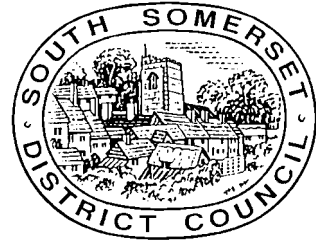


**South Somerset District Council**

*Notice of Meeting*



**South Somerset  
District Council**

*Making a difference where it counts*

**Thursday 22nd October 2015**

**7.30 pm**

**Council Chamber  
Council Offices  
Brympton Way  
Yeovil  
BA20 2HT**

(disabled access is available at this meeting venue)



All members of Council are requested to attend the meeting.

The public and press are welcome to attend.

If you would like any further information on the items to be discussed, please ring the Agenda Co-ordinator, **Angela Cox, Democratic Services Manager**, website: [www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)

This Agenda was issued on Wednesday 14 October 2015.

*Ian Clarke, Assistant Director (Legal & Corporate Services)*

This information is also available on our website  
[www.southsomerset.gov.uk](http://www.southsomerset.gov.uk)



# South Somerset District Council Membership

**Chairman:** Mike Best  
**Vice-chairman:** Tony Capozzoli

Clare Aparicio Paul  
Jason Baker  
Cathy Bakewell  
Marcus Barrett  
Mike Beech  
Neil Bloomfield  
Amanda Broom  
Dave Bulmer  
John Clark  
Nick Colbert  
Adam Dance  
Gye Dibben  
Sarah Dyke-Bracher  
John Field  
Nigel Gage  
Carol Goodall  
Anna Groskop  
Peter Gubbins  
Henry Hobhouse  
Kaysar Hussain

Tim Inglefield  
Val Keitch  
Andy Kendall  
Jenny Kenton  
Mike Lewis  
Sarah Lindsay  
Mike Lock  
Tony Lock  
Paul Maxwell  
Sam McAllister  
Graham Middleton  
David Norris  
Graham Oakes  
Sue Osborne  
Tiffany Osborne  
Stephen Page  
Ric Pallister  
Shane Pledger  
Crispin Raikes  
Wes Read

David Recardo  
Jo Roundell Greene  
Dean Ruddle  
Sylvia Seal  
Gina Seaton  
Peter Seib  
Garry Shortland  
Angie Singleton  
Alan Smith  
Sue Steele  
Rob Stickland  
Andrew Turpin  
Linda Vjeh  
Martin Wale  
William Wallace  
Nick Weeks  
Colin Winder  
Derek Yeomans

# Information for the Public

The meetings of the full Council, comprising all 60 members of South Somerset District Council, are held at least 6 times a year. The full Council approves the Council's budget and the major policies which comprise the Council's policy framework. Other decisions which the full Council has to take include appointing the Leader of the Council, members of the District Executive, other Council Committees and approving the Council's Consultation (which details how the Council works including the scheme allocating decisions and Council functions to committees and officers).

Members of the Public are able to:-

- attend meetings of the Council and its committees such as Area Committees, District Executive, except where, for example, personal or confidential matters are being discussed;
- speak at Area Committees, District Executive and Council meetings;
- see reports and background papers, and any record of decisions made by the Council and Executive;
- find out, from the Executive Forward Plan, what major decisions are to be decided by the District Executive.

Meetings of the Council are scheduled to be held monthly at 7.30 p.m. on the third Thursday of the month in the Council Offices, Brympton Way although some dates are only reserve dates and may not be needed.

The agenda, minutes and the timetable for council meetings are published on the Council's website – [www.southsomerset.gov.uk/councillors-and-democracy/meetings-and-decisions](http://www.southsomerset.gov.uk/councillors-and-democracy/meetings-and-decisions)

The Council's Constitution is also on the web site and available for inspection in Council offices.

The Council's corporate aims which guide the work of the Council are set out below.

Further information can be obtained by contacting the agenda co-ordinator named on the front page.

## **South Somerset District Council – Council Aims**

**Our key areas of focus are:** (all equal)

- Jobs – a strong economy which has low unemployment and thriving businesses
- Environment – an attractive environment to live in with increased recycling and lower energy use
- Homes – decent housing for our residents that matches their income
- Health & Communities – communities that are healthy, self-reliant and have individuals who are willing to help each other

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# South Somerset District Council

Thursday 22 October 2015

## Agenda

1. **Apologies for Absence**
2. **Declarations of Interest**

In accordance with the Council's current Code of Conduct (adopted July 2012), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the Agenda for this meeting. A DPI is defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) and Appendix 3 of the Council's Code of Conduct. A personal interest is defined in paragraph 2.8 of the Code and a prejudicial interest is defined in paragraph 2.9.

Members are reminded that they need to declare the fact that they are also a member of a County, Town or Parish Council as a Personal Interest. As a result of the change made to the Code of Conduct by this Council at its meeting on 15<sup>th</sup> May 2014, where you are also a member of Somerset County Council and/or a Town or Parish Council within South Somerset you must declare a prejudicial interest in any business on the agenda where there is a financial benefit or gain or advantage to Somerset County Council and/or a Town or Parish Council which would be at the cost or to the financial disadvantage of South Somerset District Council. If you have a prejudicial interest you must comply with paragraphs 2.9(b) and 2.9(c) of the Code.

3. **Public Question Time**
4. **Chairman's Announcements**

### *Items for Discussion*

5. **Loan to Hinton St. George and Locality Rural Community Services Ltd**  
(Pages 6 - 7)
6. **South Somerset District Council - Future Management Options** (Pages 8 - 40)
7. **Report of Executive Decisions** (Pages 41 - 45)
8. **Audit Committee** (Pages 46 - 47)
9. **Scrutiny Committee** (Pages 48 - 50)
10. **Motions** (Page 51)

**11. Questions Under Procedure Rule 10**

There were no questions submitted under Procedure Rule 10.

**12. Date of Next Meeting** (Page 52)

# Agenda Item 5

## **Loan to Hinton St. George and Locality Rural Community Services Ltd**

*Executive Portfolio Holder: Peter Seib, Finance and Legal Services*  
*Chief Executive: Rina Singh/Vega Sturgess, Interim Chief Executives*  
*Assistant Director: Donna Parham, Finance and Corporate Services*  
*Service Manager: Amanda Card, Finance Manager*  
*Lead Officer: Donna Parham, Finance and Corporate Services*  
*Contact Details: Donna.parham@southsomerset.gov.uk or (01935) 462225*

### **Purpose of the Report**

That full Council approves a loan of £190,000 to Hinton St George and Locality Rural Community Services Ltd. (HRCS) and is a registered society to replace their mortgage on the Hinton St George shop and Post Office.

### **Public Interest**

SSDC has received a request for a loan from Hinton St George shop and Post Office to replace their current mortgage. The Council has a Loans Policy which supports loans at affordable rates to local community groups.

### **Recommendation**

That Council approve a loan of £190,000 to Hinton St George and Locality Rural Community Services Ltd (HRCS), to be repaid over 20 years, from the available capital balances and under the terms of SSDC's loans policy (with the exception that the loan is for £190,000 over 20 years).

### **Background**

Hinton St George shop and Post Office was purchased by HRCS in 2011 through a commercial loan. It is the only shop in Hinton St George and serves an immediate community of 239 households. The shop employs 3 part-time staff assisted by a team of over 50 volunteers with 100 individuals having provided financial support. The applicants have outlined that when surveyed 99% of residents consider the shop to be important or very important to the community. The Group is seeking to obtain a fixed rate mortgage to mitigate the risk of rising interest rates and the impact that would have on their business plan.

### **Report**

SSDC's Loans Policy was set up to provide affordable loans to local community groups at affordable rates linked to the Public Works Loans Board (i.e. the rate at which SSDC could borrow funds). This policy is aimed at providing small loans to outside bodies where alternative forms of borrowing are not available or at prohibitive costs. The Group has approached SSDC to request a fixed loan of £190,000 over 20 years. This is outside of the loans policy that has been delegated to District Executive which limits the delegation to a maximum loan of £150,000 and loan duration to 10 years and therefore the loan needs full Council approval.

The building is a Grade II listed building in the centre of the village. The property includes a flat and garage that have been let to supplement the income from the shop. A Management Committee of up to twelve members elected by members at each AGM manage the society. The society as at September 2014 held £65,705 in shares. Interest may be paid on the shares of up to 5% above the base rate annually if agreed by the Management Committee. All other income is either retained or can be used for other social, environmental or charitable purposes within the locality.

In reviewing the accounts and business plan the ability to fund the loan from annual income is marginal. The annual profit for 2014 was £4,464. The group have shown that this can be managed within their cash flow given their bank balance of around £40,000. I can concur with the group that rising interest rates would prove a risk to their future sustainability. If the Group had to finance a loan at 6% the annual cost would increase by almost £3,000. Future profits with an SSDC loan would remain around zero with a small loss over one or two years. However, given the value of the property, current bank balances and the support of the community the risk to SSDC of the loss of the £190,000 is minimal.

### **Financial Implications**

The loan of £190,000 will be found from capital resources. There will be no impact on revenue as the interest will be repaid as part of the loan. The capital sum will be returned to capital balances over the 20 year period of the loan. The interest will be payable from the start of the loan and the interest rate fixed at PWLB rates on that date. The likely interest rate will be approximately 2.89% (the same rate as the cost of Public Works Loans Board borrowing for 20 years). The annual payments will be approximately £1,024 per month.

The loan agreement will include a first charge on the property. The value of the property has been assessed at £330,000 and therefore of sufficient value to repay the loan.

