultation Implications

- 16.1 Applications to the CIM Fund are considered Planning Obligations Board. The Board consists of representatives from EDF, Sedgemoor District Council, West Somerset District Council and Somerset County Council.
- 16.2 All applicants are required to demonstrate that they have consulted with their local and wider communities on project proposals with the aim of informing their need appraisal and to shape delivery of their project.

17 Cabinet Comments / Recommendation(s)

- 17.1 Cabinet endorsed the recommendations of the Hinkley Point C Planning Obligations Board at their meeting on 2nd March. This endorsement is reflected in the recommendations to Full Council in Paragraph 2 of this report.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Cabinet/Executive – Yes**
- **Full Council – Yes**

Reporting Frequency : Every 2 months.

List of Appendices

Appendix A	Hinkley Community Impact Mitigation Fund Approval Balances
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Appendix A

Hinkley Community Impact Mitigation Fund Approval Balances

	TOTAL	West Somerset	Sedgemoor	Cannington	1st Annual payment	Stogursey
	£	£	£	£	£	£
CIM Fund Received(including Inflation Uplift)	5,100,000	2,000,000	1,000,000	500,000	1,600,000	500,000
Inflation Uplift	387,175	134,529	67,265	33,632	151,749	33,632
TOTAL Received	5,487,175	2,134,529	1,067,265	533,632	1,751,749	533,632
<u>Less previously approved allocation</u>						
Stogursey Parish Council - Burgage Road Play Area	(90,373)	(90,373)				Stogursey Earplug Scheme (2,087)
Wembdon Village Hall - New VH & Play Area	(250,000)		(250,000)			
Somerset Youth & Community Sailing Association	(9,600)		(9,600)			
Tropiquaria - Relocation of primates	(40,000)	(40,000)				
Tropiquaria - Relocation of play area	(37,350)	(37,350)				
Porlock Shellfish Project	(800)	(800)				
Westfield Street Café	(110,000)		(110,000)			
Williton Bowling Club	(13,000)	(13,000)				
Kilve Cricket Club	(22,000)	(22,000)				
Onion Collective	(243,119)	(243,119)				
Williton Parish Council	(250,000)	(250,000)				
Stogursey Football Club	(750)	(750)				
North Petherton Playing Fields	(46,000)		(46,000)			
SDC - Sydenham Together	(60,000)		(60,000)			
Tropiquaria - Marketing	(1,000)	(1,000)				
Bridgwater Education Trust	(18,295)		(18,295)			
Sydenham and Bower FHWG	(200,000)		(200,000)			
Cannington Village Hall	(186,186)			(186,186)		
Victoria Park Community Centre	(14,524)		(14,524)			
Watchet War Memorial Pavilion	(7,500)	(7,500)				
Current Uncommitted Balance	3,886,678	1,428,637	358,846	347,446	1,751,749	531,545

Less Requested approvals

Otterhampton Parish Play Area

(37,820)

(37,820)

Uncommitted Balance if all requests were approved

3,848,858**1,428,637****358,846****347,446****1,713,929****531,545**

Report Number: WSC 32/16

West Somerset Council

Council 16th March 2016

Superfast Broadband – Delivery of Phase 2 Rollout

This matter is the responsibility of Cllr Karen Mills

Report Author: Ian Timms, Assistant Director Business Development

1 Executive Summary / Purpose of the Report

- 1.1 To update members on the procurement process for the delivery of Superfast Broadband Phase two. This programme is being delivered through the Connecting Devon and Somerset Partnership (CDS).
- 1.2 To seek the necessary authorisations to enable the council to finalise its commitment to phase 2 of this project.
- 1.3 To give an outline of the key issues, risks and considerations associated with this decision as they relate to the collaboration agreement.

2 Recommendations

- 2.1 That Council notes the update on the procurement process to deliver phase 2 superfast broadband.
- 2.2 That Council supports the proposal to grant delegated powers to the Assistant Director for Business Development to sign the collaboration agreement in consultation with the portfolio holder for Economic Development

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
Signing the collaboration agreement commits the council to indemnifying the project. This indemnification shares the risk relating to the procurement and contract. This will create a financial risk to the council	3	4	12

<i>Each partner's exposure to cost will be limited through the agreement to the percentage that they have committed to the project. Robust procurement will be carried out by lead partner Robust contract management will be carried out by lead partner</i>	2	4	8
An appropriate minimum level of coverage is not achieved through the procurement process across the CDS area	3	4	12
<i>Clear Invitation To Tender (ITT) Robust assessment process Contract only awarded to compliant bidder</i>	3	2	6
Finances provided by WSC are not spent in the District	3	4	12
<i>Collaboration agreement has specific clause addressing this risk</i>	1	4	4

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact				

4 Background and Full details of the Report

- 4.1 The Connecting Devon and Somerset (CDS) partnership is leading the delivery of Superfast Broadband (24 Mb) across Devon and Somerset through its non-commercial rollout programme. Phase one of this project is currently seeking to bring Superfast Broadband to a minimum of 90% of all premises by end of 2016.
- 4.2 The second phase will seek to increase the level of coverage to a minimum of 95% across the partnership area. In order to support of this goal a range of partners, which includes West Somerset Council have agreed in principle to make a financial contribution to the project.
- 4.3 In the case of WSC this is a total capital contribution of £240,000. The Council has already committed £70,000 of this overall sum to the phase 2 package which covers

Exmoor. This report therefore relates to the remaining £170,000 which will secure improved coverage across the remainder of the council area.

- 4.4 All of the partners have been asked to sign a collaboration agreement to confirm their financial commitment to this phase. The agreement outlines the basis on which the contribution will be used by CDS to deliver the rollout of this second phase.
- 4.5 Signing this agreement will enable the overall financial package to be finalised. This will in turn lead to the invitation to tender (ITT) being issued. Signing the collaboration agreement finalises each partner's involvement in the project.

Procurement process

- 4.6 The initial exercise to procure this additional coverage culminated in early summer 2015. The deadline for that procurement phase was driven by the expiry of a State aid notice on 30th June 2015 which enabled the funding package to be delivered.

- 4.7 The initial procurement was split into two packages:

The main package related to the wider CDS area

The smaller package cover Exmoor and Dartmoor (two moors) which is an area that requires alternative solutions to provide the desired level of coverage.

- 4.8 The main package was procured using the framework agreement that existed at that time. The framework was restricted to two potential bidders, Hitachi and BT. One bid was received from BT which failed to meet the contract requirements and was therefore rejected. This was well publicised at the time and also scrutinised in depth by both of the Upper tier authorities.
- 4.9 The secondary package covering the two moors was procured on an open tender basis. This area has a challenging geography and it was perceived that this would require alternative solutions to be applied. The contract was awarded to Airband who are delivering a Wi-Fi solution to provide the required coverage.
- 4.10 The new procurement phase for the main package has been underway over the past 6-9 months. This includes supplier days, securing a new state aid notice, tender preparations, revising collaboration agreements and all the necessary work associated with a procurement of this nature.
- 4.11 In order to enter the next phase of the procurement CDS are seeking to ensure that all partners have signed off the collaboration agreement. As stated above the agreement will effectively finalise the commitment to delivery of the project. The sign off of this agreement is being sought in the next 6-8 weeks.

Collaboration Agreement – Issues and Risks

In committing to sign the agreement there are some key risks and issues to consider. These are in four key areas which are explored in section 5.11 -5.14 of this report and detailed below.

- 4.12 **Indemnity**

There is a specific risk related to the procurement itself as each partner will indemnify the lead authority for its proportionate share of the procurement exercise and the

contract management process. The cost sharing relating to liability is on the following basis and therefore limits the liability of each partner as outlined in the table below.

B&NES	3.27%
DEVON	37.64%
MENDIP	6.55%
NORTH SOMERSET	6.27%
SEDGEMOOR	5.56%
SOMERSET	24.22%
SOUTH SOMERSET	10.47%
TAUNTON DEANE	6.22%
WEST SOMERSET	2.78%

The exposure of West Somerset Council is therefore relatively small but remains a risk associated with process. This risk should be addressed by good procurement practice is letting the contract and robust contract management in the delivery phase

4.13 Board representation

In the initial procurement exercise in 2015 the Somerset Districts were offered one representative on the main board. Whilst the procurement failed this place was offered to the Somerset leaders Group and is currently occupied by Cllr John Williams of TDBC. Since that procurement there has been further negotiation which has led to the offer of an additional place to represent Districts on the Board. This would bring representation to a level that reflects the relative financial commitment being made by Districts.

