

You are requested to attend a meeting of the Executive to be held in Activity Room - Brittons Ash Community Centre on 28 November 2018 at 6.15 pm.

Agenda

- 1 Apologies.
- 2 Minutes of the previous meeting of the Executive held on 5 July 2018. (attached) (Pages 5 - 8)
- 3 Public Question Time.
- 4 Declaration of Interests.

To receive declarations of Disclosable Pecuniary Interests or personal or prejudicial interests, in accordance with the Code of Conduct, in relation to items on the agenda. Such interests need to be declared even if they have already been recorded in the Register of Interests. The personal interests of Councillors who are County Councillors or Town or Parish Councillors will automatically be recorded in the minutes.
- 5 North Taunton Woolaway Project. Report of the Housing Development and Enabling Manager (Verbal Update)
- 6 Financial Monitoring 2018/19. Report of the Interim Finance Manager (attached). (Pages 9 - 30)
- 7 Review into Affordable Employment Land Task and Finish Group. Report of The Task and Finish Group (attached) (Pages 31 - 62)

Bruce Lang
Assistant Chief Executive

20 November 2018

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under "Public Question Time" is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council's Planning Committee and details of the "rules" which apply at these meetings can be found in the leaflet "Having Your Say on Planning Applications". A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

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The meeting rooms at both Brittons Ash Community Centre and West Monkton Primary School are on the ground floor and are fully accessible. Toilet facilities, with wheelchair access, are available.

Lift access to the Council Chamber on the first floor of Shire Hall, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are available through the door to the right hand side of the dais.



An induction loop operates at Shire Hall to enhance sound for anyone wearing a hearing aid or using a transmitter.

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Executive Members:

Councillor J Williams

(Chairman and Mayor of Taunton Deane)

Councillor T Beale

Councillor V Stock-Williams

Councillor P Berry

Councillor A Sully

Councillor M Edwards

Councillor J Warmington

Councillor R Parrish

Executive – 5 July 2018

Present: Councillor Williams (Chairman)
Councillors Berry, Edwards, Habgood, Mrs Stock-Williams, Sully and
Mrs Warmington

Officers: Andrew Stark (Interim Head of Financial Services), Richard Doyle
(Corporate Strategy and Performance Officer) and Andrew Randell
(Democratic Services Officer).

Also present: Councillor Morrell.

(The meeting commenced at 6.15 p.m.)

27. Apology

Councillors Beale, Edwards and Habgood.

28. Minutes

The minutes of the meetings of the Executive held on 5 April 2018 were taken as read and were signed.

29. Declaration of Interests

Councillors Mrs Stock-Williams and Mrs Warmington declared personal interests as Members of Wellington Town Council and Bishops Lydeard and Cothelstone Parish Council respectively.

30. Financial Monitoring Outturn 17/18

Considered report previously circulated, relating to the Council's financial performance for the 2017/2018 financial year. The outturn figures had been included within the Statement of Accounts which had been approved by the Council's External Auditors.

Monitoring the budget was an important part of the Council's performance management framework. Crucially it enabled remedial action to be taken in response to significant budget variances, some of which might be unavoidable. It also provided the opportunity to assess any consequent impact on reserves and the Council's Medium Term Financial Plan.

The revenue outturn position for the financial year 2017/2018 was as follows:-

- The General Fund (GF) Revenue Outturn position for 2017/2018 was a net underspend of £21,000 (0.1%).
- The Housing Revenue Account (HRA) was a 'Self-Financing' account for the Council's Housing Landlord function, which was budgeted to 'break even' (net of approved transfers to/from HRA Reserves). The HRA Outturn for 2017/2018 was a net underspend of £446,000 (1.7% of gross income).

Reported that the year-end financial statements reported that Deane DLO had made an overall deficit of £9,000 after contributing £49,000 Corporate Costs. There had been a change to the structure of the DLO during 2017/18 with the building maintenance area being moved from the DLO and into the HRA. Therefore the DLO was now only made up of the one distinct operating area of Grounds Maintenance (including the Nursery).

The Deane Helpline had reported a net deficit of £67,000 for the year, which was an underspend of £69,000 against the final budget and represented the net cost of the service to the GF.

Under regulations the Council had to report how its Licencing and Land Charges services performed in the financial year. This was set out in the table below. These services set fees and charges based on estimated reasonable costs, and aimed to break even each year. When this did not occur, the Council could transfer any surplus/deficit to a self-financing reserve. During the next round of fees and charges setting, adjustments would be made with the view to achieving a break-even position on a three year rolling basis.

Licensing and Land Charges Self-Financing Reserves

	Balance Brought Forward £	Under/(over)-recovery £	Balance Carried Forward £
Land Charges	(56,160)	(43,390)	(99,550)
Licencing	(950)	20,780	19,830
Taxi-Licencing	(36,610)	36,610	0

With regard to the budget for the Unparished Area of Taunton, reported that although £31,451 had been allocated to a variety of schemes during the 2017/2018 financial year, £60,817 was available for allocation during the current year.

The capital outturn position for 2017/2018 was as follows:-

- The General Fund profiled Capital Programme at the end of 2017/2018 was £53,304,000. Of this, £13,883,000 had been spent in previous years and a further £4,869,000 had been spent during 2017/18. The actual expenditure on the Capital Programme during 2017/18 and future years was £34,259,000. This would leave a net underspend of £293,000 against the overall programme.
- The HRA approved Capital Programme at the end of 2017/2018 was £18,839,000. This related to schemes which would be completed over the next five years. The actual expenditure on the Capital Programme during 2017/2018 was £10,126,000, with £8,713,000 for planned investment to implement approved schemes in future years. A net overspend of £446,000 (1%) was reported against the overall programme.

Further reported that the GF Reserves balance as at 31 March 2017 stood at £2,299,000. The balance remained above the minimum reserves expectation within the Council's Budget Strategy (£1,700,000).

The HRA Reserves balance as at 31 March 2018 stood at £2,778,000, which was above the minimum level (£1,800,000) set within the Council's Budget Strategy and the HRA Business Plan.

The total General Fund Earmarked Reserves balance as at 31 March 2018 was £21,615,000, and for HRA Earmarked Reserves the balance was £6,990,000, representing funds that had been set aside for specific purposes to be spent in 2018/2019 or later years. This had grown largely in respect of funds committed to support growth and infrastructure development, future capital programme spending, the Business Rates funding volatility, creating a new Council and funding set aside to support service restructuring and transformation projects. The majority of this was planned to be spent over the next two years, although experience had shown this might be over a longer period.

Noted that the Outturn Report had also been considered by the Corporate Scrutiny Committee on 21 June 2018 and the recommendations contained within the report were supported.

Resolved that:-

- 1.1 The Executive reviewed the Council's financial performance and end of year position for the General Fund and the Housing Revenue Account, including pre-approved carry forwards and transfers to earmarked reserves.
- 1.2 The Executive is recommended to:
 - (a) Note the reported General Fund Revenue Budget underspend of £21k in 2017/18 and the General Reserves Balance of £2.299m as at 31 March 2018.
 - (b) Recommend Full Council to approve the General Fund Revenue Budget Carry Forwards totalling £1.195m (as set out in table 3 of the report).
 - (c) Recommend Full Council to approve a General Fund Capital Programme Budget Profile totalling £34.259m in 2018/19 and Later Years (as set out in Appendix B).
 - (d) Recommend Full Council to approve a Housing Revenue Account Budget Carry Forwards totalling £344k (as set out in table 14 of the report).
 - (e) Recommended Full Council to approve a Housing Revenue Account Capital Programme Budget Profile totalling £8.713m in 2018/19 and Later Years (as set out in Appendix D).

31. Quarter 4 2017/18 Performance Report




Considered report previously circulated, which detailed the performance of the Council for the final quarter of 2017/2018.

Regularly monitoring performance was a key element of the Council's Performance Management Framework. There were 34 individual measures which were reported within the Corporate Scorecard.

The Taunton Deane Corporate Scorecard contained details of the Quarter 4 2017/2018 position against the Council's key priorities, finance and corporate health indicators. It was stressed that this information was the situation at 31 March 2018.

Each action/measure had been given a coloured status to provide the reader with a quick visual way of identifying whether particular measures were on track or whether there might be some issues with performance or delivery or an action.

The table below provided an overview of the reported indicators within the Corporate Scorecard:-

GREEN 	AMBER 	RED 	TOTAL
20 (24)	12 (3)	2 (5)	34

(The figures in brackets related to Quarter 4 in 2016/17)

Submitted a comprehensive summary of each of the 35 performance measures. The two indicators on the scorecard allocated 'red' status were:-

- Facilitate the delivery of the affordable housing development pipeline to achieve 200 new affordable homes in 2017/18 with at least 10% being new build council housing.
- Customer Complaints Responded to within 20 working days.

Reported on the actions that would be taken in an attempt to meet the performance targets that had been set for these two indicators.

Resolved that the report be noted.

32. **Executive Forward Plan**

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

Resolved that the Forward Plan be noted.

(The meeting ended at 7.00 p.m.)

Taunton Deane Borough Council

Executive – 28 November 2018

Financial Monitoring – 2018/19 as at 30 September 2018

This matter is the responsibility of the Leader of the Council, Councillor John Williams

Report Author: Andrew Stark, Interim Finance Manager

1 Executive Summary

- 1.1 This report provides an update on the projected outturn financial position of the Council for the financial year 2018/19 (as at 30 September 2018).
- 1.2 Monitoring the budget is an important part of the Council's performance management framework.
- 1.3 The current revenue forecast outturn for the financial year 2018/19 is as follows:
 - The General Fund (GF) Revenue Outturn is forecasting a net underspend of £13k.
 - The Housing Revenue Account (HRA) is forecasting underspend of £356k.
- 1.4 The current capital forecast position for 2018/19 is as follows:
 - The General Fund capital account is forecasting spend of £11.762m against a total Programme budget of £71.883m with £43.462m forecast to be spent in future years (£16.659m spent in previous years);
 - The HRA capital account is forecasting spend of £8.679m against a budget of £17.686m with £9.007m forecast to be spent in future years.

Any overspends or underspends in the capital forecast at this time are shown in **Appendix C**.
- 1.5 The General Fund reserves forecast balance as at 31 March 2019 is projected to be £2.312m. The balance remains above the recommended minimum reserves level approved in the Council's Budget Strategy (£1.7m).
- 1.6 The Housing Revenue Account (HRA) Reserve forecast balance as at 31 March 2019 is £3.132m, which is above the recommended minimum level (£1.8m) set within the Council's Budget Strategy and HRA Business Plan.