### **Implications for Corporate Priorities**

The work of HRCS contributes to Jobs and Health and Communities specifically to “Work with and lobby partners to help communities to develop transport schemes and local solutions to reduce rural isolation and inequalities to meet existing needs of those communities”.

### **Other Implications**

None

### **Background Papers**

Business Plan  
Application Letter

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# Agenda Item 6

## South Somerset District Council – Future Management Options

*Executive Portfolio Holder:* Ric Pallister, Leader, Strategy & Policy  
Jo Roundell Greene, Deputy Leader  
Tim Inglefield, Leader of the Conservative Party  
Dave Bulmer, Spokesperson for the Independent Party

*Strategic Directors:* Vega Sturgess (Operations & Customer Focus)  
Rina Singh (Place and Performance)

*Contact Details:* Vega.sturgess@southsomerset.gov.uk, 01935 462200  
Rina.singh@southsomerset.gov.uk, 01935 462010

### 1. Purpose of the Report

- 1.1 This report summarises the findings of the cross-party Working Group that was tasked by Full Council to progress discussions with districts in Somerset with respect to potential sharing options.

### 2. Public Interest

- 2.1 South Somerset District Council is exploring a number of opportunities to maintain or improve services in the light of reduced resources. This report updates councillors on the current work to explore joint working with another council and whether such an arrangement would be beneficial to bring efficiency savings, boost resilience and increase influence in Somerset, in the South West and nationally.

### 3. Recommendations

- 3.1 That Council:
- (1) Notes the work carried out by the Working Group and their analysis of the options available to this council and requests that:
    - (a) A headline business case is produced for joint working with Sedgemoor District Council and
    - (b) A similar headline business case is produced for remaining as an independent council.
  - (2) Requests that the Working Group brings back the two headline business cases ('a' and 'b' above) in February 2016 so that Council can make a decision on which option to pursue.
  - (3) Approves the allocation of up to £10,000 from Unallocated General Fund Balances for external advice and independent review.

### 4. Background

- 4.1 The rationale for exploring sharing opportunities within Somerset was laid out in a report to Full Council on 16th July 2015. In summary, the motivation embraces the national picture including devolution, budget challenges and developing greater influence and resilience. Members agreed to appoint a Working Group of the Leader of Council, Deputy Leader, Leader of the Conservative Group, spokesperson for the Independent Group and both Strategic Directors to act on behalf of the Council in



progressing discussions with Mendip District Council (MDC) in the first instance and all other options within Somerset. The Working Group was also authorised to commission a joint independent valuation of the potential between SSDC and MDC resulting in a feasibility appraisal of the concept. As reported to Council in updates on 17<sup>th</sup> September 2015, SSDC was approached by Sedgemoor DC, Taunton Deane Borough and West Somerset Councils offering the opportunity to enter into preliminary discussions with each other.

- 4.2 For clarity, when the term 'sharing' is used it does not change the sovereign nature of two councils. This means that members will still be able to make decisions for their residents independent of the other council. Sharing proposals seek to develop one officer team. By joining up management and service delivery both councils should benefit from financial savings and strengthened resilience which would help to prepare both councils for the expected challenges ahead.
- 4.3 With any arrangement of this sort, it is essential that both authorities can work together and have some common interests that would support a successful partnership. Preliminary conversations, along with learning from others, have been useful and illuminating. This has enabled the Working Group to recommend a preferred potential sharing option to Full Council.
- 4.4 The Working Group also feels that before making such a significant decision, two headline business cases should be prepared to illustrate (a) what it would mean to share with Sedgemoor District Council and (b) what SSDC would look like if no further sharing was agreed over the medium to long term.

## **5. Progress of the Working Group and initial findings**

### **Advantages of joint working**

- 5.1 Recent financial pressures on the public sector coupled with Government aspirations has led to the rise of joint working, not only in local authorities but in other public sector organisations too. Whilst joint working cannot be seen as the panacea of all ills, experience has shown that it certainly has clear benefits in three key areas. These are Influence, Resilience and Efficiency savings enabling local authorities to reduce their overheads and have a stronger 'voice' for their communities.
- 5.2 The Working Group has looked at the pros and cons of joint working. There are a multitude of examples where it works and works well. Those councils that have moved to joint working have saved 10-20% simply by joining the top management tiers while retaining sufficient strategic and operational capacity. Further savings have been achieved from subsequent transformation of service delivery. There are clearly cases of duplication in running two operational structures that do much the same work and would benefit from developing one consolidated structure. In addition, there are undoubtedly procurement savings to be made due to economies of scale. Our conversations with those who have moved to joint arrangements have restated the point that customers have not noticed the difference.
- 5.3 The on-going savings targets will put increasing pressure on local authority services with reduced personnel. This puts delivery at risk and impacts on resilience. We are already experiencing difficulty in recruiting staff and training, development and promotion prospects are reduced. A larger organisation would have the ability to overcome some of these barriers. SSDC has already seen the reduction of key skills

with the loss of experienced officers and a larger organisation will bring new skills to deliver projects and services desired by members.

- 5.4 The Comprehensive Spending Review will be announced on 25 November, however the full impact of this will not be known until mid-December. This may further change the financial picture, risks and benefits. Fortunately this will come during the period that we intend to be preparing the two headline business cases.
- 5.5 On the wider stage, a strategic alliance with another authority brings a stronger voice and more influence. There are, of course, some potential disadvantages.
- 5.6 The current member-staff interaction will change. Officers will not be serving one council but two. There may be staff resistance to change. Any potential change to terms and conditions is a significant piece of work which normally takes place following the joining up of the staff teams. Learning from others has shown that these barriers are surmountable.
- 5.7 The Working Group recommends to Council that SSDC further investigates the move towards a joint operational authority by working on a headline business case.

#### **Is it possible for SSDC to stay as we are in the short/medium/long term?**

- 5.8 Early assessment shows that it is possible for SSDC to remain independent without forming a strategic alliance with another council. We forecast that this council will need to make over £5 million of savings by 2020-21. With transformation, reduced management structures and efficiencies this council could get some way towards that total. However it is believed that significant cuts to council services may need to be made in the medium to long term.
- 5.9 It should be noted that SSDC has already entered into a range of shared services and partnerships where the business case showed an advantage to the community and/or to the council. Examples include the Somerset Waste Partnership and South West Audit Partnership where officer resources are shared. Homefinder Somerset is an example where software systems and policies are shared. We also contract out some services such as out of hours contact (with Taunton Deane) and Careline contact (with Sedgemoor). More information can be seen in Appendix 2, Question 9.
- 5.10 Remaining independent gives more control, however there could be risks of not progressing joint working at this stage, bearing in mind the opportunities available in Somerset. This could bring some isolation and reduced options to secure positive outcomes at a later date. Members would want to consider how SSDC might be perceived in the local government arena. When making the decision members need to take serious consideration of the emerging national picture.

## **6. Meetings and discussions with other Somerset District Councils**

- 6.1 The next stage for the Working Group was to meet and discuss with senior members and officers of other Somerset District Councils, as required by Full Council, to begin a comparative assessment of the options available to us. More detail can be found in Table Two but the headline criteria were based on an assessment of:
  - Continued positive outcomes for SSDC communities

- Sharing Fit
- Influence
- Resilience
- Savings

### **Mendip District Council**

- 6.2 There have been a number of positive and productive meetings between the Working Group members of both authorities. 'Local Partnerships' carried out a Joint Working High Level Feasibility Study (see Appendix 1). Some additional meetings have taken place with Mendip DC with officers and members of the Working Group.
- 6.3 The Working Group warmly thanks all those at Mendip DC for the open, friendly and helpful approach to these meetings.
- 6.4 Members will have seen the report from Local Futures about the feasibility of a joint arrangement with Mendip District Council. This states that it is feasible to work with Mendip District Council on a shared basis.

### **Taunton Deane Borough Council and West Somerset Council**

- 6.5 The Working Group had an informative meeting with officers from Taunton Deane and West Somerset. This has proved invaluable in advancing the thinking within the Working Group. Having just achieved their first objective of joining up the officer structure, these authorities are now embarking on a transformation programme in order to drive additional savings and improve service delivery. While the time is not right to develop a tri-partnership arrangement there could well be opportunities for some individual sharing arrangements in some specialised areas.

### **Sedgemoor District Council**

- 6.6 A range of meetings have been held with councillors and officers. All have been held in a positive spirit and have helped to develop the comparative table between the sharing options. The Working Group would like to thank the officers and members of the authority for making their time available to understand the pros and cons of such an arrangement.
- 6.7 The conclusion of the Working Group is that it would also be feasible to work with Sedgemoor DC.

## **7. Consultation**

- 7.1 SSDC member workshops were held on 1<sup>st</sup> and 6<sup>th</sup> October 2015 to discuss the initial findings. There was good attendance at these workshops and the comments and questions have led to adjustments being made to these initial findings and in our assessment of the best fit. These comments and questions can be seen in Appendix 2.

## **8. Assessing the best 'fit'**

- 8.1 Having come to the conclusion that sharing with either Mendip DC or Sedgemoor DC is feasible, the Working Group assessed the relative benefits of each. Whilst much of this is subjective, we have been advised by those who have joined elsewhere that such a decision is inevitably based on a broad judgement.

8.2 Table One demonstrates facts about the three authorities and concludes that all three are broadly similar.

8.3 Table Two is the summary of pros and cons (and assigned either poor, fair, good, very good or excellent) and where there is a sufficient difference, the best option is shaded green.

**Table One: Some facts about the three districts (Source: Somerset Intelligence Network 2010 and Council's data)**

Coloured rows show similarities.