Members should note that the Two Moors package has a separate sub- board with WSC being represented by Cllr K Mills.

4.14 Local Outcomes and Ring fencing

The agreement reflects the requirement from each funder that the monies provided are spent in their respective district. There is also a clear commitment to secure Value for Money (VFM) which translates into securing the maximum possible benefit for the monies committed by each partner.

It should be noted that an element of funding is focused on business premises. The tender invitation will therefore have requirements around delivering this type of premises which were not possible in the phase one rollout. There can/also be specific requests built into the tender around priority areas although this will need to be kept at a relatively simplistic level to minimise complication in the tender process.

The tender will set a minimum threshold of 95 % superfast coverage across the CDS area. However as the procurement is subject to bidders assessing what is technically possible in each area and then submitting their coverage projection it is not possible to issue a guarantee at this stage around the specific gains in each district.

The council therefore needs to balance it's aspiration to deliver enhanced coverage against the reality that ahead of the procurement exercise there can be no clear cut guarantee of exact coverage that will be gained as this is an unknown until completion of the bidding process.

The secondary consideration relates to how much extra benefit is gained from contributing. In simple terms the less money that is committed to an area the less coverage a bidder is likely to provide. As the council has broadband as it's priority it seems logical that we would wish to make the contribution that has been requested from the lead partner.

4.15 **Repayment of contributions**

All partners requested clarification on what circumstances could enable their withdrawal from the rollout delivery phase. In summary this may occur if the contract were inoperable. This risk should be addressed through the tender process and in reality withdrawal is only possible in that limited situation.

4.16 **Summary**

There are clearly risks and issues created by signing the collaboration agreement. However these are on balance adequately addressed by the agreement. There may be further amendments but subject to these changes Somerset County Council, acting as lead partner have asked each partner to sign off the agreement once it has been finalised.

In order to achieve this goal members are asked to endorse the signing of the document by the assistant Director Business development in consultation with the Portfolio holder. This will be supported by verification from the Section 151 officer.

5 Links to Corporate Aims / Priorities

5.1 The Council has identified the rollout of fibre broadband and better mobile phone signal coverage across the district as a corporate priority. This is described in the Corporate plan, Theme 2, issue F.

5.2 Committing to the next phase of the Superfast programme will assist in delivery of this Corporate Priority

6 Finance / Resource Implications

6.1 The signing of the collaboration agreement would finalise the council's commitment to the Superfast Broadband Phase 2. This will mean that the sum of £170,000 allocated to the project will need to be made available to the project.

6.2 As part of the capital programme for 2015/16 approved by Members in February 2015, a budget of £240,000 was included in respect of the Superfast Broadband Project and was budgeted to be funded from Useable Capital Receipts.

7 Legal Implications

7.1 SHAPE have been instructed to provide advice on the collaboration agreement. The risk areas related to the agreement are outlined in the report. Formal legal advice will be provided to the Assistant Director Business Development prior to sign off of the agreement. The sign off will be informed by this advice.

8 Environmental Impact Implications

8.1 There are no known implications from this report.

9 Safeguarding and/or Community Safety Implications

9.1 There are no issues associated with this report relating to this agreement.

10 Equality and Diversity Implications

10.1 Equality and Diversity considerations are a key component of the tender document. Assessment of any implications and how these are addressed by bidders is therefore a key element of the final part of the procurement exercise.

11 Social Value Implications

11.1 The procurement of the second phase is being led by Devon CC on behalf of the partnership. Social Value is being built into the process. As an example we are seeking to secure wider community benefits such as training on use of the internet through the contract process.

12 Partnership Implications

12.1 The delivery of Superfast Broadband to Somerset is a partnership activity. The CDS partnership has the biggest rollout programme of any area in England. As we move into the next phase of the partnership West Somerset Council will become a formal member of the wider partnership governance through its commitment of funding to the delivery of the project. This partnership will ultimately have benefits for the business community, schools and individual homes as the rollout occurs and Superfast Broadband availability increases across the area.

13 Health and Wellbeing Implications

13.1 Superfast broadband is now seen by many as essential to managing their day to day lives. Therefore access to this service can be seen as impacting this area. A specific example is that having a good connection could reduce isolation

14 Asset Management Implications

14.1 There are no asset management issues associated with the report

15 Consultation Implications

15.1 The creation of the tender for this next phase of Superfast Broadband is an evolution based on consulting with potential partners and tenderers. A procurement of this size is by its nature consultative.

Democratic Path:

- **Corporate Scrutiny Yes**
- **Executive – Yes**

Reporting Frequency: Once only

Contact Officers

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Report Number: WSC 42/16

Taunton Deane Borough Council & West Somerset Council

Full Council – 16th March 2016 (WSC) and 17th March 2016 (TDBC)

MANDATE FOR DEVELOPMENT OF TRANSFORMATION BUSINESS CASE

This matter is the responsibility of the Leaders of the Council

**Report Authors : Penny James, Chief Executive
Shirlene Adam, Director of Operations**

1 EXECUTIVE SUMMARY / PURPOSE OF REPORT

- 1.1 Following the very well attended Member Briefings in January 2016, this report formally updates Members on the current position on Joint Management & Shared Services (JMASS).
- 1.2 The closedown reports from the initial transformation projects (Vision & Priorities and Affordability Review) are shared along with the emerging themes that will need to be explored further in order to develop the transformation business case.
- 1.3 Both Councils want to and need to transform. The key challenge is whether transformation will deliver the financial outcome needed, and whether achieving this is affordable to either or both Councils.
- 1.4 Both Councils are asked to confirm their continuing commitment to a joint future before work will start on any business case development, and to move forward and develop a high level business case (with variants) that tests the ability to transform for both Councils together or separately.

2 RECOMMENDATIONS

2.1 Full Council is requested to:-

- a/ Confirm its continuing commitment to a core, exclusive and on-going long-term JMASS partnership between Taunton Deane Borough Council and West Somerset Council in accordance with the terms and conditions set out in the Inter Authority Agreements dated 15th November 2013; and
- b/ Subject to recommendation 2.1 a/ above - To authorise and prioritise the development of high level Transformation Business Case that tests the following sequential options:-
- ONE Team supporting two Councils (TDBC and WSC);
 - ONE Team supporting a merged Council (TBC and WSC);
 - Two Councils progressing their own transformation agendas

3 RISK ASSESSMENT

3.1 The JMASS project maintains a risk register which is shared regularly at JPAG meetings. The detailed register will be revisited post the decisions made at these Full Council meetings. Pending the decisions, the key risks for the JMASS partnership are shared below.

3.2 Risk Matrix

Description	Likelihood	Impact	Overall
One or both Councils are not committed to the on-going partnership.	2	4	8
<i>The mitigation for this is the public "commitment" to a long-term and exclusive partnership as requested in the first recommendation of this report. If this is agreed, then the risk score will reduce to a manageable level pending the delivery of the business case.</i>	1	4	4
Both Councils are committed to the on-going partnership but none of the business case variants deliver a solution that is financially or politically acceptable to both Councils.	2	4	8

<i>The mitigation for this is to progress and do the work necessary to evidence the impact of transformation. Should this prove to be the case, then different options need to be considered.</i>	1	4	4
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3.3 In both risks identified, the future of the ONE Team would be at risk.

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 BACKGROUND – PHASE 1 JMASS

4.1 In November 2013 both Taunton Deane Borough Council and West Somerset Council approved the adoption and implementation of the Business Case for JMASS. The Business Case talked about the JMASS ambitions being progressed in a couple of phases.

- 4.2 The initial phase, of delivering the “ONE Team” of Officers to support both democratic bodies, was set out in detail in the original business case. This was delivered ahead of time and within budget.
- 4.3 The second phase, described simply as “transformation” set out the potential for further financial savings to be delivered to both Councils. The detailed business case was not developed for this phase, as although confidence levels were high on the potential to deliver savings, the unknown at that point was the appetite for change in either Council.
- 4.4 In order to shape this phase a series of Member Briefings were held during 2014 and 2015, where Leaders from other Councils shared their stories of transformation. This offered both Councils a better understanding of the “art of the possible” before starting to shape their ambition for change.
- 4.5 The formal closedown reports for the initial phase of JMASS were shared in Spring 2015 and the early planning work on phase 2 then began.

5. PHASE 2 JMASS TRANSFORMATION – STAGE 1 PROJECTS

- 5.1 Before launching into the delivery of a major change programme, the Councils needed to test out two things – their Vision & Priorities for the future, and their Affordability. Two projects were agreed to progress this work, and both have now formally concluded (the project closedown reports, which have been shared with JPAG are attached at Appendix A and Appendix B).