2 Recommendations

- 2.1 It is recommended that Executive notes the Council's forecast financial performance for 2018/19 financial year as at 30 September 2018.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
That the Authority overspends against the approved budget	3	4	12
<i>Mitigated by - Regular budget monitoring reports are produced and managers actively manage the budgets under their responsibility</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				

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 This report provides the Council's forecast end of year financial position for revenue and capital expenditure as at 30 September 2018 for the Council's General Fund (GF), Housing Revenue Account (HRA) and trading services.
- 4.2 The regular monitoring of financial information is a key element in the Council's Performance Management Framework. Crucially it enables remedial action to be taken in response to significant budget variances, some of which may be unavoidable. It also provides the opportunity to assess any consequent impact on reserves and the Council's the Medium Term Financial Plan.
- 4.3 Members will be aware from previous experience that the position can change between 'in-year' projections and the final outturn position, mainly due to demanded service costs and income levels. The budget monitoring process involves a detailed review of the more volatile budgets and a proportionate review of low risk/low volatility budget areas.
- 4.4 Budget Holders, with support and advice from their accountants, regularly review the position and update their forecasts based on currently available information and knowledge of service requirements for the remainder of the year. As with any forecast there is always a risk that some unforeseen changes could influence the position at the year end, and a number of risks and uncertainties are highlighted within this report. However, the following forecast is considered to be reasonable based on current information.
- 4.5 It is clear that the organisation is undergoing major change at present with implementation of the new operating model under Transformation and the preparation for the new Somerset West and Taunton Council taking effect in April 2019. All reasonable effort is being undertaken by budget holders and finance staff to ensure that budgets remain under control during this period of disruption.

5 2018/19 Forecast Outturn

General Fund Revenue Account – 2018/19 Forecast as at 30 September 2018

- 5.1 The Council is currently forecasting an overall net underspend of £13k. This is a very small underspend compared to the Net Budget of £13m, and Gross Expenditure of £62m. It should be noted that this forecast assumes the costs of and savings from transformation are within budget.
- 5.2 Shadow Scrutiny will receive an update report in respect of transformation, with costs expected to exceed budget. The best estimates of anticipated costs and the funding plan are currently being finalised and will be reported to Shadow Scrutiny in November.
- 5.3 A Summary Statement of the General Fund Revenue Outturn by Portfolio is provided in **Appendix A**.

Table 1 - Summary of Significant Forecast Variances for the Year

	Staffing	Other	Income	Total
	£000	Expend	£000	£000
		£000		
Deane Helpline	96	(22)	(40)	34
Planning	149	0	(143)	6
Car Parking	0	(178)	267	89
Recycling	0	0	(76)	(76)
Bereavement Services	28	99	(215)	(88)
Waste Collection	0	53	0	53
ICT	0	35	0	35
Council Tax collection costs	0	0	47	47
Shopmobility	0	(20)	0	(20)
Leisure	0	(38)	0	(38)
Community Safety	0	42	0	42
Asset Management	160	(18)	(95)	47
Investment Income	0	0	(144)	(144)
Business Rates	0	236	0	236
Transfer from Business Rates smoothing reserve	0	0	(236)	(236)
TOTAL – over / (under) spend	433	189	(635)	(13)

5.4 The main variances to budget are explained as follows:

Asset Management: There is a projected overspend of £62k. The use of agency to cover a number of vacancies staff has led to one-off overspend of £175k on staff costs. This reflects the challenging market for property specialist roles. This has been offset by one-off recovery of historic bad debt income of £95k plus a forecast underspend of £18k on bus shelters. Work is underway to let these properties where possible. Opportunities to further mitigate the cost pressures will be explored during the remainder of the financial year.

Car Parking: There is overspend on car parking of £89k. The income levels forecast in the budget setting has not materialised by £267k and there is an increase in the external contract of £41k. This has been partially offset by £219k savings in business rates and repairs and maintenance. Base budgets for both costs and income will be realigned for 2019/20 budget estimates.

Planning: Increased income of £143k has been offset by costs of agency staff to backfill staff shortages of £149k gives a projected overspend of £6k.

Leisure: A potential additional contract item for the spa from Tone Leisure has not materialised has given a saving of £38k.

Community Safety: There is a budget error in the CCTV contract of £42k.

Shopmobility: Savings on electricity, maintenance and grant has given underspend of £20k.

Waste Recycling: The service is projecting additional income from green waste collection services of £76k with demand for the service exceeding budget expectations. As this is a demand-led service the position can fluctuate, however as the majority of income is received early in the financial year for the annual kerbside collection service the forecast is expected to be reasonably accurate at this stage.

Waste Collection: Additional volume costs of £53k are being charged for the year by Somerset Waste Partnership.

Bereavement Services: The service has projected additional income of £88k. Bereavement services is a demand led service and usage has increased during the year producing additional income for the service of £215k which has been offset by planned maintenance by contractors, additional staffing of £28k to cover upturn in workload and additional cremator maintenance and repair of £60k and £39k for the purchase, lease and repair of plant and machinery.

ICT: Smartphone 8*8 rollout has increased revenue costs by £35k but enables greater efficiency and agile working.

Council Tax Collection: This projected shortfall of income of £47k is in respect of reduced recovery action.

Interest Costs and Income: Additional investment income of £144k has been received due to improved returns.

Business Rates

A summary of the new Retained Funding forecast is shown in the table below:

Table 2 – Business Rates Retention Estimates

Business Rates Retention Funding Estimates	2018/19 Budget £000	2018/19 Actual £000	2018/19 Difference £000
40% Standard Share of Business Rates Yield	15,219	15,219	0
Rates yield from renewable energy schemes	171	171	0
Tariff to Government	(12,781)	(12,781)	0
Levy Payment	(375)	(501)	(126)
Safety Net Income	0	0	0
S31 Grant	1,358	1,248	(110)
Net Retained Business Rates Funding	3,592	3,356	(236)

5.5 The forecast of Business Rates retained income is £236k lower than the 2018/19

budget. This is primarily down to paying a larger levy than budgeted for as the Council's income has risen due to higher compensation factor allowed against Small Business Rates Relief. The budget assumed 50% whereas the actual percentage is 69.7%. S31 grants are also lower than budgeted.

- 5.6 The Council is part of the Somerset Business Rates Pool and should receive a pool dividend for its sharing of the pooling gain, which is currently estimated at £503k. This figure is not accounted for in Table 1 as it will probably change on completion of the NNDR3 return for the year 2018/19, and won't be confirmed until the end of the financial year. The aim of pooling is to increase funding to support measures for delivering financially sustainable council services and investing in growth and infrastructure initiatives.

6 General Fund Reserves

General Reserves

- 6.1 The following table summarises the movement on the General Reserves Balance to 30 September 2018.

Table 3 - General Reserve Balance

	£000
Balance Brought Forward 1 April 2018	2,299
2018/19 Projected Outturn Variance – Q2 Forecast	13
Projected Balance 31 March 2019	2,312
Recommended Minimum Balance	1,700
Projected Balance above recommended minimum	612

- 6.2 The forecast balance as at 31 March 2019 is £2.312m. This would be £612k above the recommended minimum balance of £1.700m. The balance is only a forecast and can change which means it must be caveated at this stage. The final outturn for the year will be reported in the spring.
- 6.3 In view of the Council's future financial pressures the prudent advice is to maintain reserves above the recommended minimum, to provide some resilience for emerging costs and to provide some flexibility to support measures to address ongoing financial sustainability.

General Fund - Risk and Uncertainty

- 6.4 Budgets and forecasts are based on known information and the best estimates of the Council's future spending and income. Income and expenditure over the 2018/19 financial year is estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact on the financial projections, but for which the likelihood, and/or amount are uncertain.

- 6.5 The following risks and uncertainties have been identified:
- 6.5.1 **Fluctuation in demand for services:** We operate a number of demand-led services and the levels of demand do not always follow a recognisable trend. We therefore have to caveat the forecasts in these areas to account for fluctuations.
 - 6.5.2 **General Spend:** It is conceivable that, whilst budget holders are optimistic that they will spend all of their budget, we could see underspends of £50k-£100k by year end caused by the cumulative effect of minor underspends in a number of service areas.
 - 6.5.3 **Year End Adjustments:** Certain items are not determined or finalised until the financial year end. For example, the final assessment of provisions required for bad debts, and final allocations of support service recharges. These can result in potentially significant differences to current forecasts.
 - 6.5.4 **Business Rates:** There are inherent risks and uncertainties within the Business Rates Retention system. The Council's share of business rates funding is directly linked to the total amount of business rates due and collected in the area. The figures are subject to volatility. Forecasts have to reflect this uncertainty. Due to delays caused by the additional work required on last year's accounts, the current forecasts still need to be prepared.
 - 6.5.5 **Rent Allowances/Rebates:** Q2 has identified a possible overspend in rent allowances/rebates of £85k. As this service has historically underspent in previous years the overspend has not been formally reported as a variance in this report, but is however flagged as a potential financial risk.
 - 6.5.6 The Council carries protection against risk and uncertainty in a number of ways, such as insurances and maintaining reserves. This is a prudent approach and helps to mitigate unforeseen pressures.

Deane DLO Trading Account

- 6.6 As at 30 September 2018, the DLO is forecasting to come in on budget after contributing £50k to the General Fund. Any surplus will be transferred to the DLO trading reserve. Due to the complexities of the business and the significant sums involved in the DLO operation, the year-end outturn forecast is an estimate at this point in time. This forecast outturn needs to be flagged as a risk and will be continually monitored.
- 6.7 The Trading Account Reserves Position balance brought forward of £436k relates to a retained trading surplus of £121k, plus capital reserves and £315k to fund vehicle replacement.
- 6.8 As agreed within the transformation plan, continuous improvement of DLO

services will enhance all aspects of operational efficiency and effectiveness.

Deane Helpline Trading Account

- 6.9 The Deane Helpline's net budget is £135k. The service is predicting a net overspend of £34k at year end. Forecast overspend in staffing of £96k due to increased sickness has been offset by additional income of £40k and IT contract saving of £22k.
- 6.10 There are no funds held in the Deane Helpline Trading Account Reserve, therefore any deficit would have to be underwritten by the General Fund.

General Fund Capital Programme

- 6.11 The total approved General Fund Capital Programme is currently £71.883m. This relates to schemes which will be completed over a number of years. Of this, Budget Holders are projecting that £11.762m will be spent during 2018/19 with £43.462m due to be spent in future years. £16.659m has been spent on 'current' schemes in previous years. Current in-year spend as at 30 September 2018 is £4.709m. The Council is supporting this investment through the use of Capital Grants and Contributions, Capital Receipts, Revenue Funding and Borrowing
- 6.12 The major areas of capital spend planned for future years include, £3.5m on Somerset Waste Partnership loan, £2.765m on Town Centre Regeneration and £2.669m on Major Transport Schemes. In addition, significant budget approvals have been made by Council within confidential reports – with figures not disclosed in order to protect the Council's interests during procurement phase.
- 6.13 The major area of capital spend in 2018/19 is £650k on Disabled Facilities Grants, £4.092m on Deane House Accommodation backlog maintenance and improvements, £774k on Transformation costs, £1.135m on Parking Access and Signage, £742k on Coal Orchard and £334k on DLO vehicles.
- 6.14 A summary of the General Fund Capital Programme budget and forecast for the year is included in **Appendix C**.

