

South Hams Executive



Title:	Agenda
Date:	Thursday, 14th June, 2018
Time:	10.00 am
Venue:	Repton Room - Follaton House
Full Members:	<p style="text-align: center;">Chairman Cllr Tucker Vice Chairman Cllr Wright</p> <p><i>Members:</i> Cllr Bastone Cllr Hopwood Cllr Gilbert Cllr Wingate</p>
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
Committee administrator:	Member.Services@swdevon.gov.uk

- 1. Minutes** **1 - 8**
to approve as a correct record and authorise the Chairman to sign the minutes of the meeting of the Executive held on 26 April 2018;
- 2. Urgent Business**
brought forward at the discretion of the Chairman;
- 3. Division of Agenda**
to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;
- 4. Declarations of Interest**
Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting;
- 5. Public Question Time** **9 - 10**
a period of up to 15 minutes is available to deal with questions submitted to the Council in accordance with the Executive Procedure Rules;
- 6. Release of S106 funds for Affordable Housing Projects** **11 - 18**
- 7. Transformation Programme (T18) Closedown report** **19 - 36**
- 8. Waste & Recycling Haulage Contract Award** **37 - 48**
- 9. Exclusion of Public and Press - to consider the following resolution to exclude the public and press:-**
"That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following items of business in order to avoid the likely disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act";
- 10. Council Owned Asset Investment & Development** **49 - 86**
- 11. Re-admittance of Public and Press**

12. Reports of Bodies

87 - 98

- a) O&S Panel – 3 May 2018

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD AT FOLLATON HOUSE ON THURSDAY 26 APRIL 2018**

Members in attendance:			
* Denotes attendance			
∅ Denotes apologies for absence			
*	Cllr H D Bastone	*	Cllr R J Tucker (Chairman)
*	Cllr R D Gilbert	*	Cllr S A E Wright (Vice Chairman)
*	Cllr N A Hopwood	*	Cllr K R H Wingate

Also in attendance and participating		
Item 6	E.81/17	Cllr Pearce
Item 7	E.82/17	Cllrs Baldry and Pennington
Item 8	E.83/17	Cllrs Pearce, Pennington and Saltern
Item 9	E.84/17	Cllrs Brazil and Pearce
Item 10	E.85/17	Cllrs Brazil, Cuthbert and Pearce
Item 11	E.86/17	Cllr Brazil
Item 12	E.87/17	Cllrs Brazil and Cuthbert
Item 13	E.88/17	Cllrs Baldry, Bramble and Cuthbert
Also in attendance and not participating		
Cllrs Blackler and Vint		

Officers in attendance and participating		
All items		Group Manager Customer First and Support Services and Specialist – Democratic Services
Item 6	E.81/17	Commissioning Manager
Item 7	E.82/17	Commissioning Manager
Item 8	E.83/17	Senior Specialist Environmental Health; Specialist Manager
Item 9	E.84/17	Operational Manager Environment Services
Item 10	E.85/17	Senior Specialist Environment Services; COP Lead Assets
Item 11	E.86/17	Group Manager Commercial Services
Item 12	E.87/17	Senior Specialist Assets
Item 13	E.88/17	COP Lead Development Management

E.77/17 MINUTES

The minutes of the Executive meeting held on 15 March 2018 were confirmed as a true and correct record and signed off by the Chairman.

E.78/17 URGENT BUSINESS

The Chairman allowed one item of urgent business that was deemed urgent because it required a response to a consultation and the deadline for that response was 4 May 2018.

He outlined to Members that the Department for Transport was currently consulting on changes to legislation that would adversely impact community transport organisations in that they would no longer have a dispensation in respect of particular sections of the regulations that applied to commercial transport operators. The consultation had arisen as a result of some community transport organisations taking business from commercial operators. However, the impact on rural community transport organisations could be significant.

Members agreed that a letter be sent in response to the consultation that supported the view taken by Devon County Council, and also that Members should lobby their local MPs.

E.79/17 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting and the following were made:

Cllr Hopwood declared a disclosable pecuniary interest in Item 8: Devon Wide Housing Assistance Policy and left the meeting for the duration of the debate and vote on this item;

Cllr Gilbert declared a disclosable pecuniary interest in Item 10: Procurement of Pay on Entry Equipment for Public Toilets/Disposal of Toilets, should the Ferry Steps at East Portlemouth become the subject of debate. At the appropriate time, he left the room and did not take part in the debate and did not vote on the related recommendation;

In respect of Item 10: Procurement of Pay on Entry Equipment for Public Toilets/Disposal of Toilets, the Deputy Monitoring Officer had granted a dispensation to enable those Members of the Executive whose Wards were included within the report, to be able to take part and vote on the recommendations. Without the dispensation, the meeting would have been inquorate for this item in accordance with Executive Procedure Rule 1.9.4.

E.80/17 PUBLIC QUESTION TIME

It was noted that no public questions had been received for consideration at this meeting.