The Vision & Priorities Project

- 5.2 The output from the Vision & Priorities project has, following a high level of Councillor engagement, enabled both Councils to agree a Corporate Strategy that not only sets out the role and purpose of the Council(s) but agrees clear design principles which will shape the future transformation programme. This is essential to moving forward on our transformation programme. There are some emerging themes that will need to be explored further (and resourced) to get to Business Case stage including:-
- 5.3 Customer Access – need to develop a Customer Access Strategy that outlines how we will work with our customers, and agrees customer access principles that will ensure our approach is customer centric in all we do. There is a need to consider how this will be implemented across the organisation to meet the objectives and drive out efficiencies.
- 5.4 Systems & Processes – need to agree the approach to reviewing and redesigning key systems and processes (to meet the design principles and customer access ambitions). This is key to driving out efficiencies and will need to consider IT systems as well as key processes. Need to consider how this will be prioritised and delivered and what support will be needed.
- 5.5 People – need to develop a People Strategy that outlines how the work, the workforce (skills, attitudes, behaviours) and the workplace needs to adapt to meet the design principles. Need to consider how this will be implemented across the organisation, and

the organisational development and communications support required to make this happen.

- 5.6 Members and Governance – need to develop the support for the role of Elected Members to truly empower work in localities and to fully operate as advocates for the Council. The Governance arrangements need to be reframed to ensure they are appropriate to the requirements and ambitions of the post transformation Councils.
- 5.7 Accommodation - need to agree the Accommodation Strategy that supports the transformation vision. This will emerge from the work to be done on Customer Access and People and will form a key assumption of any business case.
- 5.8 Commercial Approach – need to outline the approach and resourcing needed to move to a position where the Councils (our staff, our service delivery approach, and our approach to decision making and risk) can be more business-like. There is a need to consider the support required to achieve a better understanding of our “business”, the income generation potential of what we do now, or could do in the future, and to flag investment opportunities.

The Affordability Project

- 5.9 The Affordability Project was designed to challenge the robustness of the Councils’ medium term financial plans (MTFPs), and whether a transformation programme would deliver sufficient savings to achieve financial sustainability for either or both Councils.
- 5.10 This was important as the impact of the business rates appeal on Hinkley B power station was significant on West Somerset Council’s level of reserves and ongoing income forecasts from business rates. The output from this was the Bill Roots report which concluded that:-
- Taunton Deane has General and Earmarked Reserves and has not used the vast majority of its New Homes Bonus (NHB) to fund day to day services. Taunton Deane will need to take tough decisions to balance its budget but this together with transformation should enable it to do so.
 - West Somerset has only minimum General Fund Reserves, and minimal Earmarked Reserves and uses almost all of NHB to fund day to day services.
 - The impact of the business rates appeal on Hinkley B nuclear power station causes a dire financial position for the Council in the short and medium term.
 - Longer term, should Hinkley C be built and start generating power, and the existing business rates rules apply, then the Council will benefit from additional funding. The timing of this is too late to resolve the current problem.
 - Were it not for the impact of the appeal outcome West Somerset could in all likelihood have balanced its books going forward by a combination of further savings and transformation.
 - West Somerset is not considered viable going forward unless special measures are implemented.

6. THE CASE TO GOVERNMENT

6.1 With support, the Council developed a strong case to Government setting out the unique nature of the circumstances that West Somerset face, and formally requested support. The full document is attached in Appendix B. The key messages in the case are:-

- That circumstances are quite unique and not down to anything the Council, or Government or EDF have done wrong. This isn't anyone's "fault".
- Both West Somerset and its partner Taunton Deane are good well run Councils that have delivered what was required by Government. The Councils are ready for further transformation and integration (as per the original plan) but the financial viability issue is a serious hurdle to overcome.
- The request from West Somerset is to be "put back" to the financial position it was in pre the appeal (return £1.6m to Reserves, and return £330k per annum to business rates income). This won't eliminate the financial challenge, it simply puts it back to an achievable position (as it was in the JMASS Business Case).

6.2 The case was supported by senior politicians in the LGA who made the initial case to the Local Government Minister. This resulted in an invitation to meet the Local Government Minister (Marcus Jones) in January this year. This was attended by the Leaders of both Councils, the Deputy Leader of West Somerset plus the Chief Executive and s151 Officer. The Minister was clear in his feedback that there was no additional resources from Government to West Somerset Council. He requested that other options were explored – in particular he mentioned "merger" – and left the door open for further conversations when a plan for this had been prepared.

6.3 So, the current baseline "facts" we need to move forward from are that:-

- West Somerset Council is not viable without special measures.
- The Government are currently unwilling to offer additional support.
- Both Councils need to progress with their transformation ambitions to achieve financial sustainability.

6.4 The recent briefings to Councillors in both authorities gave informal support on a way forward that would test the ability of the Councils to transform. The remainder of this report sets out this proposal for formal approval.

7. MOVING FORWARD

7.1 We have now, through the approved Corporate Strategies, clear design principles that will shape our transformation vision. We need to move forward now and formally test our ability to transform through the development of a high level Business Case. This will articulate our Transformation Vision and test the delivery of this in 3 sequential "variants":-

- As now, with two separate Councils supported by the ONE Team.

- In one merged Council (TDBC and WSC), supported by the ONE Team
- As two separate Councils with their own transformation agendas.

- 7.2 The three variants will be developed simultaneously to ensure we can reach a decision point as quickly and safely as possible. It is envisaged this work will take 3-4 months and will report in June - July 2016.
- 7.3 The first two variants leave the ONE Team support arrangements in place – albeit to be reorganised as part of the transformation programme. The 3rd variant will present a challenge to the ONE Team approach.
- 7.4 The first two variants, and the stand-alone 3rd variant for TDBC only will follow a similar organisational model – focussing on the design principles agreed in the Corporate Strategies. This is likely to deliver a very different organisation to that in place now - completely reorganised to truly be customer centric, to support Councillors in their role as “active advocates” in their areas, to promote self-service, and to minimise governance and be risk aware rather than risk averse.
- 7.5 The 3rd variant for West Somerset would be distinctly different and the ambitions and design principles set out in the Corporate Strategy are unlikely to be entirely affordable or deliverable.
- 7.6 The recommendations request formal approval and commitment to progress this.
- 7.7 The resources required to deliver this to high level Business Case can be funded from existing JMASS approvals. The obvious areas of work to get to high level business case are described in sections 5.3 to 5.8 above. Delivery plans on this, together with the funding required will be shared with and endorsed by Joint Partnership Advisory Group (JPAG) throughout this period.

8. LINKS TO CORPORATE AIMS / PRIORITIES

- 8.1 The report proposes a way forward from the current position to allow both Councils to progress transformation, to secure financially sustainable futures and deliver both Councils' Corporate Priorities.

9. FINANCE / RESOURCE IMPLICATIONS

- 9.1 Both Councils set aside funding as part of the original business case. Both still have funding available within this existing approvals to progress the work needed to develop the high level business cases. Following the budget setting meetings of February 2016, for West Somerset Council this amounts to £465k (revenue) plus £274k (capital), and for Taunton Deane this amounts to £147k (revenue) plus £695k (capital).
- 9.2 JPAG will approve detailed spending within the sums set aside by the Councils for JMASS to further develop the emerging transformation themes.

- 9.3 There is no requirement for additional funding (above existing approvals for JMASS) to deliver the high level business case. The high level business case, when shared, will set out the resources required to implement the transformation plans.

10. LEGAL IMPLICATIONS

- 10.1 The legal and governance arrangements for the JMASS partnership are set out in the Inter Authority Agreement approved by both Full Councils in November 2013. This is an important document and is attached at Appendix C for information.

11. ENVIRONMENTAL IMPACT IMPLICATIONS

- 11.1 None in respect of this report.

12. SAFEGUARDING AND/OR COMMUNITY SAFETY IMPLICATIONS

- 12.1 None in respect of this report.

13. EQUALITY AND DIVERSITY IMPLICATIONS

- 13.1 Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process. The three aims the authority must have due regard for are:-

- Eliminate discrimination, harassment, victimisation;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relationships between persons who share a relevant protected characteristic and persons who do not share it.

- 13.2 None as a result of this report. This will need to be considered in the delivery of the transformation business plan (should it ultimately be acceptable to both Councils).

14. SOCIAL VALUE IMPLICATIONS

- 14.1 None in respect of this report. This will need to be considered in the delivery of the transformation business plan (should it ultimately be acceptable to both Councils).