7 Housing Revenue Account (HRA)

- 7.1 The HRA is a 'Self-Financing' account for the Council's Housing Landlord function, which is budgeted to break-even (net of approved transfers to/from HRA Reserves). The current forecast HRA Revenue Outturn for 2018/19 is a gross surplus of £356k (1.3% of gross income).
- 7.2 The current forecast outturn for 2018/19 is provided in more detail in **Appendix B**.
- 7.3 The major under and overspends forecast for year are summarised as follows

- 7.4 **Leasehold Income:** Income from leaseholders is higher than budgeted by £65k to reflect the increased cost of maintenance on shared blocks.
- 7.5 **Housing Management:** Vacancies in tenant management, lettings, tenant empowerment, supported housing have created underspend of £351k.
- 7.6 **Insurance:** Insurance costs are higher than budget. Grounds maintenance costs for clearing properties are above budget. The forecast overspend for both is £215k.
- 7.7 **Responsive Maintenance:** A forecast underspend in maintenance of £172k in subcontractors used in electrical works as a result of better scheduling and securing cover for vacant posts.
- 7.8 **Interest Receivable:** Changes to reserve balances mean that the interest received on investments is forecast to be lower than budgeted by £66k.

HRA - Risk and Uncertainty

- 7.9 As with the General Fund, budgets and forecasts are based on known information and the best estimates of the Council's future spending and income. Income and expenditure over the financial year 2018/19 is estimated by budget holders and then reported through the budget monitoring process. During this process risks and uncertainties are identified which could impact financial projections, but for which the likelihood and/or amount are uncertain.

Housing Revenue Account General Reserves

- 7.10 The HRA reserves at the start of the year were £2.778m. The forecast underspend of £356k for 2018/19 increases the balance to £3.132m. This is above the minimum recommended reserve level of £1.800m by £1.332m, providing a good level of resilience to unplanned fluctuation in costs.

Table 3: HRA Reserve Balance

	£k
Balance Brought Forward 1 April 2018	2,778
Forecast Outturn 2018/19 (as at 30 September 2018)	356
Forecast Balance Carried Forward 31 March 2019	3,132
Recommended Minimum Balance	1,800
Forecast Balance above recommended minimum	1,332

8 HRA Capital Programme

- 8.1 The HRA approved Capital Programme is £17.686m. This relates to schemes which will be completed over the next five years. The Council is supporting this investment through the use of Capital Receipts, Revenue Funding and Borrowing.

- 8.2 **Appendix C** provides a breakdown of the HRA Capital Programme Outturn by scheme.
- 8.3 The capital programme can be split into three distinct areas:
- 8.4 **Major Works:** £7.499m of the capital budget in the HRA relates to major works on existing dwellings and includes works such as kitchens, bathrooms, heating systems, roofs, doors and windows. Actual spend at 30 September 2018 is £2.431m. Forecast expenditure to 31 March is £5.769m.
- 8.5 **Improvements:** A total of £2.535m capital budget relates to such as disabled facilities adaptations, asbestos removal, environmental improvements and extensions. Actual spend to 30 September 2018 is £59k. Forecast expenditure to 31 March is £1.217m.
- 8.6 **Development:** The remaining budget of £7.652m is for the provision of new housing through Creechbarrow Road, Weavers Arms and the Social Housing Development Programme. Actual spend to 30 September 2018 is £745k with forecast expenditure to 31 March £1.693m.

9 Links to Corporate Aims / Priorities

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

10 Finance / Resource Implications

- 10.1 Contained within the body of the report.

11 Legal Implications

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

12 Environmental Impact Implications

- 12.1 None for the purpose of this report.

13 Safeguarding and/or Community Safety Implications

- 13.1 None for the purpose of this report.

14 Equality and Diversity Implications

- 14.1 None for the purpose of this report.

15 Social Value Implications

15.1 None for the purpose of this report.

16 Partnership Implications

16.1 A wide range of council services are provided through partnership arrangements e.g. GLL for leisure services and Somerset Waste Partnership for Waste and Recycling services. The cost of these services is reflected in the Council's financial outturn position for the year.

17 Health and Wellbeing Implications

17.1 None for the purpose of this report.

18 Asset Management Implications

18.1 None for the purpose of this report.

19 Consultation Implications

19.1 None for the purpose of this report.

20 Scrutiny Comments / Recommendation(s)

20.1 During the discussion of this item, Members made comments and statements and asked questions on a number of areas. These are included within the minutes of the Scrutiny Committee and are shown below:-

- Concern was raised on the delay in the implementation of the Pay by Foot parking scheme and that it would introduce variations in the parking charges for each car park for 'blue badge' holders.
- Members queried what factors had contributed to the £356,000 underspend on the HRA. *The main variances were in responsive maintenance and staff vacancies.*
- Concern was raised on the Community Safety budget error of £42,000. *When the previous budget was set, there had been an assumed amount that had been funded from the reserve, which had been carried forward.*
- Members queried whether the budget allocations in Appendix C would be held for the projects listed. *Clarification was given on the allocations and the details of the projects would be distributed to the Committee.*
- Concern was raised on the risk that had been flagged on the DLO Trading Account. *Due to work still being carried out on the account, officers did not have the full details, so were unable to report accurate figures, however, the forecasts were closely monitored and were subject to audit.*
- Members requested clarification on the HRA expenditure and what could be done to help divert money to help with the housing problems. *A written response from the Housing Manager would be distributed to the Committee.*

- Concern was raised that the Council was not meeting its statutory function to provide homes for the homeless. *The Interim Finance Manager would report their concern to the Housing Manager.*
- The Chairman reminded Members that the Homelessness Manager had attended the previous meeting of the Committee and it was suggested that a Members Briefing could be arranged for further detail on the homelessness policy.
- Members suggested that other officers should attend meetings where financial reports were discussed so that any queries that related to the policies could be answered.
- Members queried the reasons behind the Car Parks £89,000 overspend. *The Car Parks overspend was a result of the delay in the Pay by Foot scheme, but once the project was implemented, officers expected an increase in income.*
- Members requested assurance that the upturn in parking income would happen once the Pay by Foot scheme was implemented. *Officers had researched other Pay by Foot schemes that had been introduced across the country and found that each scheme had reported an increase in income. This was due to the nature of the scheme which allowed customers to park for longer without the worry of being fined.*
- Members requested clarification on the additional volume costs of £53,000 on the Somerset Waste Partnership (SWP) contract. *The additional volume costs were based on garden waste and new containers being charged separately to the SWP contract.*
- Concern was raised on the cost of the roll out of smart phones within the Authority and Members queried what the cost related to. *The roll out of smart phones related to the introduction of the 8x8 internet phone system that had replaced the fixed terminal phones in the offices.*
- Members requested clarification on the cost of the Transformation Project. *Full details were due to be published in the agenda for the Shadow Scrutiny meeting scheduled for 26 November 2018, until then, the details had not been finalised.*
- Members queried the significant forecast variance for Planning and whether this was due to the amount of agency staff that were working in the department. *The Head of Strategy anticipated that the costs related to the use of the department had seen an increase in additional income.*
- Concern was raised on the forecast for the DLO Account and Members requested that an update be brought to Scrutiny in either December 2018 or January 2019. *The Governance and Democracy Specialist would add the item to the Scrutiny Work Programme.*
- Members requested a breakdown of the figures for Insurance and Improvements costs that had been included in sections 7.6 and 8.5 of the report. *The Finance Officer would send out a written answer.*
- Members queried whether the way the DLO department operated would change in the future. *Yes, all departments were due to change their working practices as part of the new structure and Transformation Project.*
- Concern was raised on the amount that had been spent on ICT and that the figures would only increase over the years with the roll out of new equipment.

There would be money set aside from certain budgets to help pay for new equipment in the future. There had been issues with certain aspects of the roll out, however, there were many benefits linked to the new equipment. Further 'drop in' sessions would be arranged to assist Members with any technical questions.

Democratic Path:

- **Scrutiny – Yes 13 November 2018**
- **Executive – Yes 28 November 2018**
- **Full Council – No**

Reporting Frequency: Quarterly (except Quarter 1)

List of Appendices

Appendix A	General Fund Revenue Account Outturn Summary
Appendix B	Housing Revenue Account Outturn Summary
Appendix C	General Fund and Housing Revenue Account Capital Programme Outturn Summary

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GENERAL FUND REVENUE ACCOUNT SUMMARY 2018/19

	Current Budget £000s	Forecast Outturn £000s	Forecast Variance £000s
Service Portfolios			
Corporate Management	1,589	1,589	0
Growth and Development	2,200	2,212	6
Housing and Communities	2,935	2,982	47
Operations	6,083	6,127	44
Transformation	(279)	(279)	0
Somerset Rivers Authority	72	72	0
Net Cost of Services	12,606	12,703	97
Other Operating Costs and Income			
Deane Helpline Trading Account	135	169	34
Interest Payable	170	170	0
Interest and Investment Income	(614)	(758)	(144)
Parish Precepts	773	773	0
Capital Financing from GF Revenue (RCCO)	402	402	0
Repayment of Capital Borrowing (MRP)	400	400	0
Transfers to Capital Adjustment Account	(2,301)	(2,301)	0
Transfers To/(From) Earmarked Reserves	2204	1,968	(236)
Transfers To/(From) General Reserves	0	0	0
Total Other Operating Costs and Income	1,169	823	(346)
NET EXPENDITURE BEFORE GRANTS AND TAXATION	13,775	13,526	(249)
Business Rates and Council Tax Income	(10,210)	(9,974)	236
New Homes Bonus Grant	(3,565)	(3,565)	0
TOTAL FUNDING	(13,775)	(13,539)	236
PROJECT (UNDER)/OVERSPEND FOR THE YEAR	0	(13)	(13)

APPENDIX B
HOUSING REVENUE ACCOUNT SUMMARY 2018/19

	Current Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Income			
Dwelling Rents	(24,141)	(24,159)	(18)
Non Dwelling Rents	(628)	(635)	(7)
Charges for Services/Facilities (Service Charges, Rechargeable Repairs, Leaseholder Charges)	(1,444)	(1,509)	(65)
Contributions Towards Expenditure	(430)	(454)	(24)
Total Income	(26,644)	(26,758)	(114)
Expenditure			
Repairs and Maintenance	6,774	6,601	(173)
Housing Management	6,302	5,951	(351)
Capital Charges – Depreciation and Revenue Contribution to Capital	6,659	6,428	(231)
Other Expenditure	1,779	1,995	216
Provision for Bad Debt	502	502	0
Total Expenditure	22,016	21,477	(539)
Other Costs & Income			
Interest Payable	2,742	2,742	0
Interest and Investment Income	(132)	(66)	66
Provision for Repayment of Debt	1,821	1,821	0
RCCO Contribution	0	231	231
Social Housing Development Fund	1,170	1,170	0
Transfers To/(From) Earmarked & Other Reserves	(986)	(986)	0
Total Other Costs & Income	4,615	4,912	297
NET (SURPLUS)/DEFICIT FOR THE YEAR	(13)	(356)	(356)