	South Somerset	Mendip	Sedgemoor
<b>Population statistics</b>			
Population	164,569	110,884	119,057
Population Density	1.7	1.5	1.9
Average Household size	2.56	2.62	2.62
% population of Working Age	56.90%	58.61%	57.53%
% over 65	25.36%	22.58%	14.86%
<b>Life expectancy at birth</b>			
Males	79.5	78.7	78.2
Females	83.2	82.8	82.9
<b>Societal indicators</b>			
% people living in 20% most deprived areas of England	2.90%	2.50%	6.80%
<b>Top 4 neighbourhood types</b>			
Smallholders and self employed farmers living beyond the reach of urban commuters	12%	10.50%	9.60%
Small business proprietors living in low density estates in smaller communities	12%	9.66%	11.20%
Well off commuters and well off retired people living in attractive country villages	10.50%	14%	11%
Country people living in still agriculturally active villages, mostly in lowland locations.	9.50%	6.33%	Not a top 4
% of population who participate regularly in voluntary work at least once a month	31%	31%	29%
<b>Economic activity</b>			
Household income per week	£434.80	£444.10	£448.00
% without access to car or van	16%	16.50%	18.70%
% of working age population claiming job seekers allowance	2%	2.40%	3%
Proportion of people qualified to level 4 or above	20%	26.60%	27%

	South Somerset	Mendip	Sedgemoor
(equivalent to degree)			
5-Year Survival Rate of new Enterprises % per 10000 adults	52.60%	43.80%	49.10%
<b>Other facts about councils</b>			
Number of FTE's directly employed by council	424.8	156.4	Full time = 223 Part time = 109 Casual = 18
Annual net budget	£17.4m	£14.2m	£18.6m (including housing revenue account)
Savings requirement by 2019/20	£5.2m	£1.4m	£3.2m
Style	Cabinet	Cabinet	Cabinet

**Table Two: Summary of the pros and cons of sharing with Mendip or Sedgemoor**

	Mendip	Sedgemoor
<b>Sharing 'fit'</b>		
Is the council seriously considering the sharing option?	Yes	Yes
Why are they serious?	Influence and resilience – then savings	Savings, influence, resilience
Management integration potential with South Somerset	Fair	Good greater certainty of savings due to the fact that services are mostly in house
Services tied into contracts	Significant number – see Appendix 3	Some (eg Waste)
Pace of sharing desired	Well paced	Well paced
<b>Savings</b>		
Savings in service delivery	Fair	Good
Managerial savings via sharing	Fair	Good
Operational efficiencies due to geography	Good	Fair may be partially overcome by technology
Sharing back office potential	Poor For first few years or till break clause in contract	Good
<b>Influence</b>		

	<b>Mendip</b>	<b>Sedgemoor</b>
Strategic fit with communities	Very Good	Good
Size and influence	Very Good	Excellent
Opportunities for influence	Very Good Plus market town and rural voice	Very Good Plus Hinckley influence
<b>Resilience</b>		
General resilience	Good	Very Good
Continued positive service delivery for residents	Good	Very Good
Reduced attendance at partnership meetings	Yes	Yes
Travel times for staff and members	Good	Fair

## 9. Conclusions

- 9.1 It is important to state that whatever decision is made on sharing, SSDC will seek to remain on the very best of terms with all councils in Somerset. Many formal partnerships exist involving all Somerset Districts and these are highly valued. In addition, there are many informal sharing or support arrangements between our authorities and these should continue into the future.
- 9.2 At this point the view of the Working Group, acknowledging the consultation with SSDC members, has resulted in the conclusion that whilst either Council is a feasible partner, Sedgemoor DC is the recommended potential sharing partner. In particular, the Working Group has some unease about our ability to comply with Mendip DC's timetable for their proposals to change the way the services are delivered in Mendip (see Appendix 3).
- 9.3 Based on the assessment above, the Working Group's recommendations are that Sedgemoor DC is approached and requested to work with us to prepare a headline business case to bring back to Council in February 2016 for members to consider alongside the option to remain independent.
- 9.4 If Council agrees the recommendations then these are the suggested next steps:
- Set up a cross authority team to prepare the headline business case for working with Sedgemoor DC. This will include the benefits, likely savings, risks, cost of risks, proposed heads of terms and a road map outlining the process going forward should members agree to the recommendation.
  - Set up an internal team to prepare the headline business case for remaining independent.
  - Procures some specialist advice to help with the headline business cases (includes external challenge to the business cases and specialist HR advice), see section 10 below.
  - Regular communication with staff and members of both authorities on the progress of the two projects listed above.

- Report back to February 2016 Full Council for a decision on which way forward.

## **10. Financial Implications**

- 10.1 Preliminary work has shown that the savings from joining with Sedgemoor are potentially greater because of the number of services that have been outsourced by Mendip District Council. Early indications show that by taking 15% from management costs and 10% across the board of staffing costs, the savings could be around £1.4 million for South Somerset. There should also be further savings as services begin to share IT systems etc. once joined up.
- 10.2 It is recommended that up to £10,000 of Unallocated General Fund Balances is allocated for external advice on HR and Pensions as well as an external independent review of the business case as part of the “due diligence” required for such an important long-term decision. The amount of Unallocated General Fund Balances will not reduce below the minimum required to meet financial risks by Members agreeing to this allocation.

## **11. Legal Implications**

- 11.1 None directly arising from this report.

## **12. Corporate Priority Implications**

- 12.1 None directly arising from this report.

## **13. Carbon Emissions and Climate Change Implications**

- 13.1 None directly arising from this report.

## **14. Equality and Diversity Implications**

- 14.1 None directly arising from this report.

## **15. Background Papers**

Report to Full Council, 16 July 2015 and 17 September 2015.

## Appendix 1




### Mendip and South Somerset Councils

Joint Working High Level Feasibility Study – September 2015.





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### Contents

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- 1.0 Introduction
- 2.0 The Current National Picture
  - 2.1 The current picture on Shared Service Arrangements;
  - 2.2 The ingredients for Success;
- 3.0 Data on Communities, Costs and Services
  - 3.1 Similarities between your communities;
  - 3.2 Current joint working between your Councils;
  - 3.3 Net Expenditure on Services – 2014/15;
  - 3.4 Net Expenditure on Services 2014/15 (Cost per head of population);
  - 3.5 Review of Services – Top Structure;
  - 3.6 Review of Services – Management Structure
  - 3.7 Review of Services – Implementation Challenges
  - 3.8 Review of Services – Some Conclusions

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## Contents (Cont'd).

- 4.0 Our interview Programme-results.
  - 4.1 Shared Vision and trust;
  - 4.2 Cultural similarities and differences;
  - 4.3 Anticipated benefits and opportunities for savings;
  - 4.4 Anticipated improved resilience and improvement in services;
  - 4.5 Community Benefits;
  - 4.6 Acceptance of Change and ability to create Governance; Realistic Implementation Proposals and Resource Change;
  - 4.7 Rationale for change acceptance by Staff
  - 4.8 Force Field Analysis
- 5.0 Our conclusions and recommendations.
- 6.0 Our recommendations.

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## 1.0 Introduction

- Local Partnerships have been commissioned to undertake a high level Feasibility Study on the potential for joint working, including shared management arrangements, between Mendip and South Somerset Councils.
- We have:
  - Talked to senior politicians to understand ambitions, hopes for achievement and what they rule in/out for joint working.
  - Talked to senior staff to understand policy framework, organisation and service configuration, cost and performance data.
- This report, based on these interviews and our background analysis, has been prepared for consideration at the 16<sup>th</sup> September Bi-Council Working Group meeting and gives our view on the feasibility of joint working and possible next steps for implementation.

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## 2.0 The Current National Picture

- The following 3 slides are a recap on those we presented to the 19<sup>th</sup> August Bi-Council Working Group:
  - The first 2 are a view of the current picture on Shared Service Arrangements in England. In our interviews, we sought views on what sort of joint arrangements were envisaged and the rationale for joint working.
  - We have used the criteria outlined in the Ingredients for Success slide to guide us to a view on the feasibility of the proposed joint working.

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## 2.1 The Current Picture on Shared Service Arrangements

- There are now many types of Joint Working in existence:
  - Councils' co-operation on strategic issues e.g. economic development, Housing and planning where there is a common agenda.
  - Shared individual or groups of services - it's now almost unheard of for a Council to provide all of its services independently.
  - Shared CX and Mgt. Teams. In March 2012 LGA identified 34 such arrangements. Now more exist - although some have fallen by the wayside.
  - Most recently, a second wave of shared arrangements involving a consortia of Councils adopting a commissioning model.
- Why do Councils enter into such arrangements? The 3 most commonly cited reasons are:
  - A greater voice for the Councils to exert influence and gain additional resources.
  - Greater resilience from sharing of services so that service standards can be maintained at a time of reduced resources.
  - Financial savings - through the creation of, for example, 1 senior Management Team to support the 2 Councils.

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## 2.1 The Current Picture on Shared Service Arrangements (Cont'd).



- The LGA website of Shared Services shows currently at least 337 councils across England are engaged in 383 shared service arrangements resulting in £357 million of efficiency savings.
- The LGA produced a report evaluating the success of five examples of shared services in August 2012. The report suggested that initial reductions in staffing through sharing of services deliver quick savings as duplication is removed and structures merged, but then further savings result from improved business practices:
- The set up and integration costs for each shared service arrangement were modest, with all succeeding in delivering a payback period of less than two years. The investment costs ranged from 18 per cent to 59 per cent of the savings in the first two years and were typically comprised of redundancy, implementation team, rebranding costs and IT expenditure. There was no evidence of any material decline in customer or staff satisfaction levels in any of the [five examined] case studies.