E.81/17 CORPORATE STRATEGY REVIEW

Members were presented with a report that introduced a new, refreshed and more focused five year Corporate Strategy, for recommendation to Council.

The Leader introduced the report and responded to questions and Members discussed the importance of the delivery plans that would underpin the strategy.

It was then:

RECOMMENDED

That Council be **RECOMMENDED** to adopt and publish the South Hams Corporate Strategy.

E.82/17 ANNUAL REPORT 2017/18

Members were presented with a report that sought recommendation to Council for approval of the Annual Report. The Report reviewed the Council's progress over the last financial year and also set the scene for the upcoming year ahead.

The Leader introduced the report and responded to a number of questions of clarity. He noted that the report set out how much work had been undertaken and the opportunities going forward.

It was then:

RESOLVED

- 1) That the progress and achievements made by the Council be noted; and
- 2) That Council be **RECOMMENDED** to adopt and publish the South Hams Annual Report (as presented at Appendix A) for the financial year 2017/18.

E.83/17 DEVON WIDE HOUSING ASSISTANCE POLICY

Members were presented with a report that set out how Disabled Facilities Grant (DFG) funding had increased and outlined the proposals to utilise the increased funding with the aim of ensuring that vulnerable individuals could remain safe and healthy in their own home.

The Lead Member for Customer First introduced the report. During discussion, Members sought clarity on the funding. One Member asked whether Housing Associations were approached for assistance, but in response another Member noted that Housing Associations had no obligation to do so. The Senior Specialist Environmental Health outlined how officers were working together with Occupational Therapists to enable a better understanding of the issues for all parties.

It was then:

RECOMMENDED

That Council be **RECOMMENDED** that the existing Homes Assistance Policy be updated and then adopted in line with the Devon Housing Assistance Policy.

E.84/17 PARKING REVIEW

Members were presented with a report that requested a recommendation to Council in respect of changes to the Pay and Display charges as set out in presented Appendix 1. The report also sought approval to include the newly created reserved parking bays at Batson Creek, Salcombe to the Parking Order.

The Lead Member for Commercial Services introduced the report. In responding to questions he confirmed that annual permits for the reserved bays at Batson Creek, Salcombe were only annual permits and did not establish ongoing rights to the spaces.

It was then:

RECOMMENDED

That Council be **RECOMMENDED** that the following amendments are made to the South Hams Off-Street Parking Places Order:

1. Pay & Display charges be amended in accordance with Appendix 1, following consultation with local communities; and
2. Newly created reserved parking bays at Batson Creek, Salcombe, as shown on Appendix 2, are incorporated.

E.85/17 PROCUREMENT OF PAY ON ENTRY EQUIPMENT – PUBLIC TOILETS/DISPOSAL OF TOILETS

Members were presented with a report that addressed three unrelated issues to do with public toilets owned by the Council, and dealt with each issue separately. Those issues were the procurement of pay on entry equipment for installation in selected toilets, the closure of selected toilets and the disposal or transfer of selected toilets.

The Lead Member for Commercial Services introduced the report and the Senior Specialist Environment Services responded to questions of clarity. The Leader then requested an additional recommendation that the public conveniences at Ferry Steps, East Portlemouth be included for pay on entry on a seasonal basis. This additional recommendation was agreed.

During discussion, one Member asked that the toilets at Hope Cove be considered for pay on entry. Officers agreed to consider this proposal.

Another Member stated that he did not agree with pay on entry public toilets and was concerned that there was no business case to consider. In response, the Group Manager Commercial Services advised that indications were that there would be a two year payback period on the investment, which could be lower for those toilets with greater use.

The Deputy Leader then proposed an amendment to the published recommendation that deleted the last two lines of recommendation 4 and replaced with 'any final toilet closure proposals should be brought back to the Executive'. This amendment was agreed.

One Member sought an assurance that pay on entry toilets would be maintained at a good clean standard as there were examples of areas where this had not been the case. The Lead Member accepted that this was a fair point.

Finally there were discussion on the different methods of payment and Members were assured that all options would be included in the procurement documentation.

It was then

RESOLVED

That approval be given to:

1. procurement to deliver the pay on entry equipment to the public conveniences at Bigbury, Whitestrand, Creek, North Sands, South Sands, Coronation Road, Steamer Quay, Civic Hall, Fore Street, Slapton Line, Glanvilles Mill, Wembury, Mill Bay and Dittisham be commenced;
2.
 - a) Mill Bay toilets having pay on entry installed;
 - b) Ferry Steps, East Portlemouth toilets having pay on entry installed;
3. Slapton Memorial toilets no longer having the pay on entry system installed and the toilet is closed as a result of storm damage;
4. Authority for:
 - a) the sale of sites for which transfer has not been successful and the sites subsequently closed; and
 - b) the sale of sites where usage is low and site value high, which have previously been approved by Members for transfer or closure, would be the subject of a report to the Executive prior to any final toilet closure proposals.