15. PARTNERSHIP IMPLICATIONS

- 15.1 As mentioned in the risk assessment (section 3) the decisions made from this report could have a fundamental impact on the future of the existing ONE Team arrangement. Should either Council feel unable to agree to commit to an exclusive and on-going partnership then the exit arrangements set out in the Inter Authority Agreement will be enacted.
- 15.2 Whilst Taunton Deane and West Somerset are the core partners for JMASS, both Councils shall continue to seek further partnership opportunities where they help deliver against the Council(s) Corporate Priorities.

16. HEALTH & WELLBEING IMPLICATIONS

- 16.1 None in respect of this report.

17. ASSET MANAGEMENT IMPLICATIONS

- 17.1 None in respect of this report.

18. CONSULTATION IMPLICATIONS

- 18.1 The issues set out in this report were shared informally at the very well attended Member Briefings in January 2016. A briefing note was shared with JPAG on the next steps – flagging the need for this Full Council approval.

Democratic Path:

- **Member Workshops & Development Sessions on Transformation – (2014 – 2015)**
- **All Member Briefings - Jan 2016**
- **Briefing Note (Mandate Report & Next Steps) to JPAG Members - Feb 2016**
- **Closedown Reports (Vision & Priorities and Affordability Review) to JPAG Members – Feb 2016**

List of Appendices

Appendix A	Closedown Report – Vision & Priorities
Appendix B	Closedown Report – Affordability Review (including Bill Roots report and approach to Government)
Appendix C	Inter-Authority Agreement

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Appendix A



Joint Management & Shared Services

Phase 2 > Stage 1 > Project 1
Vision, Purpose, Strategy & Priorities

CLOSEDOWN REPORT

APPENDIX TWO

Member Working Groups (“MWGs”)

- The Joint Partnership Advisory Group (“JPAG”) may create and disband specific Member Working Groups (“MWGs”) to advise the JPAG on specific issues.
- The JPAG shall decide the terms on which each of the MWGs are created and disbanded.
- The MWGs will operate as task and finish groups with a clear set of terms of reference and a target date for reporting to the JPAG and disbandment.
- Each MWG shall consist of the same number of members from each Authority.
- The MWGs shall not have decision making powers. Each MWG shall report to the JPAG with clear comments/suggestions which the JPAG shall consider and deliberate on, or shall refer to each Authority for consideration.
- Each MWG has no power to commit any of the Authorities financially but may be allocated a budget to facilitate efficient and timely working.
- Each MWG must update the JPAG after every MWG meeting and at other times as required.
- The venue for meetings of the MWGs will alternate between the Authorities’ offices and will be chaired by a member of the host authority as agreed by the MWG.

DOCUMENT DETAILS

Version	Status	Date	Author/Editor	Details of Change
0.1	For review	16.12.2015	PJH	Initial Draft
1.0		12.02.16	KB	JPB Minor amendments

DISTRIBUTION

Name	Date	Version
Kim Batchelor	16.12.2015	0.1
Hannah Stevenson	16.12.2015	0.1
Andrew Goodchild	16.12.2015	
Bruce Lang	16.12.2015	
Penny James	16.12.2015	
JPB	09/02/16	
JPAG	15.02.16	

1. Purpose of the Report

The Project Closure Report is the final document produced for the project and is used by senior management to assess the success of the project, identify best practices for future projects, resolve all open issues, and formally close the project.

2. Background and Context

- 2.1 This project is part of JMASS phase 2 and commenced at the end of June 2015. The purpose of the project was to help shape the type of Councils we are, and the range and standard of services that we deliver, enable and support.
- 2.2 The key expected outputs from this project were:
- refreshed high-level Corporate Priorities for each Council,
 - design principles for our organisations,
 - refreshed visions and
 - clarity on the role and purpose of the Council.
- 2.3 The affordability of the priorities and the organisational design required to deliver against these priorities were out of scope of this project but will be informed by the output of this project and picked up by other JMASS phase 2 project.
- 2.4 Reason for Closing the Project
- 2.5 The required project objectives have been met and outputs have been delivered.

3. Key Project Activities

- 3.1 During August 2015, nine small facilitated Member workshops were organised; five for TDBC and four for WSC. These were organised along broad geographical lines, based upon electoral wards.
- 3.2 Prior to the workshops each Member was provided with an information pack which provided the profile of each Council and of their ward in terms of its makeup, challenges, and issues (based upon the 2012 Census data) and an analysis of national policies and requirements that will impact upon the Councils.
- 3.3 These workshops were informal events which sought to identify and capture:
- priority ward issues;
 - priority district-wide issues (irrespective of which public body currently has responsibility for these issues);

- the role and purpose of the Councils;
 - the vision for the authorities.
- 3.4 Approximately 70% of both WSC and TDBC attended a workshop; which was an excellent response, particularly as they took place during the traditional summer holiday period.
- 3.5 Those Members who were unable to attend were invited to contribute by email in order that they also had the opportunity to feed into this initial part of the project.
- 3.6 On 7th September two 'wash-up' sessions were held. One for WSC Members and One for TDBC Members. The purpose of these sessions was to feed back to Members the messages which the project team thought they had heard in the workshops, to check our understanding was correct and to provide a further opportunity for Members to shape this area of work
- 3.7 Following the wash-up sessions refinements were made to the emerging messages. These were shared with all Members, with a request that these be shared with parishes and wider community groups for their input and challenge.
- 3.8 Only 4 responses were received from outside organisations which provided no opposition to the areas identified by Members as being of importance to their wards and /or the districts.
- 3.9 Using the refined output, following the 'wash-up' sessions, two initial drafts of Corporate Strategies were prepared. One for each Council. These were shared with the Cabinet / Executive, JMT and Tier 4 managers.
- 3.10 Since then these documents have been enhanced, although the key messages remain unchanged.
- 3.11 The Strategy outlines each Council's strategic direction for the next four years from April 2016 to March 2020, setting out our visions, priorities, design principles, values and principles. They will guide other JMASS Phase 2 workstreams, our planning and allocation of resources as we establish detailed corporate and operational plans each year.
- 3.12 The final draft Strategies were provided to JPAG at their meeting of 14 December.
- 3.13 On 27th October a cross-authority WSC/TDBC Member event was held at the Genesis Centre, Somerset College, Taunton titled 'making a difference'. This event was led by the two Member Champions and supported by officers and was intended to be the first of a series of Member workshops.
- 3.14 The purpose of the meeting was two-fold. Firstly to illustrate how difficult and limiting it would be simply to have discussion about the future role and shape of the Councils by trying to focus solely on discretionary and statutory services. Chris Hall

provided an illustration of this relating to street cleansing. The secondary purpose was to gain feedback on two particular questions:

- What do Members want their involvement to be going forward in shaping the Councils/ One Team organisation?
- How do Member wish to progress the ideas raised during the evening using the future workshops?

4. Key Project Outputs


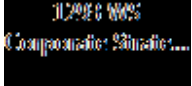

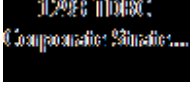
- 4.1 The output of the August workshops were handwritten notes on flipcharts, as well as some supplementary emails from which write-ups were produced.
- 4.2 Two slide decks were prepared for the ‘wash-up’ sessions on 7th September, summarising the key messages from the August workshops
- 4.3 Draft Strategy documents were produced for consideration by JPAG, JMT and Cabinet/Executive based on output from the August workshops and the ‘wash-up’ sessions.
- 4.4 Handwritten notes were produced from the discussions which took place at the 27th October 2015 ‘*making a difference*’ joint all-member session. From this, key messages were collated and have been circulated, together with notes of the various presentations given during that meeting, to all members of both Councils.

5. Project Performance

5.1 Performance against Objectives

The project had the following objectives;

Objectives	Achieved (Y or N)	Relevant Products
------------	----------------------	-------------------

<ul style="list-style-type: none"> Refreshed high-level Corporate Priorities for each Council, 	Y	WSC Corporate Strategy 2016/20
<ul style="list-style-type: none"> High level design principles for our organisations, 	Y	
<ul style="list-style-type: none"> Refreshed visions 	Y	
<ul style="list-style-type: none"> Clarity on the role and purpose of the Council. 	Y	TDBC Corporate Strategy 2016/20  

6. Records Management

Final versions of the key project documents are held securely on TDBC servers.

The path is:

\\tosrv\Corp Client\Performance and Inspection\2. Hannah & Paul Shared Folders\8. Corporate Priorities Project

Paul Harding and Hannah Stevenson have access rights to these folders.

7. Lessons Learned

The purpose of identifying lessons learned from this project is to help inform other project managers on similar future projects. This may be used as part of new project planning for similar projects in order to determine what went well with the project and what might have been done better so that other project managers may capitalise on these actions. The lessons learned are listed in Appendix A.