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## 2.2 The Ingredients for Success



- The following factors (but not necessarily all) need to be in place:
  - Similarities in the geographical areas covered by the Councils and in their communities.
  - A shared vision at senior political level of what Joint working will achieve that is realistic and achievable and where both Councils benefit.
  - Trust between senior politicians and the ability to work together effectively.
  - Cultural differences between the Councils recognised and tackled through joint working.
  - Both Councils trust the CX and his/her Mgt. Team
  - Clear and well understood governance.
  - The rationale for joint working is accepted by staff and the implementation timetable is well paced.

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### 3.0 Data on Communities, Costs and Services

- The following slides provide some data on:
  - The similarities between the communities served by both Councils derived from the Somerset Intelligence Network profile for 2010.
  - The current pattern of joint working between the 2 Councils.
  - Net expenditure on services- overall cost and cost per head- derived from both Councils' Comprehensive Income and Expenditure statements
  - The Councils' top structures.
- It had been our intention to provide a more detailed breakdown of service costs and structure to validate the summary slides but the tight deadline prevented this. In particular, this impacts on the Cost per head slide where we are certain it is a case of "apples being compared with pears".

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### 3.1 Similarities between your Communities

	South Somerset	Mendip
<b>Population statistics</b>		
Population Density	1.7	1.5
Average Household size	2.56	2.62
% population of Working Age	56.90%	58.61%
% over 65	25.36%	22.58%
<b>Life Expectancy at Birth</b>		
Males	79.5	78.7
Females	83.2	82.8
<b>Societal indicators</b>		
% people living in 20% most deprived areas of England	2.90%	2.50%
<b>Top 4 Neighbourhood Types</b>		
Smallholders and self employed farmers living beyond the reach of urban commuters	12%	10.50%
Small business proprietors living in low density estates in smaller communities	12%	9.66%
Well off commuters and well off retired people living in attractive country villages	10.50%	14%
Country people living in still agriculturally active villages, mostly in lowland locations.	9.50%	6.33%
% of population who participate regularly in voluntary work at least once a month	31%	31%
<b>Economic Activity</b>		
Household income per week	£434.80	£444.10
% without access to car or van	16%	16.50%
% of working age population claiming job seekers allowance	2%	2.40%
Proportion of people qualified to level 4 or above (equivalent to degree)	20%	26.60%
5-Year Survival Rate of new Enterprises % per 10000 adults	52.60%	43.80%

Source: Somerset Intelligence Network

Green shading denotes less than 10% variance from average of both councils.

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### 3.2 Current Joint Working between your Councils



- Somerset Waste Partnership; South West Audit Partnership; Homefinder Somerset Partnership;
- Some policy work (Housing Market assessment; Joint Empty Homes Strategy);
- Some joint working – Licensing - developing a range of new policies including those for Hackney Carriage and Taxi policies; shared bid of £660,000 for Mendip Care and Repair to bring more empty properties back into use;
- Environmental Health – joint food safety work with cross boundary issues;
- South Somerset have agreed to assist in the event of an emergency at Glastonbury Festival.

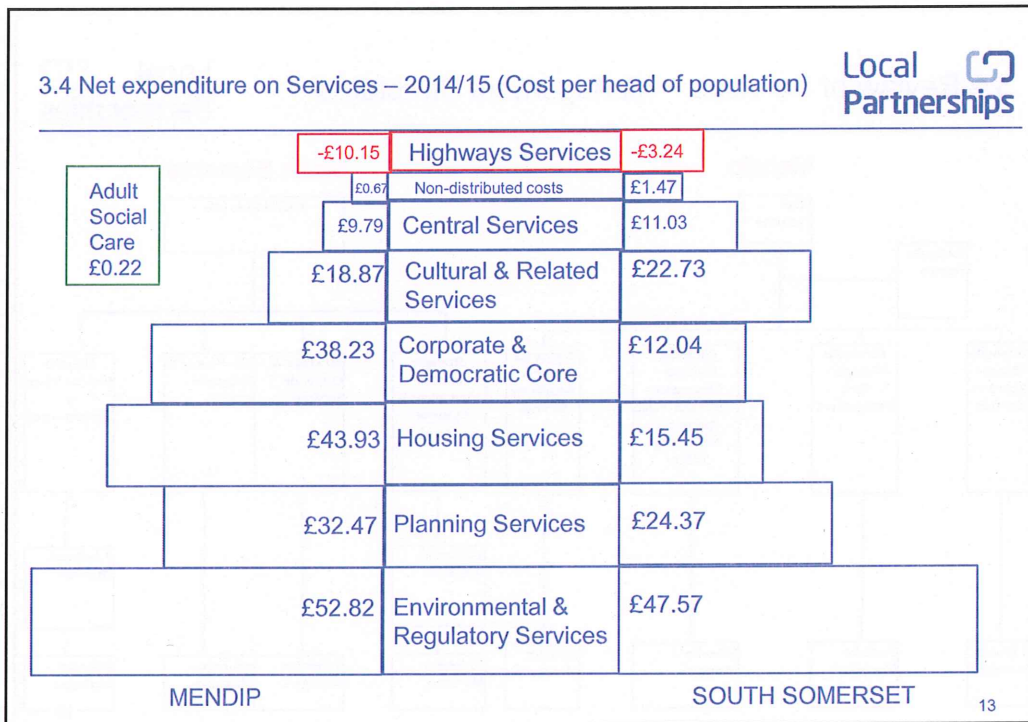
11

### 3.3 Net expenditure on Services – 2014/15

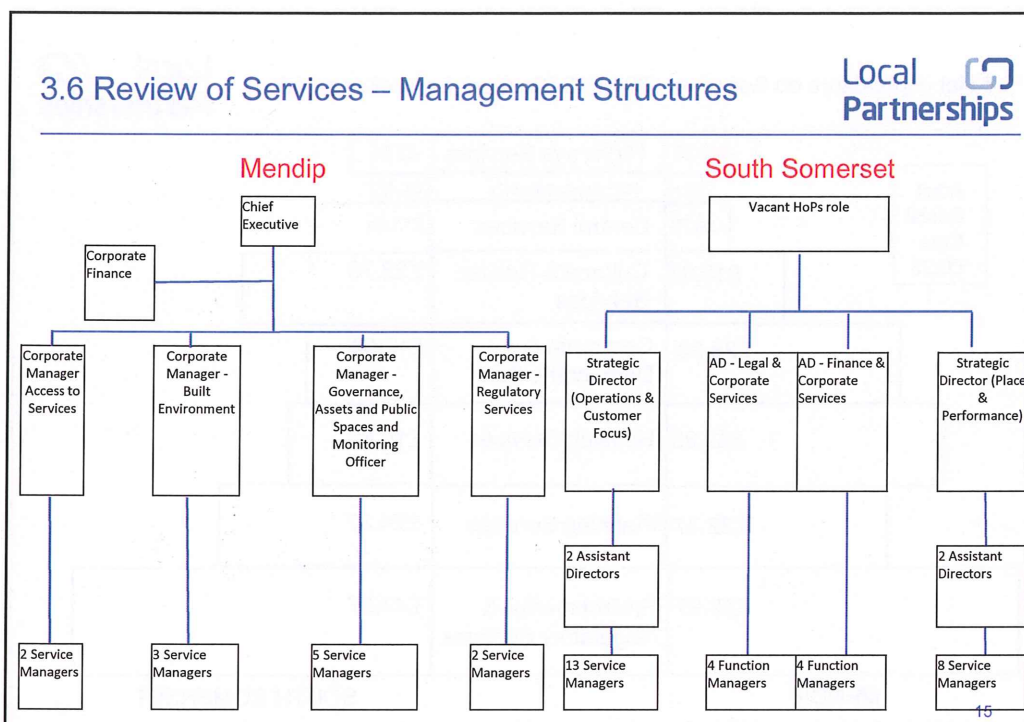


	Mendip	South Somerset
Central Services	1,085,401	1,815,725
Cultural & Related Services	2,091,655	3,740,723
Environmental & Regulatory Services	5,861,969	7,829,347
Planning Services	3,598,821	4,009,798
Highways and Transport	-1,125,218	-533,509
Housing Services	4,868,905	2,542,526
Adult Social care	24,181	
Corporate and Democratic Core	4,238,464	1,981,772
Non Distributed Costs	73,571	238,692
<b>Net Cost of Services</b>	<b>20,717,748</b>	<b>21,625,074</b>

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- 3.5 Review of Services - Top Structure
- Local Partnerships
- South Somerset
- Two Strategic Directorates (Place and Planning and Operations and Customer Focus).
  - Four Assistant Directors (2 each Directorate)
  - 21 Service/Functional Managers (including 4 area based teams)
  - 2 x Assistant Directors - Corporate Functions and 8 Functional Heads.
  - Headcount - 424.8 FTE
- Mendip.
- 4 Corporate Managers.
  - 12 Service Managers
  - Headcount 156.4 FTE
- 14



### 3.7 Review of Services - Implementation Challenges

- Based on our high level assessment of service complementarity, the following table gives an indication using a colour rating on ease of moving to shared service arrangements.
- Policies: The “red” rating for Cultural and Related Services is the South Somerset emphasis on Area Working for community development and sports activities, the Country Park, the Theatre, the size of spend and the numbers of staff engaged.
- Delivery: The 4 “red” ratings reflect Mendip’s outsourcing of Central Services, Cultural and Related Services, Environmental and Regulatory Services and Corporate Services.
- Volume: different staff numbers between the 2 Councils in Env & Reg Services.
- Cost Per Head: Based on difference in spend i.e. more than 20% difference = Red

## 3.7 Review of Services – Implementation Challenges (Cont'd).

	Service Similarity					
	Policies	Management	Delivery	Volume of Activity	Cost per head	Performance
Central Services	Yellow	Green	Red	Green	Green	Yellow
Cultural & Related Services	Red	Green	Red	Red	Yellow	Yellow
Environmental & Regulatory Services	Green	Green	Red	Red	Yellow	Yellow
Highways & Transport Services	Green	Green	Green	Green	Red	Yellow
Planning Services	Green	Green	Green	Green	Red	Yellow
Housing Services	Green	Green	Green	Green	Red	Yellow
Corporate & Democratic Services	Yellow	Green	Red	Red	Red	Yellow

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## 3.8 Review of Services – Some Conclusions

- The councils spend similar amounts in terms of net spend on services. Because of the smaller population, overall Mendip spends more per head of population on services. There are noticeable differences in the spend per head on Corporate and Democratic Core, Housing Services and to a lesser extent, Planning Services.
- South Somerset employs directly three times as many staff as does Mendip and there are a larger number of staff at Service Manager level and above and there are noticeable differences in the way staff are deployed – particularly the groups of staff working in South Somerset Cultural and Related Services, Property & Engineering Services and Streetscene.
- The most noticeable distinction is between Mendip's outsourced services compared to South Somerset's in-house approach. This may mean limited integration of services if the current distinction is maintained.