E.86/17 **DARTMOUTH LOWER FERRY – CAPITAL REPAIRS PROGRAMME**

Members were presented with a report that sought Council approval for a spend from the Dartmouth Lower Ferry Earmarked Reserve in order to bring the existing fleet of vessels up to the required Maritime and Coastal Agency (MCA) standards. This included work to ensure that, subject to regular inspection and maintenance on the tugs, they would continue to be seaworthy and compliant.

The Lead Member for Commercial Services introduced the report. Members had a number of questions regarding the changes requested by the MCA that had resulted in an increased inspection regime, and the Group Manager Commercial Services agreed to circulate further details to Members. Members also raised concerns regarding the ongoing ability of the Lower Ferry service to withstand the additional costs associated with the increased inspections.

It was then:

RECOMMENDED

That Council be **RECOMMENDED** to approve the capital spend outlined in Section 2.5 of the presented report from the Dartmouth Lower Ferry Earmarked Reserve, in order to ensure that the ferry vessels, (both tugs and floats) are compliant and seaworthy in line with Maritime and Coastal Agency requirements.

(NOTE: In accordance with Executive Procedure Rule 1.9.4, Cllr Bastone abstained from the vote on this item by virtue of being a local ward Member).

E.87/17 **BATSON QUAY AND SHADYCOMBE PROJECT, SALCOMBE**

Members were presented with a report that identified the key aims and objectives of the project and highlighted the potential benefits and associated risks.

The Leader introduced the report, and drew Members attention to the formation of a project group to move the project forward. In response to a question regarding lessons learned from previous projects, the Senior Specialist Assets confirmed that lessons had been learned and then outlined the holistic approach being taken with this project. He also provided Members with clarity in respect of funding opportunities.

During discussion, Members reiterated the importance of retaining units for marine use and the need for the Council to do what it could to protect the coastal community.

It was then:

RESOLVED:

1. That progress made to date on the Batson and Shadycombe Masterplan be reviewed;
2. That proposals to develop a new Harbour Depot at the head of the public slipway be approved in principle;
3. That improvement works to the commercial Fish Quay be undertaken subject to funding from capital funding bids currently being sought through European Maritime and Fisheries Fund (EMFF) and Coastal and Communities Fund (CCF) be agreed; and
4. That an undertaking to give priority to local marine businesses as part of the Coastal and Communities (CCF) funding application for the development of industrial units at Batson Quay be endorsed.

(NOTE: In accordance with Executive Procedure Rule 1.9.4, Cllr Wright abstained from the vote on this item by virtue of being a local ward Member).

E.88/17 REPORTS OF OTHER BODIES

(a) Overview and Scrutiny Panel – 22 March 2018

O&S.103/17 Development Management Pre Application Advice

The Chairman of the Overview and Scrutiny Panel asked that the Executive give consideration to inclusion of Permission in Principle applications to the Pre-Application process, following a recent Member training event whereby Members were advised of the responsibilities of the Council under forthcoming Permission in Principle legislation. The Leader proposed an amendment of the recommendation accordingly.

It was then:

RESOLVED

1. That the proposed pre-application process be approved for consultation, subject to inclusion of the points outlined at (b) in the detailed minutes, and inclusion of Permission in Principle applications; and
2. That as part of the consultation process, the views of the Panel as set out in para (c) of the presented Overview and Scrutiny Panel minutes be taken into account.

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.81/17, E.82/17, E.83/17, E.84/17 AND E.86/17, WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 17 MAY 2018, WILL BECOME EFFECTIVE FROM 5.00PM ON TUESDAY 8 MAY 2018 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 10.00 am and concluded at 11.50 am)

Chairman

PUBLIC QUESTIONS AT EXECUTIVE MEETINGS

The Council at its meeting on 21 June 2001 agreed that 15 minutes should be set aside at the beginning of the Council's monthly Executive meetings to allow members of the public to ask questions.

Any member of the public who wants to raise a question at a meeting should:-

- (a) submit the question in writing to the Democratic Services Manager by 5.00 pm on the Monday prior to the Executive meeting. This will allow a detailed answer to the question to be given at the meeting. If advance notice of the question cannot be given, the Chairman of the meeting has the discretion to allow questions on matters which are felt to be urgent;
- (b) ensure that normally questions are no longer than 50 words in length;
- (c) ensure that the question does not relate to a specific planning matter (this is specifically excluded from the public question time);
- (d) ensure that the question relates to something over which the Council has some control and is suitable to be considered, ie, that it is not derogatory to the Council or relates to matters which the Council could consider confidential.

For any further advice on questions for Executive meetings, please contact Kathryn Trant (Member Services Manager).