2018/19 CAPITAL PROGRAMME AS AT 30 September 2018									APPENDIX C
Project Code	Project Code Description	Completed Scheme	Programme Budget	Actual Spend In Previous Years	Actual Spend 2018-19	Predicted Spend 2018-19	Projected Spend 2019-20 and Beyond	Forecast Total Spend	Programme Variance 2018-19
		£	£	£	£	£	£	£	£
Growth Programme									
XT029	Project Taunton - Longrun Meadow Bridge	No	138,300	134,100	0	0	4,200	138,300	0
XT032	Town Centre Improvements	No	266,904	98,204	1,440	1,440	167,260	266,904	0
XT035	Confidential Budget Allocation	No	10,701,935	281,441	102,314	742,000	9,678,494	10,701,935	0
XT036	Confidential Budget Allocation	No	3,108,500	11,964	12,674	50,000	3,046,536	3,108,500	0
XT037	Firepool Land Assembly	No	1,500,000	1,020,275	20,902	479,725	0	1,500,000	0
XT067	St James Pool Demolition	No	249,300	26,584	0	220,000	2,716	249,300	0
XT068	Major Transport Schemes	No	2,750,000	81,091	0	0	2,668,909	2,750,000	0
XT069	Taunton Strategic Flood Alleviation Work	No	250,000	0	0	250,000	0	250,000	0
XT073	Brewhouse	No	120,000	115,000	0	5,000	0	120,000	0
XT074	Creech Castle Improvements	No	375,000	0	0	0	375,000	375,000	0
XT078	Town Centre Regeneration	No	2,765,000	0	0	0	2,765,000	2,765,000	0
XT079	Employment Site Enabling	No	1,355,000	10,000	0	0	1,345,000	1,355,000	0
XT080	New Garden Communities / Urban Extensions	No	500,000	0	0	0	500,000	500,000	0
XT081	Broadband SEP	No	380,000	0	0	0	380,000	380,000	0
XT091	Parking, Access and Signage	No	1,200,000	64,449	587,022	1,135,551	0	1,200,000	0
XT094	Confidential Budget Allocation	No	15,677,900	0	35,500	250,000	15,427,900	15,677,900	0
XT096	Marketing Promotion and Inward Investment	No	100,000	0	0	0	100,000	100,000	0
XT099	Somerset Coast YMCA Loan	No	750,000	0	75,000	750,000	0	750,000	0
Total Growth Programme			42,187,839	1,843,108	834,852	3,883,716	36,461,015	42,187,839	0
IT Projects									
XT001	Members IT Equipment	No	24,000	11,442	3,630	12,558	0	24,000	0
XT039	Joint Management and Shared Service	No	804,897	29,967	0	774,930	0	804,897	0
XT054	PC Refresh	No	390,400	340,400	0	50,000	0	390,400	0
XT056	Cemetery IT System	No	50,000	0	0	50,000	0	50,000	0
XT070	Transformation	No	995,000	169,921	310,125	407,330	417,749	995,000	0
Total IT Projects			2,264,297	551,730	313,755	1,294,818	417,749	2,264,297	0
Major Projects									
XT047	Blackbrook Pool	No	6,505,300	6,446,837	41,091	58,463	0	6,505,300	0
XT052	Somerset Waste Partnership Loan	No	3,500,000	0	0	0	3,500,000	3,500,000	0
XT060	Orchard Car Park Major Repairs (Paul Street)	No	887,000	365,700	6,826	400,000	121,300	887,000	0
XT076	Deane House Accommodation	No	5,905,100	1,813,174	2,920,091	4,091,926	0	5,905,100	0
XT095	Crematorium Waiting Room	No	400,000	59,175	108,053	340,825	0	400,000	0
Total Major Projects			17,197,400	8,684,886	3,076,061	4,891,214	3,621,300	17,197,400	0
Housing									

2018/19 CAPITAL PROGRAMME AS AT 30 September 2018									APPENDIX C
Project Code	Project Code Description	Completed Scheme	Programme Budget	Actual Spend In Previous Years	Actual Spend 2018-19	Predicted Spend 2018-19	Projected Spend 2019-20 and Beyond	Forecast Total Spend	Programme Variance 2018-19
XT020	Grants to Registered Providers (Affordable Housing)	No	3,016,800	1,180,254	127,938	182,938	1,653,608	3,016,800	0
XT028	Disabled Facilities Grants	No	3,307,402	1,932,986	75,664	650,000	724,416	3,307,402	0
	Total Housing Projects		6,324,202	3,113,240	203,602	832,938	2,378,024	6,324,202	0
	Other Projects								
XT002	Special Expenses - Play Grants	No	36,800	8,804	0	11,000	16,996	36,800	0
XT019	Youth Project Capital	No	281,470	261,473	0	0	19,997	281,470	0
XT021	Gypsy Site	No	108,500	16,732	0	0	91,768	108,500	0
XT040	DLO Vehicles	No	1,271,540	937,063	106,878	334,477	0	1,271,540	0
XT041	Waste Containers	No	535,910	433,726	56,000	102,184	0	535,910	0
XT048	Play Equipment - Grants to Halls and Sports fields	No	179,300	173,721	5,870	11,100	(5,521)	179,300	0
XT049	Play Equipment - Grants to Parishes	No	77,500	82,157	6,500	9,576	(14,233)	77,500	0
XT050	Play Equipment - Replacement	No	261,027	205,390	16,043	98,295	(42,658)	261,027	0
XT051	Community Alarms	No	253,736	225,736	3,652	28,000	0	253,736	0
XT057	DLO Plant	No	138,000	90,124	33,663	47,876	0	138,000	0
XT090	Crematorium Project	No	94,000	31,155	24,031	24,031	38,814	94,000	0
XT097	Norton Fitzwarren Hillfort	No	165,000	0	900	165,000	0	165,000	0
XT098	West Monkton Country Park	No	479,000	0	0	0	479,000	479,000	0
	Total Other Projects		3,881,783	2,466,081	253,537	831,539	584,163	3,881,783	0
	Externally Funded Projects								
XT083	Community Infrastructure Grants	No	27,580	0	27,580	27,580	0	27,580	0
	Total Externally Funded Projects		27,580	0	27,580	27,580	0	27,580	0
	Total General Fund Capital Programme		71,883,101	16,659,045	4,709,387	11,761,805	43,462,251	71,883,101	0
	HRA Schemes								
	Major Works								
XH021	Kitchens		650,000	0	190,872	620,029	29,971	650,000	0
XH003	Bathrooms		950,000	0	463,748	889,000	61,000	950,000	0
XH004	Roofing		109,780	0	(59,448)	108,590	1,190	109,780	0
XH005	Windows		200,790	0	167,837	300,007	0	300,007	99,217
XH006	Heating Improvements		1,400,000	0	809,977	1,532,967	0	1,532,967	132,967
XH007	Doors		100,000	0	(70,802)	(845)	100,845	100,000	0
XH008	Fire Safety Work		1,000,000	0	38,607	394,536	605,464	1,000,000	0
XH010	Fascia's and Soffits		700,000	0	46,142	409,614	290,386	700,000	0
XH011	Air Source Heat Pumps		350,000	0	180,970	313,714	36,286	350,000	0
XH012	Door Entry Systems		250,000	0	20,772	391,196	0	391,196	141,196
XH018	Insulation		800,000	0	634,263	799,479	521	800,000	0
XH019	Ventilation		100,000	0	8,235	11,144	88,856	100,000	0

2018/19 CAPITAL PROGRAMME AS AT 30 September 2018									APPENDIX C
Project Code	Project Code Description	Completed Scheme	Programme Budget	Actual Spend In Previous Years	Actual Spend 2018-19	Predicted Spend 2018-19	Projected Spend 2019-20 and Beyond	Forecast Total Spend	Programme Variance 2018-19
XH001	Major Repairs and Improvements		888,610	0	0	0	515,230	515,230	(373,380)
	Total Major Works		7,499,180	0	2,431,173	5,769,431	1,729,749	7,499,180	0
	Improvements								
XH020	Vehicles		214,800		50,428	121,000	93,800	214,800	0
XH103	Extensions		82,690	0	42,940	82,690	0	82,690	0
XH203	Sewerage Treatment		20,000	0	0	0	20,000	20,000	0
XH201	Meeting Halls		131,000	0	1,231	1,231	129,769	131,000	0
XH301	Asbestos Works		662,830	0	80,682	122,173	540,657	662,830	0
XH204	Unadopted Areas		30,000	0	0	0	30,000	30,000	0
XH205	Related Assets		80,000	0	0	80,000	0	80,000	0
XH402	DFGs		563,330	0	(140,927)	381,000	182,330	563,330	0
XH401	Aids and Adaptations		81,970	0	(3,206)	81,970	0	81,970	0
XH102	Environmental Improvements		225,000	0	28,103	152,528	72,472	225,000	0
XH202	Garages		49,380	0	0	34,062	15,318	49,380	0
XH601	IT Systems		394,000	0	0	160,000	234,000	394,000	0
	Total Improvements		2,535,000	0	59,251	1,216,654	1,318,346	2,535,000	0
	Social Housing Development Programme								
XH501	Creechbarrow Road		1,131,030	0	21,362	836,523	294,507	1,131,030	0
XH500	Social Housing Development Fund		5,178,020	0	465,000	504,500	4,673,520	5,178,020	0
XH506	Weavers Arms		1,015,410	0	211,066	309,280	706,130	1,015,410	0
XH508	North Taunton		0		1,789	0	0	0	0
XH509	2 Moorland Close		277,630	0	40,225	36,620	241,010	277,630	0
	Outer Circle		49,880		5,795	5,795	44,085	49,880	0
	Total Social Housing development Programme		7,651,970	0	745,237	1,692,718	5,959,252	7,651,970	0
	Sub-total - HRA Schemes		17,686,150	0	3,235,661	8,678,803	9,007,347	17,686,150	0
	Capital Programme Total		89,569,251	16,659,045	7,945,048	20,440,608	52,469,598	89,569,251	0

SCRUTINY TASK AND FINISH GROUP REPORT – 13th NOVEMBER 2018 REVIEW INTO AFFORDABLE EMPLOYMENT LAND

Introduction

This report sets out the findings of the Task and Finish Group (“the Group”) charged to review Taunton Deane Borough Council’s (“TDBC”) 2009 Affordable Employment Land Strategy, agreed by the then TDBC Executive.

In significant part, implementation of the 2009 strategy has not occurred.

There is no doubt that TDBC needs to create an appropriate balance between the number of homes vis-à-vis the number of jobs provided. Taunton Deane is falling behind neighbouring conurbations in providing well-paid employment. The Council must work in meaningful partnership to facilitate inward investment and encourage economic growth.

Members of the Group

Councillor Ian Morrell (Chairman); Councillor Norman Cavill; Councillor Simon Coles; Councillor William Coombes; Councillor Dave Durdan; Councillor Jefferson Horsley; Councillor Habib Farbahi; and Councillor Andrew Sully (co-opted).

Background

In 2009 TDBC worked with Professor Mark Hepworth from Geo-economics to produce a vision for the future of Taunton Deane’s economy. Professor Hepworth identified that upwards of 20,000 new local jobs must be created between 2011 and 2026, with a higher proportion in high skill, high paid occupations, with private sector knowledge intensive jobs being created at the rate of 2:1 in order to increase earnings within Taunton Deane.

It was recognised in 2009 that 36% of the jobs in Taunton Deane were part-time, against the regional average of 28% and the national average of 24%. Taunton Deane’s part-time economy from the figures studied seems to be nationally high. It was recognised at the time that the local economy was imbalanced towards the public sector employment, which provides around 40% of the total employment in the Borough. Over the last five years there has been a 40% reduction in number of public sector employees.

Professor Hepworth reported that Taunton Deane needed to retain talent and attract graduates; it needed to diversify toward private sector knowledge intensive employment such as digital and green technology, health and education including innovation centres and a physical central place for higher education, a green building programme and social innovation to drive the adaptation of sustainable energy production within mixed use of urban extension. The presumption was that if TDBC did not branch out into these areas we could expect a gradual economic decline.