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## 4.0 Our Interview Programme

- We have conducted interviews with Members and Senior Officers of both councils. We have been seeking a view on
  - Shared Vision and trust;
  - Cultural similarities and differences;
  - Anticipated benefits and opportunities for savings,
  - Anticipated improved resilience and improvement in services;
  - Community benefits;
  - Similarity of policies and services;
  - Acceptance of change and ability to create governance; realistic implementation proposals and resource change;
- By way of summary, our tentative conclusions are shown by a 'Force Field' analysis.

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## 4.1 Shared Vision and Trust

- Both Councils intend that they should stay 'sovereign' and retain their 'brand' but are not wedded to retaining 'independent' delivery;
- There is openness about what the future 'model' would look like. Acceptance that a 'new' culture (model 'C' or other) - has to result.
- There is no difference as to the drivers for change – both recognise savings are needed and more resilience is important and that joint working is the way forward and in addition it will achieve a bigger 'voice' for eastern Somerset.
- Both believe they are transforming (or need to) as an organisation, but recognise that they are currently at different stages, have different styles and are displaying variations in pace.
- There is no evidence of an atmosphere of mistrust that would prevent joint working, but there is an expectation of commitment, on both sides.
- There is a variance between the two councils as to the pace of change required and what is deliverable within the potential timescales for integration.
- There is a recognition amongst South Somerset members why the East Devon arrangement failed and these lessons will inform any future joint arrangements..

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## 4.2 Cultural Similarities and Differences



- There is a difference in style that affects the way decisions are taken - Mendip are more Cabinet led, South Somerset seek more inclusivity in decision making.
- There is a perception in South Somerset that Mendip are 'too County' orientated whilst South Somerset members take pride in being cautious on collaborative proposals; they like to understand full implications;
- South Somerset members are content to reduce statutory services to statutory minimum and retain discretionary services for as long as possible.
- South Somerset members want to continue Area Services and are wedded to Area decision making. They think planning decisions must be local. Mendip members do not rule this out for their council.
- South Somerset members have a different perception about 'outsourcing' as a 'solution' – they would prefer retaining direct control and flexibility of services; Mendip have a 'mixed economy' approach- some services are out-sourced, some have remained in-house, some have been brought back in-house.

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## 4.3 Anticipated Benefits and Opportunities for Savings



- Both Councils need to make savings – Mendip, a cumulative total of £1.392 m.by 2019/20, South Somerset £5.033 m.
- Both sides expect savings will result but as yet have no clear view of the 'size of the prize';
- Both sides want to maintain the current level of provision of service and performance.
- South Somerset members have a perception that their services 'are better' and would not accept services reducing to an 'average' level;
- Both sets of members accept there will be one 'head of paid service' and 'joint' management teams. Both expect this will 'bring savings'. But there is no expectation that all functions will look the same across both councils.

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#### 4.4 Anticipated Improved Resilience and Improvement in Services



- Both accept that the current size of the councils means that South Somerset have more resilience than Mendip; but both accept that this would improve through joint management arrangements;
- South Somerset members accept they need some 'transformation' and improved infrastructure for customer access;
- South Somerset members are nervous about 'outsourcing' as the preferred delivery option for all services. Mendip members do not see this as the only way forward.
- South Somerset members want to retain the 'jewels in the crown' – Theatre, Country Park and other flexible discretionary front line services; there is no contrary view apparent in Mendip.

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#### 4.5 Community Benefits



- South Somerset's population is significantly larger than Mendip's;
- Both sets of members recognise that local people have a limited view on the 'organisation' that delivers – as long as services are maintained;
- Both sides do recognise the similarity of the districts in geographical make up, particularly the 'market towns';
- There is a difference in approach to working with Parishes and local people which is more apparent in South Somerset;

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#### 4.6 Acceptance of Change and ability to create Governance; Realistic Implementation Proposals and Resource Change



- Both sides accept there must be reasonable pace in the creation of joint working;
- Most consider that appointment of a joint 'head of paid service' by April 2016 is desirable;
- There is some variety of opinions on when a new operating model (model 'C') should be achieved;
- Both councils have taken some steps to creating the opportunities for decisions to be taken but this has to be formalised and there is a desire for formal decision making inclusivity in South Somerset which may restrict pace;
- South Somerset have made a formal decision to review other options which may delay the taking of a decision on this link up.

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#### 4.7 Rationale for change acceptance by Staff



- The knowledge of a possible link may not be the same between the two groups of staff;
- Staff in South Somerset will have had experiences of a joint 'head of paid service' due to the link up with East Devon that Mendip will have not;
- South Somerset members recognise that staff are in a vacuum due to no Chief Executive which needs to be resolved as soon as possible; Mendip members are anxious about any uncertainty that could divert their management;
- There is a disparity in pay levels at senior management levels which may hamper speedy integration of structures;

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## 4.8 Force Field analysis

Positive Outcomes	Is there a shared vision at senior political level of what Joint working will achieve that is realistic and achievable and where both benefit?	Negative Outcomes
	Is there sufficient trust between senior politicians and the ability to work together effectively?	
	Are cultural differences between the Councils recognised and capable of being tackled through joint working?.	
	Will this produce a greater voice for the Councils to exert influence and gain additional resources?	
	Are there sufficient similarities in the geographical areas covered by the Councils and in their communities?	
	Are the community generally supportive of Joint Working?	
	Are the council's policies capable of being shared?	
	Is there acceptance of the organisation changes that will need to be implemented?	
	Is there adequate similarity in the services to enable seamless integration?	
	Can an adequate governance structure for the implementation be created?	
	Will this produce sustainable revenue savings?	
	Will this produce a greater resilience from sharing of services so that service standards can be maintained at a time of reduced resources?	
	Are there sufficient resources available to implement the change?	
	Is the rationale for joint working accepted by staff and the Implementation timetable well paced?	

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## 5.0 Our Conclusions and Recommendations

- Based on our work so far, we believe closer joint working, including shared management arrangements, is feasible. In arriving at this conclusion we have taken the following factors into account:
  - The geographical similarities between the 2 Councils, the communities they serve and their needs.
  - The shared, and in our opinion, realistic view amongst Members of what joint arrangements could achieve in terms of resilience, savings and potential influence.
  - A willingness to explore jointly different solutions (the C option).
  - Clarity on what must be retained by each individual Council and a recognition of cultural differences.
  - Support to move towards shared senior management arrangements.

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## 5.0 Our Conclusions and Recommendations (Cont'd).



- An acceptance that this appears to be an opportune time- both Councils have some organisational capacity to make this change happen as both are free of immediate and critical financial pressures but with the need to plan for the medium term. And because there is only 1 Chief Executive in post there is an opportunity to create new ways of working.
- Inevitably, there are challenges. The 2 Councils aren't the perfect fit in relation to services but a 2 stage process- join up what you can first and explore Transformation (C) later- is a realistic option.
- We also acknowledge that South Somerset's Council decision to explore other options may slow the decision-making process and test the emerging bonds of trust between the 2 Councils.
- The recommendations on a suggested process to be followed are based on an assumption that at some point in the near future the Councils decide to proceed.

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## 6.0 Our Recommendations



- The Councils need to make a clear statement of intent approved by both councils;
- The Councils then need a joint governance structure and a lead 'officer' with the authority to develop the Outline Business Case;
- This should be followed within 3 months by a jointly agreed heads of terms and a Outline Business case;
- This should be supported by a joint fund to provide additional capacity and support, including 'due diligence' and potentially 'exchanging' officers to broaden experience;
- The councils then need a permanent lead 'officer' jointly appointed to lead the implementation of a shared management structure ideally by April 2016 and a new operating model at the earliest possible date.

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5.0 Our Commitment and Recommendations (Cont'd)

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6.0 Our Recommendations

The Council has had a long and successful history of working with the community to improve the quality of life in the County. The Council has been a strong advocate for the community and has been instrumental in the development of the County's vision and strategic plan. The Council has also been a strong advocate for the community and has been instrumental in the development of the County's vision and strategic plan.