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Agenda Item 6

Report to: **Executive**

Date: **14 June 2018**

Title: **Release of S106 funds for Affordable Housing projects**

Portfolio Area: **Place Making**

Wards Affected: **All Wards**

Relevant Scrutiny Committee: **Overview & Scrutiny Panel**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **Following Call In
5pm Monday 11
June 2018**

Author: **Cassandra Harrison** Role: **Specialist, Place Making**

Contact: **01803 861317 / cassandra.harrison@swdevon.gov.uk**

Recommendations: That Executive be RECOMMENDED to:

1. To approve the release or allocation of s106 funds for Affordable Housing projects as set out below:

£87,124.50 – from the Fallapit House, East Allington development to spend on an affordable housing scheme at Clay Park, Dartington with Transition Homes CLT.

£11,704.00 – from Elwell House, Totnes to spend on an affordable housing scheme at Clay Park, Dartington with Transition Homes CLT.

£9025.00 – from Warlands Garage, Totnes to spend on an affordable housing scheme at Clay Park, Dartington with Transition Homes CLT.

1. Executive summary

The Council has a key role as Local Planning Authority in securing funds for appropriate mitigation projects in relation to development. These funds can be deployed either directly on Council projects or released to community groups and other organisations to develop affordable housing projects. The current mechanism for securing funds is through Section 106 (s106) of the Town and County Planning Act. Affordable Housing requirements are set out in the SHDC Affordable Housing SPD, adopted September 2008.

The Council has significant secured s106 funds for affordable housing projects. The Council's Financial Procedure Rules require that where expenditure is proposed over £30,000 that this be authorised by Executive. The purpose of this report is to request the release and allocation of s106 funds over £30,000 for an affordable housing projects with Transition Homes CLT.

2. Background

The Council's Affordable Housing Supplementary Planning Document (September 2008) sets out when the Council will ask for an off-site commuted sum rather than on-site provision of affordable housing from a developer.

The SPD states that where off site provision is the agreed contribution, the contribution will be used solely for the purpose of affordable housing in accordance with the housing need priorities at the time. Contributions will be applied to meet housing need across the South Hams District. In practice this may mean that contributions in lieu arising from one location may be applied to meet housing need elsewhere in the South Hams.

Background to Fallapit House, East Allington contribution

The s106 agreement for this development dated 14th July 2009, secured an off-site contribution of £87,124.50. The agreement states that on the occupation or sale of the 6th unit the owner shall pay to the Council the Affordable Housing contribution. The planning application number is 19/0915/09/F.

Background to Elwell House, Totnes contribution

The s106 agreement for this development dated 25th July 2014, secured an off-site contribution of £11,704.00. The agreement states that on the occupation of the first dwelling of the development the owner shall pay to SHDC the Affordable Housing contribution. The planning application number is 56/1214/14/F.

Background to Warlands Garage, Totnes

The s106 agreement for this development dated 14th March 2012, secured an off-site affordable housing contribution of £9025.00. The agreement states that upon the first occupation of the first house to pay to the Council the Affordable Housing contribution in full. The planning application number is 56/2793/11/F.

3. Outcomes/outputs

The Council's adopted Affordable Housing Supplementary Planning Document states:

Payments received in lieu of affordable housing on site will be held in the Affordable Housing Fund. Such payments will be used to meet the Council's affordable housing objectives in accordance with Circular 05/2005 and the following criteria:

- That the proposal fulfils the scope of the relevant Section 106 agreement, the Affordable Housing Policy and any relevant case law and Government guidance.
- That the proposal fulfils the aims of the current Housing Strategy statement and any other relevant documents.

4. Options available and consideration of risk

The Council has a legal obligation to spend the s106 funds in accordance with the agreements. There are two main alternative approaches for expenditure of the s106 funds:

Option 1 – SHDC develop and deliver housing projects

The first option is for SHDC Officers to develop and deliver projects. This allows more control over project plans and certainty. However there is an implication with regard to time resource and other partners may be best placed to lead community consultation and bring in other funds. Other partners may also own housing sites.

A report was taken to Overview & Scrutiny Panel on 3rd May 2018, which recommended that SHDC prepare a business case to form a housing company which will help increase the delivery of affordable homes in the district. S106 monies could be used to fund homes delivered through this proposed vehicle. However, at present it is not certain if this company will be formed, nor when any houses will be delivered. Therefore

granting the release of these S.106s funds to Transition Homes CLT will deliver 23 affordable homes within 3 years.

Option 2 – SHDC pass funds to community groups/other groups to develop and deliver housing projects

The second option is to pass s106 funds to community groups/other organisations to develop and deliver projects.

Where SHDC has done this in the past the offer of grants have been made with the appropriate terms and conditions securing the interest of the Council and ensuring that the requirements of the s106 agreements are adhered to.

5. Proposed Way Forward

Proposals for the expenditure of secured s106 funds are detailed below.

Transition Homes CLT

Transition Homes CLT were granted planning permission in 2017 for a development of 27 homes, which includes 19 affordable homes (70%).

The consent is to build 27 houses to a very high eco standard with low running costs, using local natural materials (straw and wood) as far as possible, and providing much needed good quality affordable housing for local people. The houses will be built to a high standard, on a site which is quite challenging to access and service, so costs are higher than average to build. Eight of the houses will be sold on the open market to help cross subsidise the others, which will be a mixture of affordable rent and shared ownership.