The real challenge was set to create 28,000 new jobs by 2026, of which 18,500 needed to be high value private sector employment opportunities.

Terms of Reference and Objective of the Review

'In establishing the viability of our employment land, to then offer a bold vision to the Council that will enable TDBC to fulfil its future vision for Prosperity; By recommending specific policy and resources for affordable employment units and high-tech innovation in shaping our future employment offer.'

This Task and Finish undertook the following:

- Reviewed to growth Industries;
- Examined the evidence presented by invited guests (TDBC officers, academics and external consultants);
- Reviewed TDBC policies and practices;
- Considered opportunities to enable an Innovation Centre; and
- Evaluated the outcomes from the 'Great Plastics Debate' on 14th September 2018, facilitated by Councillor Habib Farbahi and Mr Marcus Prouse.

Links to Corporate Aims / Priorities

The Group's *modus operandi* and this report accords with TDBC's Corporate Strategy 2016-20 and TDBC's Core Strategy 2011-2028¹.

Finance / Resource Implications

Funding requirements to ensure the delivery of the recommendations requires confirmation. However various sources could include:

- Innovation grants / UKRI government modern industrial fund;
- Partnership/joint venture;
- Garden Town Status²;
- Regional Growth Fund;
- New Homes Bonus / Community Infrastructure Levy;
- Local Enterprise Partnership; and

¹ "TDBC has developed the Core Strategy with new jobs at its heart so that we can ensure that there is sufficient growth in employment to warrant the growth in housing with areas such as the green knowledge economy, health and education being drivers for new employment but still very aware that a thriving economy needs all types of employment".

² Delivering a new garden community requires long-term strategic thinking and robust delivery arrangements. There are many forms that this could take – from arrangements such as joint venture companies, to Development Corporations. See Ministry of Housing, Communities and Local Government Report (August 2018): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/734145/Garden_Communities_Prospectus.pdf.

- Public Works Loan Board.

Partnership Implications

HM Treasury advises on best practice. Detail as to any partnership implications will be identified as required during relevant programme viability stages.

Asset Management Implications

TDBC needs to future proof council services by effective and equitable partnerships with relevant stakeholders such as local and national industries, landowners, local / national / international investors, developers and other public sector bodies.

Process

The Group held five meetings. Various background documents are annexed to this report.

Current Context

National & Regional

Nationally the proposal for an Innovation Centre is consistent with the UK government's industrial strategy, published in December 2017. The government's strategy highlights the need to capitalise on the UK knowledge base, develop an 'ideas' based economy and facilitate higher levels of research, development and innovation.

Regionally the drive to develop high value activities relating to business opportunities in research and innovation is consistent with the Heart of the South West (adopted by the regional Local Enterprise Partnership in March 2018³). The 2017 South West and South East Wales Science and Innovation Audit, commissioned by the Department for Business, Energy & Industrial Strategy, also identified innovation as a key focus for research and development. This could include Taunton in the corridor of opportunity spanning Exeter to Bristol.

Locally the present ambition for an innovation centre is consistent with TDBC's prosperity agenda, and the 2009 Strategy into Employment Land. An Innovation Centre could complement Taunton's Strategy in relation to Garden Town Status.

³ <https://heartofswlep.co.uk/wp-content/uploads/2018/04/HeartoftheSouthWestProductivityStrategy.pdf>

Taunton Deane Area

As reported in the 2009 report, Summerfield Developments Ltd were engaged in the employment land review. Summerfield Developments Ltd reported:

*“If potential sites have not been developed over the last 10 year (1999-2009) of boom in commercial property it follows therefore that most of these sites listed are potentially unsuitable. This is for a variety of reasons but particularly because they are in the wrong location, are too rural in nature or have high infrastructure costs with low value building that make the sites unviable”.*⁴

Apart from the Local Development Order on Nexus 25, other recommended employment sites remain undeveloped in significant part, or at all.

Conclusions and Recommendations

It is clear that TDBC needs to embed a culture of change and provide the level of resource to facilitate sustainability and growth. This will lead to increased productivity, innovation (an increase in new ideas that are successfully exploited to create economic, social and environmental value) and prosperity for the community at large. TDBC must put in place measures to track the health of the economy. TDBC must tap into the creativity of local people.

TDBC cannot be stuck in a cycle of being average; it needs to address this problem. It is suggested that TDBC reconsider and renegotiate allocations of land, especially allocations that have not come forward in the last ten years.

Working differently may include Integrated Project Delivery (“IPD”). IPD focuses stakeholders on project success by collaboratively addressing risk and reward for all partners engaged within a project. By effect, the primary participants enter into an agreement in which each brings its own expertise to the design and construction of the project and involves the same parties in decision-making during each phase.

TDBC needs to focus on what is meant by the Garden Town Status and ensure Taunton’s competitiveness. Funding of infrastructure requires full and proper consideration prior to speculative development.

Employment land needs to be led by market demand, not TDBC’s subjective beliefs. Key issues the Group aims to influence relate to the encouragement of inward investment and the promotion of the district as a place to visit and do business. This includes:

1. Further develop the Deane in terms of social, leisure and culture activities in order to make the area an attractive proposition for investment;

⁴ Pg. 38 -

[https://democracy.tauntondeane.gov.uk/Data/Corporate%20Scrutiny%20Committee/200908061815/Agenda/Item_06_Recommendations%20of%20the%20Employment%20Land%20Task%20and%20Final%20Review%20-%20report%20of%20the%20Chairman%20of%20the%20Group%20\(attached\).PDF](https://democracy.tauntondeane.gov.uk/Data/Corporate%20Scrutiny%20Committee/200908061815/Agenda/Item_06_Recommendations%20of%20the%20Employment%20Land%20Task%20and%20Final%20Review%20-%20report%20of%20the%20Chairman%20of%20the%20Group%20(attached).PDF)

2. Ensure the Council is 'business friendly', ensuring rules are applied appropriately and not acting as a hurdle;
3. Promote Taunton Town Centre;
4. Identify suitable affordable employment sites;
5. Rollout of better broadband and better mobile phone signal coverage across the Deane;
6. Continue to work with partners to remove barriers to job growth by addressing infrastructure constraints and securing funding for that infrastructure; and
7. Support business start-ups and expansion within the Deane.

The Group makes recommendations to TDBC based on the evidence heard through external witnesses and research. The following is recommended:

1. Affordable employment land:

- a. TDBC, and the subsequent Council, must instigate an urgent reappraisal of all employment sites;
- b. TDBC, and the subsequent Council, must identify the means by which the supply of affordable, starter-type employment units can be delivered. There are two suggested means by which this can be undertaken:
 - i. Planning-based approaches boosted through allocation, a streamlined Local Development Order identifying suitable sites or, a more criteria-based Local Development Order that sets the broader locations and parameters subject to which starter units can be delivered; and
 - ii. Expedient Council enabling through a standalone approach or development partner involvement.

3 Investigate the feasibility of an office for the creation of a Research and Innovation Centre:

TDBC, and the subsequent Council, should undertake a prompt detailed feasibility study into the viability of such a centre. This needs to be enabled by appropriate TDBC resources, including officers, elected members and a dedicated office if appropriate. Effective use of appropriate partnership working is crucial to the success.

TDBC SCRUTINY COMMENTS ON RECOMMENDATIONS;

The Scrutiny Committee considered this report on 13th November and unanimously recommended the report's recommendations to the Executive.

Democratic Path;

- **TDBC Scrutiny – Yes (13th November 2018)**
- **TDBC Executive – Yes (28th November 2018)**
- **Shadow Executive - TBD**
- **TDBC Full Council - TBD**

References

- Appendix A – Group Terms of Reference
- Appendix B – Councillor Sully and Councillor Farbahi Research Document
- Appendix C – TDBC Letter of support to University of Exeter
- Appendix D – Letter from Dr. Stuart Monk (South West Academic Health Science Network)
- Appendix E – The Great Plastics Debate Summary
- Appendix F – Planning Policy Note
- Appendix G – Lead Member and Officer's response to the Group

Name	Marcus Prouse (Specialist – Governance and Democratic)	Name	
Direct Dial	01823 219570	Direct Dial	
Email	m.prouse@tauntondeane.gov.uk	Email	

Appendix A

Task and Finish Group Terms of Reference

Name of the Task and Finish Group	Affordable Employment Land Task and Finish Group
Purpose of the group	<i>In establishing the viability of our Employment Land, to then offer a bold vision to the Council that would enable Taunton Deane to fulfil its future vision for Prosperity, by recommending specific policy and resources to test the opportunities in the market for high-tech innovation in shaping our future employment offer.</i>
Anticipated outcomes	<ol style="list-style-type: none"> 1) Review (Cllr Morrell) 2) Locations (Cllr Farbahi & Sully) 3) Sectors/Industries (Cllr Farbahi) 4) Planning/Policy (Cllr Coles) 5) Resource Required (Cllrs Coombes, Durdan & Sully)
How often will the group meet?	<ul style="list-style-type: none"> • Tuesday 24th July • Wednesday 1st August • Wednesday 5th September
Anticipated timescale for completion	Final Report to be circulated at Queens College Conference at 14 th September, then to go through the Council Democratic Process, commencing at Scrutiny on 18 th September.
Membership of the Group	<p>Cllr Morrell (Chair)</p> <p>Cllrs Cavill, Coles, Coombes, Durdan, Farbahi & Horsley.</p> <p>Cllr Sully (Co-opted Support from Executive)</p>
What information will be required to inform the work of the group?	<p>Relevant Government legislation and guidance.</p> <p>Officer site surveys and other information such as maps.</p> <p>Consultation with Parish and Town Councils and the wider public.</p>

Appendix A

What support arrangements are required?	Officer support and the Corporate Director responsible.
How often will the group report into Scrutiny Committee	18 th September 2018.
Who will prepare and present documentation for Scrutiny Committee	Scrutiny Officer

Taunton Deane urged to take up Grand Challenges.

Our goal to create a Centre for Research and Innovation for the South West, based in Taunton Deane, is aligned with the governments modern Industrial Strategy that sets out Grand Challenges to the UK to be at the forefront of the industries of the future, ensuring that the UK takes advantage of major global changes, improving people's lives and the country's productivity, this ties in with our own Prosperity agenda at Taunton Deane.

Taunton Deane is very strategically placed, with universities nearby such as Bristol, Bath, Exeter, Plymouth and the Combined Universities in Cornwall,* also with strategic linkages to industries such as agriculture and fisheries which are important in terms of food production thus meeting the technology needs of the agricultural sector in the future is paramount. We want to enable new collaborations across different growth sectors as stated in our report and reshape policies to be in line with our ambitions.

We know that we have low productivity in the South West, but gradually we can in part improve this situation by attracting highly educated people to the region. The South West is the number one area that people come to retire because it is a great place to live, our collective aim is to also make this area and particularly Taunton Deane a leading region for jobs, technical apprenticeships and graduate research programmes.

Jo Johnson, the science minister, has announced the fund of £100m to attract overseas talent as part of the biggest shake-up of public research funding since 1965, to be named after the father of nuclear physics and immigrant to the UK, Ernest Rutherford.

The Rutherford fund is part of wider reforms, which will see an umbrella body, the UK Research and Innovation Agency (UKRI), take on responsibility for strategic oversight of all public research spending.