## Appendix 2

### Answers to questions and comments raised by members during workshops

General	
1. What is the end point? Is it to share or is this a step on the way?	<i>It is to share in the medium term, but with Government agenda changing so swiftly it may be a step on the way.</i>
2. Have we learnt all the lessons from East Devon DC?	<i>Yes we are taking them into account.</i>
3. Is joining 'forever'?	<i>No. It could be messy to disentangle, but this is not insurmountable.</i>
4. Could a potential big (5?) district partnership undermine the County?	<i>No. It could complement the County but does depend on government legislation which could change the landscape.</i>
5. What is best approach: - Transformation → sharing, or - sharing → transformation?	<i>Both</i>
6. When is the best window of opportunity?	<i>Now</i>
7. What is the Government intending?	<i>Lots of different agendas but joint authorities are desirable.</i>
8. When will members see the papers?	<i>After consultation workshops on 1<sup>st</sup> and 6<sup>th</sup> October, report to Full Council will be circulated on 14<sup>th</sup> October.</i>
9. We have many shared services already – can these be listed?	<i>Somerset Waste Partnership, South West Audit Partnership, Cleaning Contracts (hospital), Civil Contingencies (EDDC &amp; all Somerset Councils), Goldenstones &amp; Wincanton Leisure Centres (LED), Homefinder (Somerset districts), Home Loans (Wessex Reinvestment Trust), Workplace Nursery (Hospital), Yeovil Crematorium, Insurance (East Devon DC).</i>
10. How do shared officer teams deal with sovereign council member committees? For example Scrutiny?	<i>As now separately. Scrutiny can be joint if members of both councils wish or can be separate scrutiny committees.</i>



11. Should we go for short-medium term benefit or long term gain?	<i>Ideally both</i>
12. What are SSDC's 'deal breakers'?	<i>All proposals will be evaluated. Members will decide on deal breakers.</i>
<b>Sharing fit</b>	
13. If two councils join up, does it make adding a third more difficult?	<i>No.</i>
14. Do we have to rush this? Would Taunton Deane BC be more logical?	<i>There is no rush but currently Mendip DC have an imperative for an early decision due to their procurement timescales of their proposals to change the way services are delivered in Mendip.</i>
15. Why not Mendip DC + Sedgemoor DC + SSDC?	<i>It is easier to pair before we go wider simply due to logistics of agreement and neither Sedgemoor DC nor Mendip DC have shown interest in working with each other at present. The Working Group consider it is easier to start with 2 and then add to the partnership as others have done elsewhere.</i>
16. What is the process for a structured analysis?	<i>Gather data by different means, analyse and draw conclusions. A Working Group has been set up to do this work.</i>
17. What work has been done to work on what would be lost by such an arrangement?	<i>Will be part of the above analysis.</i>
18. What is the risk of failure?	<i>Will be assessed and steps outlined to mitigate the risk.</i>
19. What are the costs of those risks?	<i>As above, risks in the analysis will be assessed for potential cost.</i>
20. Are either Mendip DC or Sedgemoor DC considering other sharing arrangements?	<i>Not that we are aware of to date.</i>
21. The geographical issues are important. Have we considered which way the communities 'face'?	<i>This should not affect communities. It is about management arrangements.</i>
22. Does the unknown outcome on Hinckley Point affect the risks or benefits?	<i>Not that we are aware, however if it ceases it is a separately funded project.</i>

<b>Staff issues</b>	
23. Are our officers jobs secure?	<i>In neither case are management jobs secure. Staying alone – threats to staff Joining up – threats + opportunities</i>
24. Can we have reassurance that staff will be fully informed at all parts of the process?	<i>Yes there will be a communication plan and we are starting this process now through normal channels.</i>
25. What is the situation with existing CEO within the potential partner authorities?	<i>They are current incumbent CEOs and their position will be decided later in the process.</i>
26. How do the staff feel?	<i>Hasn't been tested but can expect them to feel the anxiety that change creates.</i>
<b>Savings and Resilience</b>	
27. Can the same level of savings be made if a partner authority has a significant number of contracted out staff?	<i>The Working Group assumes there will be more savings with a council that delivers services similar to SSDC's.</i>
28. What are the staff numbers in Mendip DC and Sedgemoor DC?	<i>See Table 1</i>
<b>Comments arising in workshops</b>	
29. We should involve all members in discussions if/when we choose a preferred partner.	<i>Reports will be taken to Council and members will be involved.</i>
30. Trick should be to anticipate the next stage.	<i>Yes. We are following and anticipating the Government agenda.</i>
31. Communication is vital to carry people along with you.	<i>Agree and as mentioned there will be clear communication.</i>
32. Need to build on ground work.	<i>Agree</i>
33. For this to be a success it requires strong management and a clear member vision	<i>Agree</i>
34. We need to recognise that if something is not working we should stop and put it right then and there	<i>Agree</i>



# Proposals to change the way services are delivered in Mendip

## Public Consultation

09 February – 09 March 2015

### INTRODUCTION

Mendip District Council is consulting on a proposal to change the way services are delivered locally.

Together with four other local authorities, we are considering whether a range of services can be delivered by a third party provider. We are undertaking this work with a view to achieving cost savings for the council and avoiding service reductions.

This paper sets out our proposal and how you can comment on this.

### SUMMARY OF PROPOSAL

Mendip District Council is looking at changing the way we deliver a number of services. This may involve a change of provider.

We have been working with South Oxfordshire, Vale of the White Horse, Hart and Havant councils for some time to see whether there is value in collectively contracting a third party provider to deliver a range of joint council services. We have been considering the re-procurement of services that are already being delivered by third party providers, as well as the contracting out of other services currently delivered in-house by the council.

Following initial investigatory work, council leaders have agreed in principle that we will seek expressions of interest from third party providers to deliver the following services unique to each authority as shown in Table 1. This would involve a formal procurement exercise following requirements set out in EU law.

### Services potentially affected

Service functions	South & Vale	Hart	Mendip	Havant
<b>Revenues</b>				
Council tax	Yes	Yes	Yes	Yes
Business rates	Yes	Yes	Yes	Yes
<b>Benefits</b>				
CTRS	Yes	Yes	Yes	Yes
Housing benefits	Yes	Yes	Yes	Yes
<b>Exchequer</b>				
Accounts payable (creditors)	Yes	Yes	Yes	No
Accounts receivable (debtors)	Yes	Yes	Yes	No

<b>Payroll</b>				
Data input	Yes	Yes	Yes	No
Running the payroll (payments)	Yes	Yes	Yes	No
<b>Accountancy</b>				
Management accounting (regular budget monitoring and routine budget/ledger advice)	Yes	Yes	Yes	No
Financial accounting (closedown & producing annual accounts)	Yes	Yes	Yes	No
Provision of the financial management system (general ledger, accounts payable, accounts receivable, budgeting)	Yes	Yes	Yes	No
Treasury management (investing and borrowing)	No	Yes	Yes	No
<b>Internal Audit</b>				
System audits (regular checks of internal controls)	Yes	Yes	No	No
Counter fraud work (regular checks of high fraud risk areas)	Yes	Yes	No	No
Investigation of suspected fraud and irregularity (reactive)	Yes	Yes	No	No
<b>IT</b>				
IT infrastructure support (maintain desktop PCs, network & other hardware)	Yes	Yes	Yes	No
Applications support (maintain purchased applications and software)	Yes	Yes	Yes	No
IT Service Desk	Yes	Yes	Yes	No
IT security	Yes	Yes	Yes	No
Applications design (develop and maintain in-house bespoke applications)	No	No	No	No
Data capture and GIS	Yes	No	Yes	No
Street Naming and Numbering	Yes	Yes	Yes	No
<b>HR</b>				
Employee relations (collective bargaining, reacting to performance issues, investigations, terminations)	Yes	Yes	Yes	Yes
Policies	Yes	Yes	Yes	Yes
General advice on recruitment, training, restructuring, policies (to managers and staff)	Yes	Yes	Yes	Yes
<b>Legal and democratic services</b>				
General and taxi licensing	Yes	No	Yes	Yes
Legal services (excluding strategic legal advice)	No	Yes	No	No

Debt recovery legal actions incl court work	Yes	Yes	Yes	No
Land charges	Yes	Yes	Yes	Yes
<b>Procurement</b>				
Advice and support	Yes	Yes	Yes	No
<b>Facilities management</b>				
Facilities Management	Yes	Yes	No	Yes
Office Cleaning	Yes	Yes	No	Yes
Post Room	Yes	Yes	Yes	Yes
Design & Print	No	No	Yes	Yes
<b>Property management</b>				
Property advice	Yes	Yes	No	Yes
Property health & safety inspections	Yes	Yes	No	Yes
<b>Engineering</b>				
Engineering including flood alleviation and drainage	Yes	No	No	No
<b>Car parks</b>				
Car park management (maintenance, income collection)	Yes	Yes	No	No
Car park operations (patrolling and excess charge notices)	Yes	Yes	No	No
<b>Routine and administrative operations</b>				
Customer services - reception/other remote council access points	Yes	Yes	Yes	Yes
Customer services - switchboard / contact centre*	Yes	No	Yes*	Yes

Subject to comments received in response to this consultation, we expect to proceed as follows:

- Advertise the services identified in the Official Journal of the European Union to initiate a formal procurement exercise (March 2015)
- Identification of the most suitable third party provider (March 2015 – February 2016)
- Contracting new third party provider (March 2016)
- Transition of services to the new third party provider as existing contracts (where applicable) come to an end (August 2016 onwards)
- Joint management of the contract using staff from each council (March 2016 onwards)

We will need to prepare an agreement, to be signed up to by all the participating councils, which will govern how this process is managed from the start of the procurement to the end of the contract. This will set out how the benefits of the project will be shared between the councils, how we manage

the supplier, how issues are resolved and what happens if councils leave (or new ones wish to join) the collaboration.

Any contract developed with a supplier would most likely allow the councils to include services currently identified as out of scope at a later date, for example as existing contracts finish.