To reduce water consumption, all the houses will have compost toilets and electricity will be produced on site from the solar PV arrays. Also to save water and energy, there will be a shared laundry so people do not need their own washing machines.

Inspired by co-housing 'common houses' Clay Park will also have a community hub – a space for meetings and community activities with a kitchen, office and toilets. The development will occupy about two thirds of the seven acre field with the rest used for an orchard, wild flower meadow and vegetable growing.

South Hams District Council have supported the group with a £190,000 grant payment from the Community Housing Fund on 30th November 2017. The CLT are seeking additional funding from South Hams District Council due to an increase in build costs and increasing the number of rented units.

Transition Homes CLT are looking at converting one of the 4 bedroom houses to rent into 2 self contained flats for adults with learning disabilities in collaboration with ROC and converting another 4 bedroom house into four self contained studios for young people in partnership with Young Devon. This would greatly assist the Council in meeting our statutory housing need.

The scheme is financed up until the end of RIBA stage 4 (technical design). The development phase is being funded through a combination of debt finance (Triodos Bank) and grant funding – the CLT have submitted a bid to Homes England SO-AHP 16-21 programme for funding towards the 12 shared ownership units. Homes England have stated the scheme is good value for money and are going to allocate grant funding of £450,000.00. Triodos Bank are loaning Transition Homes CLT £4.2 million of development finance.

Transition Homes CLT have requested £87,124.50 – from the Fallapit House, East Allington development, £11,704.00 – from Elwell House, Totnes and £9025.00 – from Warlands Garage, Totnes to spend on the construction costs of the affordable housing scheme at Clay Park, Dartington. The balance will be met from the grant payment from Homes England and loan funding from Triodos Bank.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	S106 agreements are secured under Section 106 of the Town and Country Planning Act to support projects that mitigate the impact of the development. The Council has an obligation to spend the funds in accordance with the terms of the agreement. The Affordable Housing Supplementary Planning Document 2008 sets out the policy basis for collection of offsite financial contributions towards affordable housing.
Financial	Y	The Council’s Financial Procedure Rules require that where expenditure over £30,000 is proposed that it needs to be agreed at Executive.
Risk	Y	There is a risk of funds not being spent in accordance with the s106 agreement. To address this, where any s106 funds are passed to community groups to develop and deliver projects,

		<p>offers of grants will be made with appropriate terms and conditions securing the interest of the Council and ensuring that the requirements of the s106 agreements are adhered to.</p> <p>Some s106 agreements have clauses allowing the developers to be re-paid the money if it is not spent within a certain timeframe. Thus there is a risk of communities losing out if money is not spent within the specific timeframes. Careful monitoring will prevent this from happening.</p> <p>There is a risk that the requirements of the Council's Financial Procedure Rules will not be met. All payments will be made in accordance with the Rules and contracting/tendering procedures where relevant.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity	Y	Projects need to address accessibility issues to ensure access to all wherever reasonable and practicable.
Safeguarding	N	There are no safeguarding implications.
Community Safety, Crime and Disorder	N	There are no community safety, or Crime and Disorder implications as a result of these recommendations.
Health, Safety and Wellbeing	Y	Increasing the provision of affordable housing is closely linked with improved health and wellbeing.
Other implications	N	

Supporting Information

Background Papers:

"Section 106 Agreements" report to Overview and Scrutiny Panel – 6th July 2017

"Capital Budget Proposals for 2017/18 to 2019/20" – report to Executive - 15 December 2016

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	No

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Agenda Item 7

Report to: **Executive**

Date: **14 June 2018**

Title: **Transformation Programme (T18) Closedown report**

Portfolio Area: **Cllr R Tucker**

Wards Affected: **All**

Relevant Scrutiny Committee: Overview and Scrutiny Panel

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Lisa Buckle** Role: **S151 Officer
(Strategic Finance Lead)**

Contact: lisa.buckle@swdevon.gov.uk (01803) 861413

Recommendations:

It is **RECOMMENDED** that the Executive:

1. **Consider the recommendations of the Overview and Scrutiny Panel meeting of 3 May 2018 (Minute O&S.112/17) as set out in Section 2.9; and**
2. **Endorse the contents of the T18 Transformation Programme Closedown report and the benefits realised, as set out in Section 8.**

1. Executive summary

- 1.1 In 2013, South Hams District Council and West Devon Borough Council recognised that they would be facing a predicted funding gap of £4.7 million (across both South Hams and West Devon together) over the five year period up to 2018. The Councils were adamant that they did not want to cut front line services, so both authorities agreed to embark on an ambitious and challenging Transformation Programme (T18) to remodel how the Councils worked.