The announcement in November 2016 of an additional £4.7 billion in research funding up to 2020 will see UKRI controlling a budget of £8 billion per annum by the end of the decade.

Much of the rationale for UKRI is to create a body that can foster **multidisciplinary research**.

The Five Pillars to our Innovation Centre (based on year on year growth) are:-

1.) Environmental impact (EI) effect of plastics into our fragile environment, challenges and opportunities.

Mass production of plastics, which started in 1950, has accelerated so rapidly that it has created over 8.3 billion metric tons of plastics, equivalent to 922 million 40ft Lorries full of plastics— only 10% of it is recycled; the rest end up in landfills or scattered around the planet much of it eventually ending up in the oceans. The task even to slow this build-up of non-biodegradable material is monumental and we cannot and must not allow the situation to continue.

We were slow to understand the implications of plastic ending up in our fragile oceans and environment and entering the food chain. Now we have a situation where we are perforce coming from behind to catch up.

Gaining control of plastic waste is now such a large task that it calls for a comprehensive, global approach, which involves biodegradable alternatives, rethinking plastic chemistry; product design, recycling strategies, consumer use and complete change of habits.

This is our opportunity as leaders of our communities to be at the forefront of this. We are quite fortunate that we have some of the most talented researchers in the world at Exeter University on our doorsteps, who have lent their expertise free of charge to our authority. It would be wonderful if Taunton Deane was to be recognised as Leading nationally on this.

Opportunities by 2030

Plastics is one of a number of environmental issues facing the world's seas, along with rising sea levels and warming oceans, and metal and chemical pollution, the Foresight Future of the Sea Report for the Government said.

But it predicted there were also opportunities for the UK to cash in the global "ocean economy" - which is set to double to £2 trillion by 2030 - in areas where the country is a world leader, such as offshore wind.

2.) Renewable Energy (RE)

Our drive to increase the proportion of energy we obtain from renewable sources will not only increase the security of energy supplies in the UK, it will also provide opportunities for investment in new industries and new technologies. The UK Government will help business develop in this area to put the UK at the forefront of new renewable technologies and skills.

The UK Government believes that climate change is one of the gravest threats we face, and that urgent action at home and abroad is required. We need to use a wide range of levers to decarbonise the economy. The development of renewable energy sources, alongside nuclear power and the development of carbon capture and storage, will also enable the UK to play its full part in international efforts to reduce the production of harmful greenhouse gases.

Meeting our 2020 target

The history of energy production in the UK has been based around our natural resources of fossil fuels. This means that we have not been as active in our exploitation of our renewable resources – this must change. Compared to many other Member States, the UK is starting from a very low level of renewable energy consumption and this means that our challenge to meet the 2020 targets is even greater.

The 2009 Renewable Energy Directive sets a target for the UK to achieve 15% of its energy consumption from renewable sources by 2020. This compares to only 1.5% in 2005

UK targets by 2020:

- 15% share of energy generated from renewable sources in gross final energy consumption;
- 12% of heat consumption met by renewable sources;
- 31% of electricity demand met by electricity generated from renewable energy sources;
- 10% of energy demand met by renewable energy sources.

The UK renewables policy framework relies on three main components:

1. Financial support for renewables;
2. Removing barriers (administrative, policy uncertainty, etc.);
3. Supporting and developing emerging technologies;

3.) Education (E)

The importance of knowledge and learning has been recognized since the beginning of time. Plato wrote: “If a man neglects education, he walks lame to the end of his life.”

The current skills system is not delivering the skills that UK businesses or the economy needs. Skills shortages consistently top the list of concerns of business leaders in our annual Global CEO survey, while the lack of powers over skills is a concern for local leaders.

Without addressing this issue, the skills gap will only grow wider. If the UK is to improve productivity, and build an economy fit for growth, focusing on delivering the right skills for the economy, the improvement of people and the growth of businesses will be essential.

A window of opportunity

The vote to leave the EU has drawn renewed attention on the need to **reshape the UK economy** and create an agile, highly skilled workforce which makes the UK a place where companies want to invest, where products drive trade and where people have access to opportunity.

With local institutions such as city regions, LEPs and Combined Authorities strengthening, there is a **window of opportunity to create a new locally-driven skills model** that can deliver on this vision. This new devolved approach requires a radical reorganisation of the current system.

Central government, local government and business, as well as skills providers, will all have their role to play in building this new inclusive skills system which helps people reach their full potential, businesses grow and regions prosper.

Potential Market

According to PriceWaterhouseCoopers;

- £163bn increase in GDP over the next decade by improving vocational skills
- £45bn Increase in GDP if UK NEET rate for 20-24 year olds matched German levels

- £105bn increase in GDP if the UK employment rate for workers aged 55+ matched Swedish levels
- £9bn lost revenue in taxation as a result of people not fulfilling their potential in the labour market

4.) Artificial Intelligence (AI)

artificial intelligence

noun

“The theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.”

Artificial Intelligence promises to transform more than just the way we do business, it will touch every corner of society. From using image recognition such the UK Hydrographic Office here in Taunton, identifying objects in the oceans around the world, to enhance public security and giving automated services with a human touch and natural language processing. The future will be the development of Block Chain – Advanced Robotics and Internet Technology according to Prof. Koorosh Khodabandehloo, he said, *“The technology was moving rapidly and in terms of block chain it was considered early days, but that it would mature”*.

Secretary of State for Business, Energy and Industrial Strategy Greg Clark has said:

“Artificial intelligence provides significant opportunities for future economic growth, which is why we made it a crucial part of our modern Industrial Strategy and worked with industry on a sector deal that outlines how we will ensure the UK is best placed to realise this potential”.

The Government and industry announced on the 26th June 2018, that they are going to work together to put the UK at the forefront of AI technologies. This gives Taunton Deane an ideal opportunity to make itself a centre of excellence for research and innovation in the South West. The Government's modern Industrial Strategy sets out a long-term plan to boost the productivity and earning power of people throughout the UK. It sets out how building an economy and a Britain fit for the future will help businesses create better, higher-paying jobs in every part of the UK with investments in skills, industries and infrastructure.

Forefront of the global AI industry.

The announcement forms part of the Governments modern Industrial Strategy to use the Country's knowledge power in research and innovation to ensure the benefits of technology are felt by everyone. We must grab our

share for the South West, and base it here at Taunton Deane. It also builds upon the £1 billion joint Government and private sector announced earlier this year to put the nation at the forefront of the global AI industry.

UK Economy by 2035.

Research suggests artificial intelligence could add £654 billion to the UK economy by 2035, and that the country is already recognised as the number one place in the developed world in readiness for AI.

The Office for AI.

The Office for AI is based in the UK Government and is responsible for overseeing implementation of the UK's AI strategy. As well as advising government on how to improve its use of the technology, the AI Council will promote industry-to-industry cooperation, boost the understanding of AI in the business world, and identify barriers to growth and innovation.

5.) Medical Science (MS)

Medical Science

noun

“The branch of science concerned with the study of the diagnosis, treatment, and prevention of disease.

Medical Science covers many subjects that try to explain how the human body works. Starting with basic biology it is generally divided into areas of specialisation such as anatomy, physiology and pathology with some biochemistry, microbiology, molecular biology and genetics.

The world of modern medicine is moving very fast, but if expert predictions about what to expect in 2018 prove true, they might move at a quicker speed than anyone anticipated.

It could also see technology companies start to become as important a player in healthcare world as pharmaceutical companies. Breakthroughs in everything from patient monitoring to sleep apnoea are coming from Silicon Valley and could dramatically shift the current paradigm.

Technology companies will become mayor players in healthcare.

It could also see technology companies start to become as important a player in healthcare world as pharmaceutical companies. Breakthroughs in everything from patient monitoring to sleep apnoea are coming from Silicon Valley and could dramatically shift the current paradigm.

The Prime Minister's Vision.

The Prime Minister also recently announced plans for how we can transform the prevention, early diagnosis and treatment of diseases like cancer, diabetes, heart disease and dementia by 2030.

The Government has since opened a competition, with £50 million of funding available, for a new set of radiology and pathology images, to help develop important new AI algorithms to fight disease. This is an important step to digitise all pathology networks by 2025, which lays the groundwork for even greater adoption of AI-based technology.

Size of the market

In 2016, the Life Science sector had 5,142 companies, generating approximately £63.5 billion in turnover with 233,000 jobs. The database shows that the sector is also growing, with 6.2 per cent revenue growth and 2.5 per cent employment growth from 2015 to 2016.

The Life Sciences database shows that in 2015, the Life Sciences sector had 5,142 companies generating approx. £63.5 billion turnover. This covers both core Life Sciences companies and the service and supply chain. This breaks down into:

- Biopharmaceutical sector and service and supply chain 1,857 companies, generating £41.9 billion turnover; employing 113,000 workers;
- The biopharmaceutical sector is largely dominated by large, global companies. There is a diverse size range of core biopharmaceutical companies with a lot of micro companies: 43 per cent have less than 5 employees and 10 per cent have over 250 people;
- Medical technology sector and service and supply chain 3,463 companies, generating £21 billion turnover; employing 120,000 workers; and
- 98 per cent of UK Med Tech firms are SME's, 42 per cent are micro-companies with less than 5 employees and only 2 per cent have over 250 employees.

Our vision in TD

We have secured the support of Dr Stuart Monk, Director of Innovation, South West Academic Health Science Network (SWAHSN), he works across the commercial sector and the third sector identifying proven products and services expanding into the South West peninsula's health care and wellbeing systems through NHS and local authority.

Dr Monk states,

“Somerset is a great place to live and work, healthcare entrepreneurs and innovators would benefit enormously from considering Taunton as a possible site for their ventures.” He goes on to say that SWAHSN is supportive of the Task and Finish Group’s vision to make Taunton a world-class site for healthcare innovation.

Cllrs Habib Farbahi and Andy Sully (August 2018)

End.



Democratic Services Officer
Of Taunton Deane Borough Council
and West Somerset Council
The Deane House, Belvedere Road,
Taunton TA1 1HE
Tel 01823 219570 Fax 01823 356329
m.prouse@tauntondeane.gov.uk

Our Ref: DEMSERV/

14th August 2018

University of Exeter,
Penryn Campus
Cornwall,
TR10 9FE

RE: UKRI Creative Circular Economy Approaches to Eliminate Plastic Waste

Dear Professor Peter Hopkinson,

Thank you for inviting us to become an industrial stakeholder in your proposed research project. I have read your research proposal with great interest and shared it with my colleagues. We are very excited by your ideas and express our interest in supporting your project.

Our organisation is a forward-thinking Borough Council, which has recently passed a resolution phasing out the use of single use-plastics in the Borough and is pro-actively interested in tackling this issue on a regional and multi-disciplinary basis. Research into future economy plastics is vital to understanding the effects of plastics on our environment. We have chosen to be an Industry partner on this proposed hub as we are keen to support cutting edge research into an issue with high salience for our people and are excited about the possibility offered by collaboration on this project.

The added value is that this research would be likely to lead to increased productivity, innovation (an increase in new ideas that are successfully exploited to create economic, social and environmental value) and prosperity for the community at large. Specifically the opportunity to explore how as a society we are to tackle our plastics problem would engender the Council and local businesses to adapt to the complex issue of sustainability, embrace all growth sectors and engage with the community. Aspirations for Taunton to become an incubator for global research and innovation by the pursuit of an R&D Innovation Centre concept would require a mandate to come separately to this through the Council's Prosperity Plan work with support from Full Council.