8. Project Resource

The project was delivered within existing staff resources.

9. Risk

There are no project risks that are outstanding. The project risks were only concerned with matters which could have compromised the creation of coherent

corporate strategies for the two councils. The project risk register did not, and was not required to, include risks associated with subsequent activities which were beyond the scope of this particular project.

10. Post-Project Tasks

10.1 There are two post-project tasks to be undertaken:

- Undertake public consultation on the Strategies, predominantly via the web, during January 2016, and include any feedback received for consideration as part of the formal approval process. The Corporate Strategy & Performance Manager and the Corporate Strategy & Performance Officer will be responsible for this.
- Take the Strategies through the democratic process at each Council. Aiming for approval by end February 2016. The Corporate Strategy & Performance Manager will be responsible for this.

11. Recommendations

11.1 There are **three** recommendations:

11.2 **RECOMMENDATION 1** - that this project be formally closed given the required outputs from this particular project have been delivered.

11.3 **RECOMMENDATION 2** - in order to progress the 'next steps' identified during the 'making a difference' member workshop held on 27th October, it is recommended that Member/Officer workshops be arranged to explore service delivery options, examine best practice and develop new ideas to inform the design of services going forwards

11.4 The workshops would be collaborative and involve Members of both Councils working alongside officers.

11.5 It is proposed that the working title for these workshops/meetings be 'Transformation Action Groups', abbreviated to 'TAGs'

11.6 TAGs should collaboratively explore options, examine best practice and develop new ideas to inform the design of services going forwards rather than be a platform for officers to present recommendations for approval.

11.7 TAGs should be used to develop new ways of working, which both enhance the effectiveness of delivering those priorities within the financial framework that has been established. Outcome focussed, TAGs will develop service priorities and standards delivering reductions in cost, increased income and or establish returns

on investment to meet the financial challenges we face while meeting the agreed priorities of the Councils.

11.8 Four TAGs are suggested around the following themes:

- Localities/Communities (at a strategic level)
- Commercialism
- Corporate functions
- Services (delivery)

11.9 To enable collaborative thinking the TAGs are not service area limited in their scope and are not designed around existing portfolios or directorates – there are deliberately a number of overlaps. The suggested areas for TAGs have been considered and summarised into the themes listed above. Cross cutting elements such as customer are reflected across all themes and influence their work. The detail underpinning these themes will be developed as the TAGs are formed.

11.10 Initially, TAGs will be open to all Members who have an interest in the subject matter and the 'Making a Difference' workshop sessions will be used to bring common thinking and cross-cutting issues to the widest forum. Each TAG would have a Member and an officer lead, to be nominated by the Leaders and Chief Executive respectively.

11.11 Once formed, each TAG should decide on how its business will be conducted, within these parameters. It will be important for the TAG to take the time to create the kind of working environment that stimulates creative thinking. What is important is that the TAGs create an atmosphere within which all members and officers of the group feel able to make a full and equally valued contribution.

11.12 It is suggested these groups commence post business case mandate approval.

11.13 **RECOMMENDATION 3** - that further joint all-member workshops take place, under the *making a difference* banner to help inform and equip members to play an active role in shaping transformation for the two Councils. The next workshop to take place after the 2016/17 budgets have been approved by the two Councils.

JOINT MANAGEMENT & SHARED SERVICES (JMASS) PHASE 2

APPENDIX B

Joint Project Board (JPB) – 9th February 2016

Joint Partnership Advisory Group (JPAG) – Feb (via email)

AFFORDABILITY PROJECT CLOSEDOWN REPORT

EXECUTIVE SUMMARY

The Affordability Review is now complete and concludes that without special measures, West Somerset Council is not financially viable. The initial approach to Government for financial support has not been successful.

This report shares the detailed project objectives, delivery approach, and outcomes.

1. Purpose of Report

- 1.1 This report formally shared with those charged with project governance, the final position on the Affordability Project. This was one of two projects initiated as part of the 2nd phase of JMASS.

2. Background – JMASS Business Case

- 2.1 The JMASS business case was created in 2013 in response to the continued budget pressures facing both Councils. At that point Taunton Deane were forecasting an underlying budget gap of around £1.5m per annum and West Somerset were forecasting an underlying budget gap of around £600k per annum.
- 2.2 The Project Mandate recognised that this project alone would not solve the financial difficulties faced by the Councils. Each Council would need to look at a combination of initiatives to close their budget gaps.
- 2.3 The ambition was to join officer structures across the Councils and then look to transform services. The business case looked at this initial stage in detail, and set out the investment needed and savings expected from joining up. Transformation was accepted as the next step and it was recognised that further work was needed to get clarity on what the Councils wanted (and the resultant investment required and expected level of savings to be delivered).

- 2.4 The first phase of JMASS therefore focussed on joining up the Officer structures of both Councils – leaving ONE Team of Officer supporting two democratic bodies. This produced, as predicted in the business case, significant savings for both Councils. The ongoing revenue savings are over £1.8m per annum and have significantly mitigated the impact of the funding cuts on front line services.
- 2.5 Having completed this first phase the Councils began to look at what transformation could mean for them. It was important that the Councils understood what others had already achieved, and widened our understanding of “what was possible”. Over a period of several months, a number of briefings were held offering the opportunity for our Councillors to hear from others about what they had achieved.
- 2.6 It was accepted that in order to achieve financial sustainability – the Councils would need to radically change what they are doing, and how, where and when they are doing it.
- 2.7 The 2nd stage of JMASS (Transformation) therefore launched last summer with two key projects. The first was “Vision and Priorities”, which focussed on getting clarity on this “end game”. This was fundamental to shaping the future direction of the Councils.
- 2.8 The second project was called the “Affordability Review” and was initially set up to give comfort to the Council(s) on:-
- Assurance on the medium term financial planning (ie whether broadly the budget gap forecasts are reasonable); and
 - Reassurance on the assumption that the transformation programme could deliver savings of such a scale to achieve financial sustainability; and
 - Comfort that the stated ambitions of the Council(s) could be delivered via a joint programme of transformation. (*this was in reality clarified via the “Vision & Priorities” project leaving this project to focus on the financials.*)
- 2.9 This report focuses on the outcome from the Affordability Review. Before looking at this though, it is useful to remind ourselves of the financial context we are operating in as this has changed significantly for West Somerset Council since the JMASS Business Case was developed.

3. Reminder of Financial Position

- 3.1 Since the JMASS Business Case was approved the financial environment has shifted considerably for all local authorities. The latest Autumn Statement and recent Government Settlement has confirmed our predictions on RSG ending before 2020, and the forthcoming policy changes on New Homes Bonus (NHB) will bring more stress to our financial forecasts and ambitions.
- 3.2 The latest forecasts for Taunton Deane Borough Council show a balanced budget for 2016/17 with a budget gap of £830k for 2017/18 rising to £1,700k by 2018/19, and

£2,400k by 2019/20. Taunton Deane does not rely on New Homes Bonus funding to support day to day service delivery. This isn't significantly different from where we were pre JMASS Business Case.

- 3.3 The latest forecasts for West Somerset Council show a balanced budget for 2016/17 with a budget gap of £140k for 2017/18 rising to £720k by 2018/19, and over £1,000k by 2019/20. West Somerset doe rely on New Homes Bonus Funding to support day to day service delivery. This is significantly different from where we were pre JMASS, due to the recent business rates appeal on Hinkley B nuclear station.
- 3.4 The medium term financial forecasts for both Councils show challenges ahead, particularly for West Somerset Council. The ongoing reductions in grant funding, together with the continued transfer of risk (and potential reward) to local authorities mean we need to completely rethink our approach to supporting our communities.
- 3.5 Before embarking on a programme of major transformation, that will require significant investment in terms of both officer time and funding, it is important that both Councils are confident in the financial assumptions and affordability of this vision.
- 3.6 The Affordability Review was carried out in this context.

4. Project Delivery & Outcomes

- 4.1 The LGA have been supportive of our ambitions throughout the JMASS programme and commissioned external support to help us with this particular piece of work. Bill Roots (ex Chief Executive and Finance Director of Westminster City Council) spent time with key officers and Members and shared his final report in September 2015.
- 4.2 The report is shared at Appendix A for information but the key findings can be summarised as:-
- Reflection on:-
 - stress level operating in some parts of the Council (senior managers and Finance).
 - High quality of current reporting – is it sustainable?
 - The MTFPs are basically sound and reflect what is known on future funding reductions, and estimate where there is less certainty. There are some “unknowns” as the Councils do not currently have robust Asset Management Plans in place to clarify maintenance liabilities. Work is underway to resolve this and when available, the funding needs will be built into the plan.
 - Two Councils financial strength is markedly different and future policy decisions need to recognise this.
 - Taunton Deane has General and Earmarked Reserves and has not used the majority of its NHB to fund day to day services. Taunton Deane will need to take

tough decisions to balance its budget but this together with transformation should enable it to do so.