## **RATIONALE FOR PROPOSALS**

All UK public sector organisations have been impacted by the adverse economic environment since 2008. Local councils have been particularly affected by real-terms reductions in funding from government.

Some councils have approached this through incremental reductions in budgets and staffing and tightening of spend with suppliers. Others have recognised that this is at best a necessary but insufficient response. It is clear that the next government is unlikely to release significantly more resource irrespective of its political make-up. Therefore more radical solutions must be considered.

The councils have already responded to this challenge in a range of initiatives for example:

- **Mendip DC's** establishment of its public sector hub, where a range of organizations and agencies are available to customers on a single site.
- **South Oxfordshire DC** and **Vale of White Horse DC** (South and Vale) merged their senior management structure as described above, achieving cashable savings and allowing a scale approach to common issues
- **Hart DC** has worked closely with neighbouring councils to deliver shared services that provide value for money and maintain a quality front line service for local people, examples include grounds maintenance and community safety.
- **Havant BC** has developed a similar relationship with East Hants DC

Most of these initiatives have been in place for a number of years and can be described as 'road tested' Individually, the councils have achieved substantial savings and in doing so have built up a capability and confidence in managing strategic relationships with key service providers and partnerships between peer local authorities.

The councils believe this experience puts them in an ideal position to collaborate on this new venture. We are convinced that our new proposal to jointly contract a third party provider to deliver the services listed will result in:

- **Further financial savings** – a collaborative approach with one contract would achieve better value compared to individually re-procuring our current contracts.
- **Sustained or better outcomes for service users** – we can learn from the best performing services in each council and transfer this best practice to the others, and use the knowledge of our partner to take advantage of new developments in technology and efficient business practice.
- **Greater resilience and flexibility** - our combined capacity and common approach will allow peaks and troughs of workload to be managed more effectively and our assets to be used more effectively.

Our initial investigatory work identified a range of firms that had a track record in delivering some or all of the services. We note that there have been both successes and occasional high profile problems across the range of contracts let to date by councils across the UK – with some suppliers identified in both categories. So we will learn from these and identify the measures we need to take to manage risks and the delivery of benefits effectively

The councils have consulted with potential suppliers and there is support for this approach. There is political support within each council for the market test to be undertaken jointly and a project steering group comprising senior officers from each council has been tasked with taking the project forward.

To get the best deal we are developing a common set of requirements. We hope that over time this means that performance for each council will move towards the levels achieved by the best performer currently. Each council is currently proposing a different scope of services to be included although there are significant overlaps (see the next section).

During the procurement we would expect bidders to propose how they would deliver the services that are in scope for each of the councils. They may identify opportunities to bring services together at the same location, introduce more modern technology and new approaches. Much of this will relate to how the councils own organisations are supported, but there will also be opportunities to review the way that the councils serve their customers as well.

## **HOW TO RESPOND TO THIS CONSULTATION**

Before we take this work forward, we are encouraging residents, businesses and other local stakeholders to comment on our proposals. We would like to know:

- if there is support, in principle, for outsourcing the services identified
- whether there are any potential impacts on communities or service users we should consider and how we could improve our proposal to address these
- whether there are alternative means of securing best value in service delivery that we have not considered

We have set up an online consultation for this purpose, available on the Mendip District Council website. It can be accessed by [clicking here](#)

If you would prefer a paper copy delivered to you by post, please call the Mendip contact centre on 0300 303 8588, or write to Joint Services Consultation, Mendip District Council, Cannards Grave Road, Shepton Mallet, BA4 5BT.

Responses can be submitted between 09 February - 09 March 2015.

All responses will be treated anonymously, except where representations have been made on behalf of an organization or group.

The council will review all feedback received and use this information to determine whether to implement our proposal or whether changes need to be made.

The council will publish a summary of the consultation on its website in the summer and this will detail our response to any significant comments raised.





# Agenda Item 7

## **Report of Executive Decisions**

*Lead Officer:* Angela Cox, Democratic Services Manager  
*Contact Details:* [angela.cox@southsomerset.gov.uk](mailto:angela.cox@southsomerset.gov.uk) or (01935) 462148

This report is submitted for information and summarises decisions taken by the District Executive and Portfolio Holders since the last meeting of Council. The decisions are set out in the attached Appendix.

A meeting of the District Executive was held on 1<sup>st</sup> October 2015.

Members are invited to ask any questions of the Portfolio Holders.

## **Background Papers**

All Published

*Ric Pallister, Leader of the Council*  
*Angela Cox, Democratic Services Manager*  
*[angela.cox@southsomerset.gov.uk](mailto:angela.cox@southsomerset.gov.uk) or (01935) 462148*

## Appendix

Portfolio	Subject	Decision	Taken By	Date
Leisure and Culture	Westland Leisure Complex	<p>District Executive agreed:</p> <ol style="list-style-type: none"> <li>1. To recommend to Council they approve a 30 year internal loan of £1,865,046 at 2.96% interest for use towards refurbishment, to be repaid through the introduction of a Facility Levy.</li> <li>2. Subject to approval by Council of recommendation 1 above, authorise the Assistant Director (Health and Well-Being) in conjunction with Portfolio Holder (Leisure and Culture) to:               <ol style="list-style-type: none"> <li>a. Submit and negotiate the Statement of Principles set out in Appendix 6 with AgustaWestland (AW).</li> <li>b. Seek an annual financial contribution from Yeovil Town Council (YTC) towards the revenue costs and seek additional financial support from the other adjacent Parish Councils.</li> </ol> </li> <li>3. Subject to approval by AgustaWestland (AW) of the Statement of Principles authorised the Assistant Director (Health and Well-Being) in conjunction with the Assistant Director (Legal and Corporate Services), Assistant Director (Finance and Corporate Services) and Portfolio Holder (Leisure and Culture) and the Leader of Council to negotiate and finalise the Lease, Funding Agreement and Business Transfer Agreement.</li> <li>4. Subject to agreeing terms of the Lease, Funding Agreement and Business Transfer Agreement with AW, and a Funding Agreement with Yeovil Town Council (YTC) and other funding partners, pursuant to recommendations 2 and 3 above:               <ol style="list-style-type: none"> <li>a. Enter into an agreement with AW to take over the management and operation of the Complex for a 30 year term.</li> </ol> </li> </ol>	District Executive	01/10/15

		<p>b. Approve the use of up to £62,495 of general revenue balances to fund the revenue required to finance the operation of the facility, adding the requirement to the Medium Term Financial Plan (MTFP).</p> <p>c. Approve the once-off use of up to £86,237 of general revenue balances that may be required to fund the PWLB Equal Instalment Loan repayments whilst the Facility Levy scheme is implemented during year 1.</p> <p>d. Approve the once-off use of up to £60,000 of general revenue balances during the first year from handover to cover the net loss of revenue associated with the planned refurbishment works.</p> <p>5. Subject to achievement of recommendation 1, authorised the Assistant Director (Health and Well-Being) in conjunction with Portfolio Holder (Leisure and Culture) to work with the clubs and individuals supporting the venue and petition to raise further funds towards the overall £2.628m estimated refurbishment costs and ongoing revenue costs.</p>		
Finance and Legal Services	Medium Term Financial Strategy and Plan	<p>District Executive:</p> <p>(1) Approved the current Medium Term Financial Strategy;</p> <p>(2) Approved that £314,000 in Council Tax Reduction Grant be passported to support Town and Parish Councils' Precepts;</p> <p>(3) Approved in principle that South Somerset District Council remain in the Somerset Business Rates Pool for 2016/17 with a final decision delegated to the Assistant Director – Finance and Corporate Services in Consultation with the Leader and Finance Portfolio Holder;</p> <p>(4) Noted the current position and timetable for the Medium Term Financial Plan.</p>	District Executive	01/10/15

Strategy and Policy	Affordable Housing Development Programme	<p>District Executive:</p> <ul style="list-style-type: none"> <li>a. Noted the outturn position of the Affordable Housing Development Programme for 2014/15 [ref section 6];</li> <li>b. Allocated £139,000 to Stonewater for Queensway, Yeovil [ref section 8];</li> <li>c. Confirmed the de-allocation of funds from BCHA [ref section 8];</li> <li>d. Allocated £120,000 to Knightstone for Jarman Way (Furnham Road), Chard [ref section 8];</li> <li>e. Allocated £396,661 to Yarlinton for a scheme at Misterton, subject to planning permission [ref section 9];</li> <li>f. Allocated £315,000 to Yarlinton for three 3 bedroom bungalows in Yeovil, subject to planning permission [ref section 10];</li> <li>g. Agreed the principle of making an allocation to Stonewater for the provision for those with Learning Disabilities [ref section 11];</li> <li>h. Noted the outcome of the Housing Association selection review process in collaboration with Mendip District Council. [ref section 12];</li> <li>i. Confirmed the approach suggested with respect to the aggregation of funds raised under planning policy HG4 [ref section 13];</li> <li>j. Confirmed the delegation of authority to allocate funds raised under HG4 to specific schemes to the portfolio holder. [ref section 13].</li> </ul>	District Executive	01/10/15
Finance and Legal Services	Loan to Hinton St George and Locality Rural Community Services Ltd.	This report was recommended to Council and appears elsewhere on the agenda.	District Executive	01/10/15

Strategy and Policy	Wyndham Park Community Facilities	<p>District Executive approved:</p> <ol style="list-style-type: none"> <li>1. That if required, SSDC obtains an Option to purchase the land required for a 7 classroom school at the Up Mudford Sustainable Urban Extension (SUE) in order to secure the current Wyndham Park 7 Class School site for the purpose of providing a community hall/playing field. On condition that any Option would carry a Deferred Payment Period of 3 years from the date of acquisition to allow the developers of the Up Mudford site time to secure the appropriate planning approval.</li> <li>2. That access be granted to Somerset County Council (SCC) for a temporary construction road across the SSDC verge at Lyde Road. Allowing the School site to be brought forward before the housing triggers in the Section 106 Agreement are reached.</li> </ol>	District Executive	01/10/15
Leader of the Council Strategy and Policy	Community Right to Bid Quarterly Update Report	District Executive noted the report	District Executive	01/10/15

# Agenda Item 8

## **Audit Committee**

This report summarises the items considered by the Audit Committee on 30<sup>th</sup> September 2015.