Taunton is very strategically placed in the South-West region and has strategic linkages to industries such as agriculture and fisheries which are important in terms of food production and the technological needs of the agricultural sector in the future are therefore paramount. This project aligns with our strategies around Our Place. The Council could have a role to play as a Regional Demonstrator providing exemplars for upscaling to (inter)national scales across the 4 themes; e.g. mapping regional health and wellbeing, environmental and social impact and

costs of plastics, reducing and eliminating single use plastic from selected regional supply chains (clothing, food and drink), prototyping high value upcycled products from recovery and re-use of existing plastic flows (e.g. Local authority flows, Ocean debris from regional beaches), exploring societal barriers to their uptake.

We are able to help the ambitions of this project by providing 4 days of staff time to support advisory activities, attending meetings, workshops, dissemination events and/or promoting the proposals outcomes and findings through our communication channels. We estimate the value of this support to be equivalent to in the region of £750 over the 18 month duration of the project.

In summary, we believe your proposed research has the potential to reduce, substitute or eliminate plastics through systemic innovation and high quality scientific research and has our strongest support.

I look forward to hearing your good news and the opportunity to working with you.

Best wishes,

Yours sincerely,

A handwritten signature in black ink, appearing to be 'MP' followed by a long horizontal stroke.

MARCUS PROUSE
Democratic Services Officer

EXEMPLAR: The Exeter Hub for a Circular Economy for Plastics.

Background. The elimination of plastic waste and creation of maximum value from the use of plastic is one of society's grand challenges. Tackling this problem requires large scale systemic innovation across industrial value chains within a framework of circular economy (CE). This requires integration of circular design principles, co-ordination of reverse material flow networks, new business models and design of new plastic circulation systems, creating enabling conditions at multiple scales that will lead to substantial economic, environment and health benefit. We are ideally placed to tackle these challenges, with an outstanding track record in CE approaches, illustrated by recent institutional investment in the interdisciplinary **Centre for Circular Economy (ECCE)** encompassing 5 Colleges and 50 academics. We are an Ellen MacArthur Foundation Global Pioneer University for CE and lead their MasterClass Programme '**Closing the implementation Gap**', with a strong emphasis on the challenge of plastic waste in global supply chains. We have world-leading expertise in environmental risk assessment of complex, persistent materials, winning the Guardian University Award 2018 for our pioneering work on microbeads. We are experts in **safe-by-design** approaches to minimise ecological and health impacts of new substances, and in conducting population-based interventions. We have proven expertise in the co-design of secure Water Systems and novel materials, aiming to keep recycled materials out of the waste stream and create enhanced value products. This proposal will bring these individually excellent activities together into a single, highly visible institutional platform: **EXEMPLAR: The Exeter Hub for a Circular Economy for Plastics**. Working across scales from regional to national and global systems, EXEMPLAR will focus activities and leverage funding, infrastructure and external partnerships to co-design, innovate and integrate novel solutions that accelerate the transition to a new plastics economy. EXEMPLAR will initially comprise **16 core academics**, encompassing expertise in business, manufacturing, data analytics and artificial intelligence, environmental sciences, psychology, health, law and business. We will build on our strong foundations of UKRI/EU funded work on CE systems for food and drink sectors, building and construction (Business School, Engineering), design of polymers decoupled from fossil fuel feedstocks (Engineering), and health impacts of human activities on the natural world (Biosciences, Environmental Sustainability Institute, Exeter Medical School). EXEMPLAR will enable **exciting new collaborations**, e.g. with human geographers, psychologists and business experts to determine earth system tipping points, the role of civil society in consumption patterns and to build policy and legislative perspectives into governance. Our growing networks of **project partners** includes the Eden Project, Marks and Spencer, Coca Cola, Renault, Sea Salt, H&M, WRAP, Plastics Europe, Food Packaging Forum, EA, DEFRA, Devon and Cornwall County Councils, NGOs; links with national and global projects (New Plastics Economy, Plastic Pact); design innovation companies and startups (e.g. Materiom, A Short Walk, Ideo).

Our programme of work combines 2 interlinked strands: [1] **Capacity and capability:** People-based activities will include intensive boot camps, hackathons, design sprints and workshops, industrial engagements and study visits. Through co-creation with stakeholders and practical demonstrations, these will build knowledge about the systemic nature of the plastic challenge and leverage Exeter research to deliver transformative systems-oriented innovations, following 4 major themes. **Diagnostics:** measuring, quantifying and evaluating the health, ecological and social drivers, pressures and costs of plastic waste at various scales; testing new standards. **Supply side Intervention:** Developing materials and tracking systems (e.g. blockchain, AI, big data) for future packaging, improving techniques for incorporation of recycled plastics into new products, testing options for durability, reuse, and reduction. **Demand Side Interventions:** measuring, quantifying and evaluating consumer acceptance of novel circular packaging propositions in diverse contexts. **System level enablers:** Radically re-thinking policy, regulation, incentives, subsidies and taxes to influence the system. [2] **A Regional Demonstrator:** An initial portfolio of interlinked projects will target specific solutions and build on our excellent regional networks, providing exemplars for upscaling to (inter)national scales across the 4 themes; e.g. mapping regional health and wellbeing, environmental and social impact and costs of plastics, reducing and eliminating single use plastic from selected regional supply chains (clothing, food and drink), prototyping high value upcycled products from recovery and re-use of existing plastic flows (e.g. Local authority flows, Ocean debris from regional beaches), exploring societal barriers to their uptake. We confirm our enthusiasm, ability and Institutional readiness to spend funds between Jan 2019 and June 2020.



Dr Stuart Monk
SW AHSN
Pynes Hill Court
Exeter
EX2 5AZ

17 January 2018

Dear Habib,

Potential for Taunton Innovator Site

The South West Academic Health Science Network (SW AHSN) works across the commercial sector and the third sector to identify proven products and services, then spreads these appropriately into the South West Peninsula's healthcare and wellbeing systems through the NHS and local authorities.

We engage with the Chambers of Commerce and the Local Enterprise Partnerships across our region to ensure that health and wellbeing remains on our economic growth agenda. There are pockets of digital health innovators springing up in Devon and Cornwall and we believe that Somerset has equal potential to host healthcare entrepreneurs from around the UK and the rest of the world. The population in the South West is relatively stable and elderly, so provides a great potential research and testing site for innovators wishing to develop new health and wellbeing products.

Somerset's healthcare system is passionate about improvement and innovation, and is open to conversations with those that are developing new products as-well as those with proven solutions that the healthcare system could already be benefitting from.

We work with all of the NHS organisations in Somerset, which has a reputation nationally for being one of the more innovative and forward thinking NHS environments. For example, the NHS England New Models of Care Vanguard work in Yeovil has linked primary and secondary care services and data sets, to enable enhanced care delivery through more joined up clinical pathways. The population of Somerset's general practice records can now be observed in the county's Acute Trusts, meaning patients can arrive in hospital with the reassurance that their clinical history can be easily accessed.

Somerset is a great place to live and work, and we believe healthcare entrepreneurs and innovators would benefit enormously from considering Taunton as a possible site for their ventures. We would be very supportive of Habib's vision to make Taunton a world class site for healthcare innovation and would be delighted to contribute to any further conversations around this concept.

Kind regards,

Dr Stuart Monk
Director of Innovation
South West Academic Health Science Network (SW AHSN)

The Great Plastics Debate

- This extremely thought-provoking debate took place on Friday, 14 September 2018 at Queen's College, Taunton. It came about because of a motion raised at the February 2018 meeting of Taunton Deane's Full Council.
- The debate event was well put together by Councillor Farbahi with the help and support of Councillor Sully and the undersigned. Queen's College was also heavily involved, and we are very grateful to Mrs Jane Evans, Director of Education, and the College management for allowing the event to be held there. The following account was kindly prepared by Councillor Andrew Sully:-

"Taunton Deane Borough Council passed a resolution at its Full Council meeting on 22 February 2018 aimed at phasing out the use of single-use plastics. Councillors have been looking to facilitate further initiatives that would help shape the environment we would wish to live in and reduce the impact of plastics on our health and wellbeing. Some of the South West's leading minds came together on Friday, 14 September 2018 to take part in the Great Plastics Debate at Queen's College also attended by members of the public. The conference brought together world leading specialists in one room to discuss an issue that has particularly high salience now.

This conference related to the effects of plastics on our fragile environment and the possible innovative solutions that could help tackle this modern-day scourge. The

knowledgeable panellists discussed matters relating to single-use plastics, the circular economy and health and wellbeing in Somerset, as well as the town's drive to be leading researchers on the subjects.

The panellists were Nick Bryant, Head of Strategy for Taunton Deane Borough Council, Jim Claydon, past President of the Royal Town Planning Institute, Natasha Bradshaw, for South West Marine Ecosystems, Koorosh Khodabandahloo, a Professor from the University of Southern Queensland, Dr Stuart Monk, from South West Academic Health Science, Mickey Howard, a Professor from the University of Exeter, and Owen Pask, Assistant Director for Norr Consultants Limited. The evening was chaired by editor of the County Gazette, Paul Jones.

Professor Mickey Howard explained the concept of the circular economy to the audience and how it can be adapted to plastics.

"We're leaving a legacy of plastics," he said, "and the quantity is expected to double in the next 20 years. 95% of the value of what we have made has been lost in the economy."

He explained how going from a 'take, make and waste' attitude, to a circular one, would recover much of the value lost in not reusing the plastic we have already created.

He added: "Where's the value in throwing things away? Burning it is better than landfill, but it is not there yet.

Professor Khodabandahloo joined Professor Howard in explaining the wasteful plastic industry.

He explained how technology to clear the oceans of plastic waste is something he is excited about, but more work needs to go into these machines to enable them to better distinguish between fish and waste. He said: "People will take notice when it hurts their pockets or their health, but the global problem is already here. We have got to make people aware."

With 90 per cent of marine wildlife having plastic inside of them, humans are already unknowingly consuming plastic. Professor Khodabandahloo said more work needs to be done to understand what this does to our health, and the health of other creatures.

Dr Stuart Monk explained how the NHS in the South West was the perfect place for research to take place. This research would bring light to understanding what plastic is doing to our bodies and would also bring funding and jobs to the area.

But, he advised, this knowledge is worthless without a plan to back it up.

Nick Bryant, Taunton Deane's Head of Strategy, said "We have got to be mindful of how decisions are made. A plan can be made, but there needs to be a mandate. We need a business case and to figure out what we want to tackle. Once we understand that and learn what it means in terms of land requirement, we can move forward and set out the route map."

Natasha Bradshaw explained how taking a small step to do something such as banning plastic straws in the town would have a huge impact, as well as increasing awareness for the issues surrounding other single-use plastics.

Jim Claydon, past President of the Royal Town Planning Institute, explained how Taunton could be the perfect place for a centre for research and innovation. He said: "Taunton has Garden Town status. This allows it to have development corporations, which can get money back into the town and make development work. We are sitting with the opportunity of a lifetime. If we want to make Taunton a special place, now is the time to do it."