- West Somerset has only minimum General Fund Reserve, and minimal Earmarked Reserves and uses almost all of NHB to fund day to day services.
 - The impact of the business rates appeal on Hinkley B nuclear power station causes a dire financial position for the Council in the short and medium term.
 - Longer term, should Hinkley C be built and start generating power, and the existing business rates rules apply, then the Council will benefit from additional funding. The timing of this is too late to resolve the current problem.
 - Were it not for the impact of the appeal outcome West Somerset could in all likelihood have balanced its books going forward by a combination of further savings and transformation.
 - **West Somerset is not considered viable going forward unless special measures are implemented.**

4.3 The report then goes on to look at the options available to the Council, including implementing a significant tax increase via a referendum, lobbying Government on sparsity issues, and structural changes. Each option is discounted for various reasons, and the report states that:-

“The only realistic option is to recognise the impact of one exceptionally large and material rating appeal.....”

“Thus if the desire is there to avoid the forecast insolvency of West Somerset then urgent action is needed through political circles.”

4.4 The report from Bill Roots concludes that the impact of the Hinkley rates appeal has had a fundamental impact on the future viability of West Somerset Council. The priority should be to seek urgent solution and present our “special case” to Government.

5. The Case To Government

5.1 With the continued support of the LGA, the Councils prepared a document setting out the unique circumstance that West Somerset is in and formally requested Government support.

5.2 The case is compelling and is attached at Appendix B for information. The key messages for Government were that:-

- That circumstances are quite unique and not down to anything the Council, or Government or EDF have done wrong. This isn't anyone's “fault”.
- Both West Somerset and its partner Taunton Deane are good well run Councils that have delivered what was required by Government. The Councils are ready for further transformation and integration (as per the original plan) but the financial viability issue is a serious hurdle to overcome.

- The request from West Somerset is to be “put back” to the financial position it was in pre the appeal (return £1.6m to Reserves, and return £330k per annum to business rates income). This won’t eliminate the financial challenge, it simply puts it back to an achievable position (as it was in the JMASS Business Case).

5.3 The case was supported by senior politicians in the LGA who made the initial case to the Local Government Minister. This resulted in an invitation to meet the Minister (Marcus Jones) in January this year. This was attended by the Leaders of both Councils, the Deputy Leader of West Somerset plus the Chief Executive and s151 Officer. The Minister was clear in his feedback that there was no additional resources from Government to West Somerset Council. He requested that other options were explored – in particular he mentioned “merger” – and left the door open for further conversations when this had been done.

6. Conclusions

6.1 Whilst there was no funding on the table from Government, the work done by the Affordability Review, and the recent position taken by the Minister give clarity.

6.2 The key outcome statements are:-

- West Somerset Council is not viable without special measures.
- The Government are unwilling to offer additional support.
- Both Councils need to progress with their transformation ambitions to achieve financial sustainability.

6.3 The recent briefings to Councillors in both authorities gave informal support on a way forward that would test the ability of the Councils to transform, together but as now in separate democratic entities, together in a merged Council, and separately based on different transformation visions appropriate to affordability.

6.4 A mandate requesting support for this will be forthcoming to both Councils in March (potentially 16th and 17th March – to be confirmed).

7. Recommendations

7.1 That this project be formally closed given the required outputs from this project have been delivered.

7.2 That a Mandate Report, supporting the development of a high level Business Case (with variants) on the options ahead for transformation be shared at Full Council Meetings in March .

Shirlene Adam, Director of Operations for West Somerset and Taunton Deane Councils

01823 356310 s.adam@tauntondeane.gov.uk

Version 9 28/10/13

INTER AUTHORITY AGREEMENT

Between

- (1) **TAUNTON DEANE BOROUGH COUNCIL** of The Deane House, Belvedere Road, Taunton, TA1 1HE ("Taunton Deane")
- (2) **WEST SOMERSET COUNCIL** of West Somerset House, Killick Way, Williton, Taunton, TA4 4QA ("West Somerset")

together called "the Authorities"

BACKGROUND

- (A) The Taunton Deane and West Somerset Councils have agreed to establish Joint Arrangements to work together to share a Joint Chief Executive and a Joint Senior Team and then to examine the opportunities for further savings by the joining together of services, assets, officer posts and officer teams .
- (B) The Taunton Deane and West Somerset Councils agreed on the 23rd July 2013 to share a Joint Chief Executive as set out in the Agreement dated 23rd September 2013. .
- (C) The parties have agreed a joint Statement of Intent, a set of aims and a set of general principles and values to underpin the implementation of the Joint Arrangements under this Inter Authority Agreement ("the Agreement").
- (D) The legal basis for the Inter Authority Agreement is
 - a. Section 101 of the Local Government Act 1972 (Arrangements for the discharge of functions by a local authority);
 - b. Section 102 of the Local Government Act 1972 (Appointment of Committees);
 - c. Section 112 of the Local Government Act 1972 (duty to appoint officers);
 - d. Section 113 of the Local Government Act 1972 which enables each Authority to place staff at the disposal of another Authority;
 - e. Section 3 of the Local Government Act 1999 (duty to secure best value);
 - f. Section 2 of the Local Government Act 2000 and The Local Authorities (Arrangements for the Discharge of functions) (England) Regulations 2000/2851 (joint arrangements for the exercise of executive functions).
 - g. and all other enabling powers.

IT IS AGREED AS FOLLOWS

DEFINITIONS AND INTERPRETATION

In the Agreement the following words and phrases shall have the following meanings:

“Agreed Costs Split” has the meaning set out at Clause 8.1.

“Authority” means Taunton Deane, or West Somerset and “Authorities” means Taunton Deane, and West Somerset ;

“Business Case” means the business case approved by the Authorities on the 12th November 2013

“Confidential Information” has the meaning set out at Clause 0;

“Conflict of Interest” means a significant conflict of interest between the Authorities which is of such a nature or scale that it is not tenable for the Joint Chief Executive to continue to advise and support both parties in dealing with the issue;

“Exit Strategy” means a strategy and details to facilitate an exit from this Agreement and an end to some or all Joint Arrangements;

“Joint Arrangements” means the arrangements for joint working set out in Background paragraph (A) and (D) of this Agreement;

“Joint Chief Executive” means the post established as the senior officer and Head of Paid Service for Taunton Deane and West Somerset;

“Joint Partnership Advisory Group” (“JPAG”) means the Joint Partnership Advisory Group established by the Authorities as set out in clause 0 and Appendix One.

“Joint Decision” has the meaning set out at Appendix One;

“Joint Posts” means the Joint Chief Executive and the Joint Senior Management Team;

“Joint Senior Team” means the officer posts to be established as the senior management team for Taunton Deane and West Somerset;

“Joint Service Proposal” means a proposal put forward by the Authorities to share a service with each other and/or with other authorities.

“Loss” means any loss and liability directly suffered by the Authorities together or by either Authority arising as a result of the Joint Arrangement with any damage, expense, liability or costs reasonably incurred in contesting any claim to liability and quantifying such loss and liability;

“Member Working Group” (“MWG”) means an advisory working group created by the Joint Partnership Advisory Group to carry out certain responsibilities as set out in clause 0;

“Monitoring Officer” means the officer(s) designated by the Authorities as their monitoring officer pursuant to section 5 of the Local Government and Housing Act 1989

“New Arrangement” has the meaning set out at Clause 0;

“Personal Data” has the meaning set out at Clause 0

“Receiving Party” has the meaning set out at Clause 0

“Section 151 Officer” means the officer(s) having responsibility, for the purposes of section 151 of the Local Government Act 1972, for the administration of an Authority's financial affairs;

“Shared Service” means a service provided for Taunton Deane, and West Somerset by a single team of officers employed by one of the Authorities;

“Start Date” has the meaning set out at clause 0

“Statement of Intent” means the commitment between the Authorities to work closely together to establish Joint Arrangements across both Authorities.

“Working Day” means any day on which the Authorities’ offices are normally open for business

Words importing the singular number shall include the plural and vice versa.

Titles and headings to clauses are for convenience only and shall not affect the construction or interpretation of the Agreement.