- 1.2 The Transformation Programme has been total and radical and has left no service untouched. Change has never been seen as a token gesture but a total transformation of everything that the Councils do, how they do it and the culture which surrounds it.
 - 1.3 The original Business Plan was approved in 2013 and in December 2014, the Council approved an updated business plan for the T18 Transformation Programme. Its aims were to deliver a new operating model for the Council (in partnership with West Devon Borough Council), to ensure that both Councils could continue to deliver quality services for their customers and communities. For South Hams District Council, an investment budget of £4.61 million was approved, to deliver annual recurring revenue savings of £3.3 million.
 - 1.4 The Transformation Programme received the backing of Central Government and the Council was awarded £434,000 of Government funding towards the upfront investment costs (this was SHDC's share of the funding). The Government funding recognised the scale of ambition within the Councils' model.
 - 1.5 The table in Appendix A shows that the predicted final spend (£4.556million) is £58,000 less than the budget of £4.614 million. Appendix A details the individual budget lines and highlights the areas which were underspent and overspent.
 - 1.6 The total annual savings realised from the T18 Transformation Programme were £2.93 million as shown in Appendix A. The majority of these savings were staffing savings. Between 2014 and 2015, the majority of employees at both Councils went through a rigorous recruitment process and the workforce was reduced by 30%. The overall savings represented a saving of over 25% on the Councils' net revenue budgets.
 - 1.7 The original estimated payback period for the T18 Transformation Programme was 2 years and 6 months. The items set out in Section 6 had an adverse impact on the payback period of the Transformation Programme and increased the actual payback period to 2 years and 11 months.
 - 1.8 The lessons learnt from the project are set out in the report under each of the T18 Workstreams. Members' attention is drawn to 6.5 and 6.6 of the report.
- 2. Background**
- 2.1 South Hams District Council and West Devon Borough Council have been shared service partners since 2007. As two of the very first Councils to share a Chief Executive, the Councils have been bold in challenging the traditional local government model and have always been at the forefront of radical change and innovation.

Shared services (through sharing staff) has now yielded the Councils £6.1 million annually in savings.

- 2.2 Having a successful track record of reducing costs through shared services whilst improving services, the two Councils approved a Joint Transformation Change Programme in December 2013.
- 2.3 The Councils continue to face significant reductions in Central Government funding and the Transformation Programme developed some financial resilience for the Councils and for a few years reduced the reliance on making annual budget reductions that inevitably impacted on front line services. However, the Council has continued to see a reduction in the level of Government funding and currently has a predicted budget gap of £0.6 million by 2020.
- 2.4 The Councils pioneered a new model for local government which was transferrable to other local authorities irrespective of the scale, acting as a catalyst for extending shared services, without undermining each participating Councils' democratic sovereignty.
- 2.5 South Hams and West Devon Councils were the first in the country to adopt a new operating model for local government across two Councils in a fully shared services partnership. Having presented at a number of national conferences and Councils, the T18 model is proving to be an exemplar in local government and the Councils continue to share our experiences.
- 2.6 The Council is now providing its services in an entirely new way - by becoming more flexible and customer focused using the latest technology. Services were redesigned around our customers and communities and as a consequence all departmental silos were removed. This involved re-engineering over 400 business processes and sharing all of our corporate services and information technology systems. The first phase of the programme (Support Services) went live in September 2014. The main phase of the programme went live in June 2015, with the last phase going live in April 2016.
- 2.7 At its heart, the Transformation Programme (T18) was one of cultural change. Peoples' lives are constantly changing and we must change with them. The radical transformation was the most significant change in the way that the Councils worked for more than 40 years. The Councils' non-manual workforce was reduced by 30%, with all staff roles changing to be flexible and responsive to the needs of the customer. Officers from different areas of the Councils now work together to improve the service for the customer and reduce the need for office accommodation.
- 2.8 The Transformation Programme was structured with a number of workstreams and each are reported on below.

2.9 The T18 Closedown report was considered by the Overview and Scrutiny Panel at its meeting on 3 May 2018. The recommendations from the Overview and Scrutiny Panel are detailed below (Minute O&S.112/17(c) refers):

“A report was considered that sought endorsement of the contents of the T18 Transformation Programme Closedown report and the benefits realised from this project.

In discussion, reference was made to:-

- (i) the financial performance of the project being a success, with the final spend being £58,000 less than the Budget of £4.614 million and total annual savings of £2.93 million being realised. It was noted that the IT technology spend was over budgeted by £40,000 (which represented 6.5% of the Budget of £615,000) and Members were of the view that this element had been disappointing. However, when considering the size and scale of the Programme, Members endorsed the fact that it had been a financial success and commended officers for achieving this outcome;*
- (ii) some of the lessons learned from the project. In citing the example of allowing the Councils’ IT staffing resources to be reduced at the start of the Programme (prior to the IT systems being in place), a Member felt that this should have received greater prominence and reference in the presented agenda report. As a consequence, the Panel requested that this be highlighted in the report that was to be presented to the Executive at its meeting on 12 June 2018 alongside the other consequent lessons that had been learned;*
- (iii) the ability for staff to work from anywhere. A Member particularly wished to highlight the success of the agile working aspect of the Programme and felt that the performance and resilience of the Council during the recent inclement weather was testament to this provision;*
- (iv) the anticipated IT software cost savings of £47,000 not being realised. Officers confirmed that this additional cost pressure had been built into the 2018/19 Budget setting proposals.*

It was then:

RESOLVED

- 1. That the Panel endorse the contents of the T18 Transformation Programme Closedown report and the benefits realised (as set out in Section 8 of the presented agenda report);*
- 2. That the Panel endorse the fact that the T18 project had been a financial success; and*

3. That, as part of its deliberations at its meeting on 14 June 2018, the Executive give particular consideration to the impact during the transition period and the project lessons to be learned.”