He added the town's location aided its ability to make the plans work, as well as being close to a motorway junction.

Owen Pask, from Norr Consultants, who are Canada based and have over 1,000 top architects around the world. They are familiar with Integrated Project Delivery where all the stakeholders become partners.

They have a detailed plan where they address issues such as:-

- 1. Project organisation and challenges;*
- 2. Operating systems that will deliver objectives; AND*
- 3. Commercial terms binding the project participants.*

The idea around creating a Centre of Excellence for Research and Innovation in Taunton is an idea that is currently being explored by the Council's "Review of Affordable Employment Land, Task and Finish Group". The Group would like the Council to provide some funding to establish an office with dedicated staff to work with partners such as the town's surrounding universities, as well as other stakeholders, to bring the idea to fruition.

The conference provided evidence of interest and potential viability of such a concept. If developed, it is felt that this would be likely to lead to increased productivity, innovation and prosperity for the community at large.

By aspiring to become an incubator for global research and innovation, and specifically to explore how as a society we are to tackle our plastics problem would engender the Council and local businesses to adapt to the complex issue of sustainability.

A Centre for Research and Innovation for the South West, based in Taunton Deane, would be aligned with the Government's modern Industrial Strategy that sets out Grand Challenges to the UK to be at the forefront of the industries of the future. This would ensure that the UK took advantage of major global changes, improving people's lives and the country's productivity, which ties in with Taunton Deane Council's own Prosperity agenda."

Employment Land Task and Finish Planning Policy Note

Affordable Employment Land:

- Issue: There is anecdotal and documented evidence of a shortage of affordable employment units. There is only a limited margin in the value of developing such sites and consequently there is latent demand currently not being met.
- Response: Identify a means by which the supply of affordable, starter-type employment units can be delivered. There are two identified means by which this can be done:
 - Planning-based solutions: boosted through allocation, a streamlined LDO identifying suitable sites or more criteria-based LDO which sets the broader locations and parameters subject to which starter units can be delivered.
 - Broader Council enabling or development partner involvement: could include investigation of investing in direct delivery either through pump priming sites and site preparation works or acting as developer and retaining an interest in units to then be let to end occupiers. There is a direct example of this on the former Thales site on Lisieux Way

Employment Land as part of Larger Mixed-use Development Allocations:

- Issue: There are a number of examples where employment parcels of larger mixed-use allocations such as Norton Trading Estate and Monkton Heathfield have not kept pace with housing. Developers have argued that sites are not viable and in some instances not deliverable by virtue of lack of interest where sites have been marketed. There has been pressure to release land for other uses, principally residential development.
- Response: Reappraise the supply of employment sites particularly those larger parcels which are part of mixed-use allocations. This would normally be a matter for the review of the development plan (our Core Strategy).
 - Planning-based solutions: review existing employment land allocations against evidence of quantitative and qualitative need and make recommendations for the release/partial release and subsequent deallocation or reallocation of those sites which fail to meet criteria. For land that is retained, the planning system should provide maximum surety that employment space is delivered; this may include revisiting appropriate wording to S106 agreements and policy (when the development plan is reviewed). As a general rule it will be important to stress that employment elements of larger mixed-use proposals need to be seen as part of this overall mix and consequently their viability should be considered as part of overall scheme viability in much the same way as affordable housing or other infrastructural requirements provided for through S106 or CIL would be.

- Broader Council enabling or development partner involvement: this could include investigation of investing public money in direct delivery either through pump priming sites and site preparation works or acting as developer and retaining an interest in units to then be let to end occupiers. In addition, brokered discussions with key developers, particularly where there may be pressure to release land for other uses ahead of development plan review may be required to ensure where land is released, there can be confidence employment land can still be delivered where appropriate.

Research and Innovation Centre:

- Issue: There is a consensus that the key outcome we would wish to achieve for Prosperity is improved productivity although this has not yet been articulated in high level strategy. Members of the Task and Finish Group have identified the potential role for a Research and Innovation Centre in driving increases in GVA.
- Response: In order to respond to the T&F ambition we would need to undertake considerable due diligence in preparing a Business Case to support such a proposal and prior to this have this ambition framed by full council support. Key steps could include:
 - Identify potential sectors for investment and potential end users/investors
 - Understand land and premises requirements including supporting infrastructure
 - Undertake call for sites to identify potential locations (which could include a cluster-based, polycentric approach)
 - Appraise site options
 - Explore and develop finance models which could include Council retaining a stake along similar lines as discussed above
 - Make recommendations to Council to pursue (or not), if supported, a decision would need to be made on the best delivery vehicle through the planning process which could include the use of a LDO

Nick Bryant 30/07/2018

2009 Employment Land Task and Finish Review

Commentary against Recommendations

The five recommendations from the 2009 task and finish review are highlighted in bold italic, with brief commentary appearing below each recommendation.

Much of the progress that has been made has been dependent upon the Council's role as enabler and influencer, rather than direct deliverer, of the schemes described. TDBC funding contributions have certainly played a part in levering in additional external support – such as the contribution towards Junction 25 enhancement and commercial loans to enable the cricket club development and rail station enhancement. The earmarking of significant New Homes Bonus funding (£16.6m) for growth has played a key role in this respect, freeing up ability for the Council to invest. The Council has also decided to invest directly in certain growth schemes, such as the Coal Orchard and Lisieux Way Technology Park.

Looking to the future, the new Council will be resourced to serve an increased political appetite for direct commercial investment, where business cases demonstrate a solid return and/or wider economic and community benefit.

Recommendations

1. In line with Circular 02/2009, the Council initiates discussions with landowners and developers for the release of immediate short term employment land opportunities at Nerrols, Creech Heathfield and Walford Cross for up to 5,000 sq.m. (around 2 hectares per site);

- Taunton Deane Core Strategy Policy CP2 'Economy' provides for 11,900 additional jobs within Taunton Deane with an emphasis on provision in and around Taunton. The urban extensions provided in the Core Strategy and SADMP all have mixed use elements including employment land. In practice it has proved difficult to bring forward these identified short term employment land opportunities.

2. In line with Circular 02/2009, the threshold for out-of-centre office proposals for requiring a sequential assessment be raised to 1,000 sq.m. This should enable additional windfall opportunities to come forward in the short term.

- Taunton Deane Core Strategy policy CP3 states that proposals for main town centre uses on edge of centre or out of centre sites will be assessed sequentially. In addition, proposers of retail schemes of above 500 sq.m. in such locations will also be required to undertake a retail impact assessment.

- Paragraph 89 of the revised 2018 NPPF has removed 'offices' from the list of types of 'town centre development' for which impact assessments should be required where they are proposed outside town centres.

3. A strategic employment site of about 25 hectares be brought forward in the medium - longer term, through the LDF. (Any attempt to bring forward a strategic site outside the LDF would be blocked by the Highways Agency and possibly GOSW and SW Councils).

- A Local Development Order (LDO) for the new strategic employment site (Nexus 25) adjacent to J25 has been adopted by TDBC (2018), creating a high quality 'green campus' with potential to accommodate over 3000 high quality jobs.
- The T&F report concluded that *'Taunton needs to improve its road infrastructure before it can attract the right business'*, and that *'Taunton Deane ... should therefore be proactive in engaging with the Highways Agency to enable investment to be brought forward'*. Taunton has since won considerable infrastructure funding, including a successful 'growth deal' bid of c.£13m for the enhancement of Junction 25, which also received planning consent from SCC in early 2018. Growth deal funding (£6.4m) has also been secured for improvements along the Toneway Corridor, linking J25 towards the town centre. Both schemes are led by SCC with support from TDBC and are critical to unlocking Nexus 25 and its full growth potential, as well as the wider growth of Taunton. The funding and opening of the Northern Inner Distributor Road (now called Trenchard Way) also relieves traffic congestion in the town centre and facilitates the development of the Firepool and rail station sites.
- Staying with road infrastructure, Highways England (formerly Highways Agency) have committed, after a long and hard fought campaign, to the dualling of the A358 between Southfields Roundabout on the A303 and the M5 at Taunton (Somerset's busiest 'A' road). Three route options have been consulted upon (investment range £250-£400m), with a preferred route announcement expected in autumn 2018. This route is part of a wider National Strategic Infrastructure Project (NSIP) to create a new 'expressway' from London to the south west. All three route options have been designed in a way that enables the Nexus 25 strategic employment site to come forward.
- The T&F report is silent in respect of rail infrastructure as an important catalyst for business, yet Taunton also benefits from an excellent location on the national rail network, with regular high speed trains to/from London and other major towns and cities. A more frequent (hourly) fast service to/from London will commence in 2019, with new trains offering c. 25% additional seating capacity. Growth deal funding of £4.6m has also been secured for the enhancement of Taunton Rail Station, comprising a new multi storey car park, south facing forecourt and ticket hall and public transport interchange. These

works are supported by commercial loan from TDBC and will also commence in 2019.

- The award of Garden Town status in early 2017 has many benefits, but principal among these is a greater likelihood of securing additional funding for key infrastructure. This is evidenced by recent success in bids for capacity funding and Housing Infrastructure Funding (marginal viability and forward fund). Whilst mainly about accelerating housing delivery, much of the key infrastructure funded will also support economic growth.

4. To progress a strategic site it is also recommended that a Working Group be set up and led by Economic Development or Project Taunton, involving a Taunton Deane Strategy Officer, and representatives of Somerset County Council Transport, Highways Agency, Environment Agency, Regional Development Agency/SW Councils, developers and agents and a Councillor representative with the purpose of developing an evidence base and proposal for the LDF Core Strategy. As part of this process there should be community engagement with the parishes that would be affected. It is recommended that the strategic employment site should provide opportunities for major inward investment to Taunton. It is accepted that an element of office and non Class B employment generating development (non Class A1) will be necessary to fund the initial infrastructure to open up the site, but the total proportion of floor space for such uses should remain ancillary (around 10%) and focus on medium sized office suites (300-1,000 sq.m.) in order to remain consistent with Government policy and to avoid undermining Firepool as the strategic office site for the SSCT.

- A delivery team led by TDBC and comprising Highways England, Somerset County Council, the Local Enterprise Partnership, Summerfield Developments (landowner and lead developer) and the Environment Agency was established in 2014/15, with a common aim – enshrined in a shared memorandum of understanding - to facilitate the delivery of a new high quality strategic employment site for Taunton at Junction 25. This provided an important forum for partners to identify and resolve some of the key infrastructure issues (mainly transport related) to enable the site to come forward and
- Parish Councils in the area were informed of progress at every key stage of the process in bringing the employment site forward. Consultation was undertaken both informally and formally during the LDO process leading to adoption. Business and wider community engagement and consultation also featured throughout.

5. The Executive be requested to identify the specific partners for the Working Group which would be led by Taunton Deane with the process and reporting back arrangements (to ensure progress was measured) being led by the Strategic Director, Joy Wishlade.

- Partners were identified as described above (section 4).
- Progress was reported and monitored by a cross party steering group of TDBC members (Growth Steering Group) and also by partners on the Taunton Economic Advisory Board (recently renamed Taunton Strategic Advisory Board).

Penny James – Chief Executive

Brendan Cleere – Head of Localities

Cllr Mark Edwards – Deputy Leader and Portfolio Holder.

September 2018