### **2014-15 Annual Statement of Accounts**

The Finance Manager presented the 2014/15 Annual Statement of Accounts for approval by the Audit Committee. She explained to members exactly how the Statement of Accounts were prepared which included following the CIPFA code and highlighted the four main statements.

Having examined the documents and commented on the information presented, the 2014/15 Annual Statement of Accounts was approved by the Committee by the Chairman signing and dating the balance sheet.

The Chairman, on behalf of the Audit Committee, thanked the Assistant Director Finance and Corporate Services, Finance Manager and the Finance Team for their excellent work.

#### **RESOLVED:**

- (a) The 2014/15 Statement of Accounts be approved. (A copy of the Statement of Accounts had been circulated separately with this agenda.)
- (b) The unqualified opinion on the financial statements be noted.
- (c) That the Assistant Director (Finance and Corporate Services) be authorised to sign the Letter of Representation.

*(voting: unanimous)*

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### **Summary Statement of Accounts 2014-15**

The Finance Manager presented the report requesting comments on the 2014/15 Summary of Accounts which would now be available on the Internet and at Local Council offices.

The Chairman commented that the Summary Statement of Accounts was now a simple, clear and easy to read document covering most aspects of the Council's 2014/15 Statement of Accounts.

Members were content that the 2014/15 Summary of Accounts be approved for publication.

**RESOLVED:** That the 2014/15 Summary of Accounts be approved for publication

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### **2014-15 Audit Findings Report**

The Director - Grant Thornton presented the report that summarised the findings from the 2014/15 work of the Audit Commission relating to governance, as detailed in full in the agenda. She explained the report outlining overall the risk criteria and the authority as having

adequate arrangements to meet the requirements of IFRS (International Financial Reporting Standards).

She highlighted that an objection to the accounts for 2014/15 had been received and explained that the audit could not be determined until the complaints had been dealt with. In agreement with the Director, Grant Thornton the Assistant Director (Finance & Corporate Services) confirmed for transparency the cost of this additional provision would be included in the fees for other services.

Members were content to approve the recommendations.

**RESOLVED:** That the Audit Committee:

1. Considered the matters raised in the report;
2. Noted the audit findings as outlined in Section two of this report.
3. Noted the Value for Money criteria has been met.
4. Agreed the recommended actions in Appendix A.

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Councillor Derek Yeomans  
Chairman of Audit Committee

# Agenda Item 9

## Scrutiny Committee

Scrutiny members made the following comments on the reports to be considered by District Executive on 1<sup>st</sup> October:

### Future of Westland Leisure Complex

- Since this matter was last considered by members in early September, property advisors had been commissioned to undertake a condition survey of the asset – members were referred to the full report contained in the confidential papers.
- The condition survey had identified that the roof structure is essentially clear but with some additional works identified to address issues such as end-lap corrosion.
- Additional work on hire analysis over the past two years shows that hire income was in fact greater than previously reported.
- As requested, a risk register has been developed and will be updated as the project progresses.
- An initial meeting of the Project Board had agreed that AW be requested to retain the asset in its' current condition until completion and transfer of the asset.
- AW had been approached about the possibility of separating the Sporting facilities from the Leisure facilities. They had responded by saying that their preference would be for the site to be transferred as a whole, at this stage, they would be prepared to put the option of splitting the site to the Finnmeccanica Board for consideration. The Assistant Director informed members that if the site were to be split, the other funding Partners (AW and Yeovil Town Council) had indicated that they would not be prepared to contribute any funding to a sports only site and that the ticket levy proposal could not be applied to a sports only facility.

The Assistant Director – Finance and Corporate Services then updated members on the following financial aspects of the project.

- The principles of capital spend
- Estimated expenditure and income associated with the project;
- Impact on capital receipts;
- Benefits of internal borrowing including the revenue implications;
- The current SSDC budget position and the need for members to reallocate resources in line with priorities if the decision is taken to proceed;
- The affordability of the project and the impact on balances.

The following points were raised in discussion:

- In response to a query about the membership of the various sporting clubs associated with the site, members were informed that members are drawn from all over the district, and not just from Yeovil.
- If SSDC were to take over the running of the site, it would be open to the whole community with all current restrictions removed and with a 'pay and play' policy introduced where possible. This would not apply to the cricket facilities as the Cricket



clubs would be required to maintain their own facilities and so would have exclusive use.

- All hire agreements would be negotiated taking into account VAT implications.
- An agreement in principle had been agreed from Yeovil Town Council, other Parish Councils within Area South had been identified as potential funding partners but had not yet been approached. It was not envisaged that Parish Councils outside of Area South would be approached for funding.
- It was queried that The Octagon Theatre is subsidised by SSDC and that when combined with the 'sister venue' at Westland's this level of subsidy would only increase. Members were informed that the financial performance of the Octagon is continually improving and that if the two venues are 'joined' there will need to be a 'truing up' exercise of 'back office' costs. In practice this will see the costs of the Octagon decrease.
- The Westland's Entertainment Venue will fundamentally not be a third theatre for Yeovil.
- Members suggested that having a 3 year business plan would help in making the final decision.
- Members were again reminded that officers had been asked to prepare the report on a 'worst case scenario' basis.
- All external funding sources had been explored and this would continue to be the case.

Following the discussion, a member of the committee proposed that the matter was put to the vote to enable Scrutiny to provide a clear indication to District Executive, this was seconded and subsequently the committee voted as follows on the recommendations contained in the report:

*(Voting: 5 in favour, 3 against, 3 abstentions)*

### **Medium Term Financial Strategy and Plan**

- In response to a query about Service Redesign and the reduction of personnel associated with this process the Strategic Director – Place responded that it was essentially a way of looking at processes, assessing better use of technology and focusing on the best outcome for customers. Business Transformation is a more holistic look at how we do things.
- Members noted that the mentioned the need for the MTFP to reflect the Council's priorities and that the current plan has now expired – members queried what the process is for refreshing the Council Plan and how the wider membership would be involved in this key piece of work.

### **Affordable Housing Development Programme**

- Members thanked the officer for a very detailed and thorough report.
- Members asked that funding generated by HG4 and the geographical spread be kept under review and reported to members.

### **Loan to Hinton St George**

- members sought reassurance that SSDC would have first charge on the property if the loan is agreed and agreed with the suggestion that the Loans policy should be revisited in light of the number of reports now coming forward to Council for approval.

### **Wyndham Park Community Facilities**

- Members supported the recommendation which will help address the chronic shortage of primary school places in Yeovil.

### **Community Right to Bid**

- Members noted this report

### **Forward Plan**

Members asked when the issue of two hours free car parking ( as discussed via a Motion to Full Council) would be included in the Forward Plan – at the time, members were informed that any decision on this would have to be taken as part of the 2016/17 budget setting process which is underway.

In addition to the District Executive reports, the Scrutiny Committee also received a report from the Assistant Director – Communities, outlining the LEADER Programme. The report covered the programmes' funding arrangements and how SSDC members can engage with the Programme.

Members commented that progress with the Programme had been frustrating, taking into account the disruption of national and local elections earlier in the year.

It was noted that there is now a revised launch date of 14<sup>th</sup> October, and that it was likely any bids would be considered in the last quarter of the year. Members asked if the various programme strategies could be circulated, although it was noted that these strategies were probably now out of date. Members thanked the Assistant Director for preparing the report and responding to their questions.

### **Update on Task and Finish groups**

The Council Tax Reduction Strategy Task and Finish Group have now completed their work which will be presented to Scrutiny on 3<sup>rd</sup> November and subsequently to District Executive and Full Council.

The Review of Licensing Fees and Charges is nearing completion with the final meeting of the Task and Finish Group scheduled for 21<sup>st</sup> October – the final report and recommendations will be submitted to the Licensing Committee, District Executive and Council.

Councillor Sue Steele  
Chairman of Audit Committee

# Agenda Item 10

## **Motions**

The following Motion has been submitted by Councillor Henry Hobhouse:

### **Highway planning advice**

That this Council deplores the inconsistent and invalid highway planning advice offered to SSDC by the County Council and this view be expressed in a letter to the Leader of Somerset County Council.

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The following Motion has been submitted by Councillor Colin Winder:

### **Heritage Strategy as part of the Local Plan**

Following receipt of the letter of 29<sup>th</sup> September from the Assistant Director (Economy) regarding the Area East Committee enquiry as to the status of the Heritage Strategy in the Local Plan, we find that unless new and extra resource is allocated, it will not be possible to bring this important strategy forward until October 2016.

Having this document in place will enable legal and democratic planning control to be carried out by Councillors to the satisfaction of the general public in South Somerset.

### **Motion**

Without this vital Heritage Strategy document there is a failure of the system and I request that funding and the necessary resources are made available now to bring this vital strategy forward and completed by the end of December 2015.

# Agenda Item 12

## **Date of Next Meeting**

Members are asked to note that the next scheduled meeting of the Full Council will take place on **Thursday, 18<sup>th</sup> November 2015** in the Council Chamber, Council Offices, Brympton Way, Yeovil **commencing at 7.30 p.m.**

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