3. Outcomes/outputs – HR Workstream

- 3.1 Working with our employees, the Councils developed a new competency framework that identified a set of behaviours that underpin how we work and deliver services to our customers and communities. The new framework, called IMPACT, identified 6 key behaviours and it now forms an integral part of our workplace culture and how we manage people, including forming a critical component of the staff appraisal system. Between 2014 and 2015, the majority of employees at both Councils went through a rigorous recruitment process and the workforce was reduced by 30%. The overall savings represented a saving of over 25% on the Councils’ net revenue budgets.
- 3.2 An assessment centre was successfully designed and delivered, working in partnership with iESE, to make sure the right people were appointed to the right roles in the new operating model. Each member of staff was assessed by independent assessors and the outcomes informed the role they were offered.
- 3.3 All roles in the new structure were subject to the assessment process, including the senior leadership team. We still successfully use behavioural assessments when recruiting new people to the Council and when making internal appointments and promotions.
- 3.4 A voluntary redundancy programme was put in place to reduce the need to make compulsory redundancies. In total, 137 employees left the Councils’ employment. This compared to 110 anticipated at the start of the Transformation Programme. The Councils experienced some resourcing challenges as rationalisation meant that some key skills were no longer available or limited during implementation.
- 3.5 The T18 Programme also provided an opportunity to implement a revised pay and grading structure and job evaluation tool. This has led to greater fairness and consistency in how we reward staff and has given the Councils greater control over their pay bill.
- 3.6 The new operating model is based on Communities of Practice rather than a traditional departmental structure. This provides greater flexibility in how we deliver our services and makes sure our people are doing the work they are qualified for and have the skills and experience to do. The Councils categorised the work into administrative (case management) and specialist tasks, took a cross-function approach and demonstrated that 80% of the Councils’ work is best carried out by case managers, leaving specialists to concentrate on providing professional expertise.

- 3.7 A new agile way of working was introduced, with the removal of all cellular offices and the creation of a hot desk environment in both the main offices. The new agile way of working also includes the flexibility for staff to work where and when it is convenient for them and our customers. The recent staff survey suggests that a majority of people think that agile working has made them more effective in what they do. We also know that the flexible way of working attracts new people to work for us and is a factor in retaining key people.
- 3.8 The Councils were nominated as finalists in the Municipal Journal Local Government Awards in the Transforming Through People category in recognition of work done to change organisational culture by assessing people against the IMPACT behaviours.
- 3.9 The Councils' HR Community of Practice have been very successful in selling the Councils' services (i.e. knowledge and expertise on the HR Workstream) to other Councils who are looking to implement a Transformation Programme and are on track to generate income of over £100,000 (shared between both Councils) in this respect from confirmed work. We are also talking to other Councils which could lead to further income generation.

4. Outcomes/outputs – Accommodation Workstream

- 4.1 Having reviewed a wide range of accommodation options, moving the main staff base to Totnes, at the same time as implementing an agile working environment for all staff, has achieved the most benefit not only financially but for our effectiveness. It has allowed services to be further aligned between the two Councils, whilst retaining the ability to offer front line services across a large geographic area across both Councils.
- 4.2 Fresh, newly designed open plan offices have supported the Councils' new agile policy and inspired cultural change. A hot-desk approach has helped embed the behavioural and cultural change; this no fixed desk approach has helped breakdown old departmental silos with staff from all levels and different disciplines sitting and working together. The ratio of workspaces is 6 desks to 10 members of staff has encouraged home working; only two functional areas have dedicated space due to the specialist software required.
- 4.3 The new ways of working and the rationalisation of assets across both Councils have enabled additional new rental income from releasing surplus accommodation (£143,000) and reduced running costs (£93,000). Appendix A shows the savings achieved against budgeted savings for the Accommodation workstream. The percentage of the running costs of the building offset by tenants is now up to 60%. Desktop telephones have been removed, all telephone contact is through laptops using Business Skype, which is also used for meetings, video conferencing, live sharing of documents, training and instant messaging to reduce internal email traffic.

4.4 The accommodation project was largely finished in 2015 and practical completion was issued in Summer 2015. The project delivered approx. 150 agile work spaces on the second floor in Follaton, 3 new meetings rooms, improved kitchen facilities and a completely transformed working environment.