Notwithstanding any breach of this Agreement by any Authority, and without prejudice to any other rights which the other Authority may have in relation to it, the other Authority may elect to continue to treat this Agreement as being in full force and effect and to enforce its or their rights under this Agreement. The failure of either Authority to exercise any right under this Agreement, including any right to terminate this Agreement and any right to claim damages, shall not be deemed a waiver of such right for any continuing or subsequent breach.

SCOPE OF JOINT ARRANGEMENTS

Establishment of a Joint Senior Team, a shared workforce and the proposed transformation of services to provide joint service arrangements for the two councils.

The Joint Partnership Advisory Group shall be responsible for the monitoring of the implementation of the joint arrangements with the Business Case.

There shall be no restriction on the Authorities continuing, or entering, new shared services or outsourcing arrangements with any other Authority, public body or private sector provider (“a New Arrangement”) subject to 0 and 2.5 below.

If either of the Authorities is considering entering into a New Arrangement which is of sufficient scale and significance to affect potential future options for Joint Arrangements, that Authority shall notify the other Authority in writing about the new Arrangements sufficiently in advance of its proposed implementation to enable it to be discussed at the JPAG.

The JPAG shall consider the proposal for a New Arrangement as soon as practical following the notification in order to review whether there are different or revised options which

the Authorities could take forward which would better achieve the overall aims of the Joint Arrangements

PRINCIPLES

The Authorities will work together to seek to achieve the vision of the Statement of Intent which is that the Authorities intend, under the management of the Joint Chief Executive, to identify and establish Joint Arrangements in a number of areas and a shared approach to the delivery of certain agreed services.

The following key principles will underpin the operation of this Agreement:

the sovereignty and identity of all Authorities will be preserved

councillor independence and leadership in all Authorities will be retained

all Authorities will retain clear accountability to the councillors and residents of each Authority with no detriment to the local taxpayers of either Authority in the delivery of the Joint Arrangements

no one Authority will take an overall lead – all Authorities are of equal status and have equality of influence in the Joint Arrangements (although the Authorities recognise that there may be a requirement for one Authority to take a role as “employing Authority” or “contracting Authority” to facilitate the delivery of the Joint Arrangements)

services and assets will be considered for sharing where there is a robust Business Case for doing so and where the proposed shared arrangements are economically viable

accountability for services delivered through the Joint Arrangements remains with the Authority with whom the statutory responsibility lies.

The Authorities will work together to develop and implement the Business Case under which the following aims of the Statement of Intent will be delivered:

to save money for local taxpayers

to improve service resilience

The Authorities will work together in accordance with the following general values underlying this Agreement:

acting reasonably and in good faith at all times

providing information to each other as and when required to achieve the aims of the Joint Arrangements

identifying issues and problems early and working constructively to achieve solutions

actively seeking to resolve any political difficulties

actively co-operating to ensure the smooth running of the Joint Arrangements, for example, in payment of inter Authority invoices and recharges

keeping all councillors, residents, staff and other stakeholders informed about the arrangements

The Authorities recognise that the commitment to the Joint Arrangements is long term and that the development of shared services will take place in an incremental way as outlined in the Business Case .

GOVERNANCE

The Joint Partnership Advisory Group

The Authorities have established the Joint Partnership Advisory Group ("JPAG") and the terms of reference of the JPAG are set out in Appendix One of this Agreement.

The JPAG shall be responsible for overseeing and driving forward the Joint Arrangements and associated transformation of the services.

The primary functions of the JPAG are as follows:

to hear and resolve any disputes which have not already been resolved by the Joint Chief Executive;

oversee and monitor the progress and achievement of the Joint Arrangements;

make any necessary comments on joint policy work to each Authority;

receive reports from the Joint Chief Executive and Joint Senior Management Team on the implementation of the Business Case ; and

review the Business Cases for Joint Service Proposals.

The JPAG shall meet a minimum of 4 times per year unless otherwise unanimously agreed.

The Authorities may amend the terms of reference of the JPAG from time to time as the Agreement develops. Any such amendment shall be agreed in writing by each Authority, taking into account any comments from the JPAG and could include the establishment of a Joint Committee in accordance with the provisions of Section 102 of the Local Government Act, 1972.

Member Working Groups

The JPAG may from time to time create time limited task and finish groups of Members from each Authority ("Member Working Groups") to advise the JPAG on specific issues. The JPAG shall determine the membership of each

Member Working Group and the terms on which each Member Working Group carries out its responsibilities.

The arrangements for the proposed Member Working Groups are set out in Appendix Two of this Agreement.

TERM

This Agreement shall commence on 13th November 2013 (“the Start Date”) and shall continue until terminated by either Authority in accordance with the provisions of Clause 0 of this Agreement or by mutual consent.

The Authorities confirm their commitment to the long term nature of the Joint Arrangements and recognise that withdrawal by one Authority will therefore create significant implications for service delivery and for staff.

REVIEW AND EXPANSION OF JOINT ARRANGEMENTS

The Authorities shall keep the terms of this Agreement and the operation of the Joint Arrangements under review and the JPAG shall receive an annual report on the progress and performance of the Joint Arrangements no later than 1st October in each calendar year.

The Authorities will consider requests from other local authorities to join the Joint Arrangements.

Any local authorities wishing to join the Joint Arrangements shall submit a proposal to the JPAG. The JPAG shall consider the request and shall make comments to the Authorities as to whether, and if so on what terms, the request should be considered.

STAFFING ARRANGEMENTS

The authorities shall consider and agree arrangements for the purposes of carrying out the Joint Arrangements relating to staffing and employment arrangements including:

the transfer of employment of any officer;

7.1.2 the making available to the Authorities of any officer employed by another Authority;

7.1.3 the terms and conditions of any officer involved in the Joint Arrangements;

7.1.4 the creation or dissolution of any posts;

7.1.5 arrangements for the creation of, recruitment to and employment of the Joint Posts

The Authorities shall apply the following principles to such Joint Arrangements:

Each Authority will comply with all relevant employment legislation and requirements in considering and consulting on potential shared services;

7.2.2 The Authorities will comply with all relevant HR policies and protocols and constitutional delegations when implementing staffing arrangements of the Joint Arrangements.

COST OF JOINT ARRANGEMENTS AND SAVINGS

The Cost of the Joint Arrangements will be shared as set out in the agreed Business Case.

INTELLECTUAL PROPERTY

All intellectual property and material created by or on behalf of any Joint Arrangements shall be owned jointly by the Authorities and shall be available equally to each Authority subject to any terms with third parties under which the intellectual property and material was commissioned. The Authorities shall use their best endeavours to reflect the intention of the Authorities to jointly own these items in any terms used when commissioning third party work on the Joint Arrangements.

Each Authority warrants that any intellectual property created by its officers for the purposes of the Joint Arrangements will not infringe any third party's intellectual property rights.

Each Authority shall indemnify the other Authority against any Loss arising out of any dispute or proceedings brought by a third party alleging infringement of its intellectual property rights by use of the first Authority's intellectual property for the purpose of the Joint Arrangements.

Each Authority hereby authorises the other Authority to use its logo on documents and signage relating to the Joint Arrangements for such period as this Agreement remains in force save that this provision shall not apply after an Authority has withdrawn from this Agreement.

CONFIDENTIAL INFORMATION AND PUBLICITY

The Authorities shall at all times use their reasonable endeavours to keep confidential (and to procure that their respective employees agents consultants and sub-contractors shall keep confidential) all Confidential Information concerning the Joint Arrangements or the business and affairs of the other Authority which may now or at any time be in its possession and shall not disclose it except with the consent of the other Authority, such consent not to be unreasonably withheld.

For the purpose of this Agreement "Confidential Information" means any information imparted to any Authority or their employees agents consultants or sub-contractors ("the Receiving Party") which was imparted to the Receiving Party on the basis that it is to be kept confidential or would by its nature normally be regarded as being confidential or which to the knowledge of the Receiving Party was obtained by the other Authority on the basis that it was to be kept confidential or is of commercial value in relation to the Joint Arrangements but shall not include any information which is for the time being

in the public domain otherwise than by reason of its wrongful disclosure by the Receiving Party.

This Clause 0 shall continue without limit of time and shall survive the termination of this Agreement.

This Clause 0 shall not prevent the disclosure of any Confidential Information relating to the Joint Arrangements which is reasonably disclosed for the furtherance of the Joint Arrangements or the promotion of the Joint Arrangements; provided that the Authority or person disclosing the information takes all steps that are commercially practicable to preserve the confidentiality of the information and shall not prevent the disclosure of any Confidential Information where required by law.

No Authority shall issue any media release publicity concerning or affecting the Joint Arrangements unless previously agreed with the other Authority.

Any formal statements or communications to staff and/or members concerning the Joint Arrangements shall be agreed between the Authorities in advance.

COMPLIANCE WITH LAWS

The Authorities shall at all times comply with all laws including but not limited to the Data Protection Act 1998 and will, where appropriate maintain a valid and up to date registration or notification under such Laws.

Each Authority shall indemnify and keep indemnified the other Authority against all Losses, claims, damages, liabilities, costs and expense (including reasonable legal costs) incurred by the other Authority in respect of any breach of this Clause 0 by the Authority and/or any act or omission of any sub-contractor.

Each Authority shall grant to the other Authority the right of reasonable access to all records of Personal Data relevant to the Joint Arrangement, as defined and as permitted in the Data Protection Act 1998, and shall provide reasonable assistance at all times during the currency of this Agreement to ensure the quality and security of Data collected.

FREEDOM OF INFORMATION

Each Authority acknowledges that the other Authority is subject to the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and each Authority shall, where reasonable, assist and co-operate with the other Authority (at its own expense) to enable the other Authority to comply with these information disclosure obligations.

Where an Authority receives a request for information under either the Freedom of Information Act 2000 ("FOIA") or the Environmental Information Regulations 2004 ("EIR") in relation to information which it is holding on behalf of the other Authority in relation to the Joint Arrangements, it shall:

transfer the request for information to the other Authority as soon as practicable after receipt and in any event within two Working Days of receiving a request for information;

provide the other Authority with a copy of all information in its possession or power in the form that the Authority requires within ten Working Days (or such longer period as the Authority may specify) of the Authority requesting that information; and

provide all necessary assistance as reasonably requested by the other Authority to enable that Authority to respond to a request for information within the time for compliance set out in the FOIA or the EIR.

Where an Authority receives a request under FOIA or EIR which relates to the Joint Arrangements, it shall notify the other Authority and afford it an opportunity to make any comments or representations in respect of the disclosure of the information sought. The other Authority shall respond within five Working Days of receipt of this notification. The Authority responding to the request shall take into account any such comments or representations in so doing and shall not respond to the request until the 5 day response period referred to above has passed.

INSURANCE

The Authorities will take out and maintain in full force with a reputable insurance company adequate employee liability insurance cover in respect of officers employed by the Authority and those seconded to it in accordance with this Agreement.

CONFLICTS

If any situation arises where there is a potential or actual conflict of interest or a perceived conflict of interest between TDBC and WSC, the Joint Chief Executive shall:

Draw such conflict to the notice of the monitoring officer(s) of the Authorities;

Remove himself/herself from all aspects of the decision-making process in relation to the situation;

Nominate a senior officer or officers in the Authorities or from the Joint Senior Team to deal with the issue on behalf of the Authorities;

Provide the nominated senior officer(s) with such resources as they require to ensure that the interests of each Authority are appropriately represented including taking independent professional advice or seeking independent third party support if appropriate.

The Authorities shall ensure that procedures and safeguards are in place to identify such conflicts at an early stage.

The Authorities shall keep a written record of any such conflicts which have been identified and how such conflicts have been resolved.

DISPUTE RESOLUTION

If the Authorities are unable to agree a matter arising under the terms of this Agreement or any other concerns arising over any aspect of the Joint Arrangements, the Authorities shall adopt the following procedure in respect of each matter:

the matter shall be referred to the Joint Chief Executive for discussion and resolution.

If the matter remains unresolved, it shall be referred to the JPAG for discussion and resolution.

In the event that a matter in dispute cannot be resolved under 15.1.1 or 15.1.2 above the matter may be referred to an arbitrator under clause 15.1.4

The arbitrator shall be appointed with the agreement of the Authorities or in the event that agreement cannot be reached by the president or other chief officer of The Chartered Institute of Arbitrators or such other professional body appropriate to the matter in dispute.

If the matter still remains unresolved, the Joint Arrangements shall come to an end by mutual consent and this Agreement will terminate in accordance with clause 0.

WITHDRAWAL, TERMINATION AND EXIT STRATEGY

If any Authority wishes to consider withdrawal from the Joint Arrangements in whole or in part, it shall first raise the matter with the JPAG for discussion.

If any Authority then wishes to continue with withdrawal from the Joint Arrangements in whole or in part, it shall give at least one year's notice of such withdrawal in writing to the other Authority and to the JPAG, such notice to expire on 31st May in any year. (For the avoidance of doubt this means that the earliest date an Authority is able to give one year's notice of withdrawal shall be 31st May 2014 and the earliest date any such notice shall take effect is 31st May 2015).

On withdrawal of one Authority from the Agreement, that Authority shall be liable to pay to the other Authority a sum to recompense them for the costs it will incur consequent on cessation of the Joint Arrangements. Such costs shall not exceed the estimated annual cost to the withdrawing Authority of their share of the Joint Arrangements.

Upon termination of this Agreement whether by mutual consent or withdrawal of one Authority in accordance with clause 02 or otherwise the Authorities shall agree an Exit Strategy to include determination of issues relating to:

employment and redundancy;

asset management;

IT;

documents and information compiled or acquired by the parties during the Term of the Agreement.

If the Authorities are unable to agree an Exit Strategy the Authorities shall agree to appoint an independent arbitrator who shall prepare an Exit Strategy on behalf of the Authorities and which the Authorities shall implement.

The Authorities agree that the key principles in the preparation and implementation of any Exit Strategy shall be continuity of service delivery and fair treatment of staff.

VARIATION AND WAIVER

The Inter Authority Agreement may be varied at any time by the written agreement of the Authorities.

THIRD PARTIES

It is agreed for the purposes of the Contract (Rights of Third Parties) Act 1999 that this Agreement is not intended to and does not give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the law of England and Wales.

IN WITNESS hereof the parties hereto have executed this Agreement as a Deed the day and year first written

The Common Seal of **Taunton Deane Borough Council**
was affixed hereto in the presence of

The Common Seal of **West Somerset Council**
was affixed hereto in the presence of

APPENDIX ONE

Joint Partnership Advisory Group “JPAG”

MEMBERSHIP AND ADMINISTRATION

- The JPAG is a non decision making body whose membership is drawn from the Authorities, comprising ten (10) members, including the Leader from each Authority and four other members to be appointed annually by each council.
- The venue for meetings of the JPAG will alternate between the Authorities’ offices and the Leader of the host Authority will chair each meeting; if the host leader cannot attend then that leader will appoint one of the host members of the JPAG to chair the meeting in his/her absence.
- The JPAG meetings will be considered quorate if at least three elected members from each Authority are present including at least one of the two leaders; substitutes will be permitted by clear prior arrangement.

RESPONSIBILITIES

The specific responsibilities of the JPAG are

- To review frequently (and at least on an annual basis as required by this Agreement) the operation of the Inter Authority Agreement between the Authorities and the overall delivery of the Joint Arrangements by the Authorities;
- To oversee the implementation of the approved business case for the provision of shared services between the Authorities;
- To note, and if necessary, make comments to each Authority in respect of Business cases setting out the detail of a Joint Service Proposal ;
- To make comments to each Authority in respect of Joint Decisions and on the overall way forward for the Joint Arrangements;
- To consider and address by brokering between the parties any concerns about the Inter Authority Agreement or about the Joint Arrangements in general raised by each Authority;
- To ensure that members of each Authority are regularly updated on the operation and progress of the Joint Arrangements including arranging for all members of both authorities to be kept informed of the nature of discussions at JPAG meetings.
- To consider any new arrangements as appropriate under clause 2.4 and 2.5.

OBJECTIVES

The prime purpose of the JPAG is to drive forward and oversee the Joint Arrangements between Taunton Deane, and West Somerset. To achieve this overall aim, the JPAG shall (as part of its responsibilities):

- Oversee the delivery of the approved business case for the joint management and shared services to serve the districts of Taunton Deane and West Somerset and present conclusions and comments to the Authorities both initially and on an ongoing basis.
- Understand the benefits gained and lessons learned from other similar successful and also failed attempts to integrate District Councils and present the findings to the Authorities.
- Detail the risks, dependencies and resource and policy implications to the Authorities of taking this step and suggest any mitigating actions.
- Propose a communications plan to inform elected members, staff and managers in the Authorities, the media and (where and when appropriate) to residents in the relevant Districts.
- Subsequently, consider the next stages of delivering efficiencies through service integration, make any necessary suggestions on the future governance of that process and if requested identify suitable services and a timetable for integration and report accordingly.