5. Outcomes/outputs – ICT Workstream

5.1 The ICT element of the T18 Programme was considerable and comprised of 10 distinct elements. Each project in its own right was a significant piece of work. The purpose was to provide a single technology platform on new infrastructure that supported the new ways of working and facilitated customer self-serve. The Technology solution comprised of Hardware and Infrastructure upgrades, the software solution and services provided by Civica, a complete telephony refresh and provision of new ICT facilities for Members. Below is a description of each of the elements and a summary of the benefits that were delivered. A separate report is to be produced looking at the Civica implementation and the lessons learnt as a result.

5.2 T1-Core Infrastructure - The provision of a new high availability infrastructure (servers, software) and configuration to support the Civica W2 application suite and platform to run processes started within W2 or the Web Portal. Since the beginning of the programme cloud services have become more affordable and some services are now running on cloud infrastructure. The existing infrastructure has, where possible, been used to support back-up and resilience to the current infrastructure.

5.3 T2-Mobile - To deliver a solution for mobile and agile locality officers. To support the new culture, the majority of officers were issued with a new mobile computer set up which allowed staff to work from anywhere. This has been a radical change for many officers, who have had to adapt to new working practices such as not having a fixed desk. The mobile product was still undeveloped at the start of the T18 Programme. Despite assurances the Civica mobile product does not meet all the Councils' requirements and although we continue to work with Civica to develop their solution, an alternative solution is being deployed i.e. where the Civica solution does not meet the business need. The cost of this solution is £3,000 per annum funded from the core ICT budget.

5.4 T3-GIS (Geographical Information Systems) – To replace the existing GIS and enable improved self-serve using spatial data (maps). The FastGaz product was not fit for purpose and has since been retired by Civica. The Councils purchased an alternative solution from an alternative supplier.

5.5 T4-Web/Portal – To develop a solution that promoted 'digital by choice', and enabled 2 way communication with our residents. It enabled citizens to 'apply for it', 'pay for it', 'report it', 'book it' and view and track any of those requests. The scope of this project was expanded during implementation to include the website. Early iterations of the Civica portal

were not customer friendly, however the team continue to make significant progress across all service areas and online transactions have across both Councils increased by 140% in the past 12 months.

- 5.6 T5-Telephony – A corporate unified communications solution to aid agile working. It provided an integrated, modern and flexible new telephony system for the Customer First contact centre. Whilst the new phone system took longer to achieve than anticipated, it was a success.
- 5.7 T6-Back office systems migration – To migrate the Waste, Planning, Land Charges, Environmental Health, Licensing, Housing back office systems to Civica APP. Data migration proved to be a resource intensive and lengthy process. After implementation Civica were unable to develop a working solution for Land Charges and an alternative solution was put into place.
- 5.8 T7-Back office system integration – To enable integration of Civica W2 with remaining back office systems e.g. Revenues and Benefits. Completed for the major systems.
- 5.9 T8-Infrastructure – The replacement of the corporate IT infrastructure to support agile working and provide a fast, reliable, cost effective and resilient scalable platform. Completed. The most recent evidence of this was during the recent severe weather when it enabled 210 officers to work from home to continue to deliver many Council services. The ability to work in an agile way is a key attraction to the recruitment of new staff and retention of existing staff.
- 5.10 T9-Members ICT – To equip Members with technology that enabled them to work and communicate effectively. All Members were issued with iPads, enabling Members to operate in a paperless way. This removed the need for paper based agendas at Committee meetings, creating savings in printing and paper. The workstream provided a way in which Members could meet with staff electronically over Business Skype, rather than by face to face meetings. It provided a modern flexible tool for Members to carry out their duties efficiently and conveniently. Members have up to date information and email available during meetings and elsewhere. An important requirement is the ability to share calendars but this is not possible as yet on the iPads.
- 5.11 T10-Document / Image migration – To move historic documents, files and images associated with a customer or property record to the new Civica W2 system. This enabled efficient records management and the decommissioning of the old document management systems. Over the last two years, the Councils have been extracting and importing documents into the new system and this process is almost now complete. Not enough time and resources were allocated to this workstream for the identification, extraction, importing and testing.

- 5.12 As stated in 5.1, there will be a separate report produced looking at the Civica implementation and the lessons learnt as a result.

6. Outcomes/outputs – Finance Workstream

- 6.1 In December 2014, the Council agreed an investment budget of £4.61 million for the Transformation Programme (T18), in order to deliver annual recurring revenue savings of £3.3 million.
- 6.2 The table in Appendix A shows that the predicted final spend (£4.556 million) was £58,000 less than the budget of £4.614 million. Appendix A details the individual budget lines and highlights the areas which were underspent and overspent.
- 6.3 In 2014/15 the Council achieved £290,000 of T18 salary savings. In 2015/16 the salary savings achieved were £1.2 million. By 2016/17, the T18 salary savings realised totalled £2.54 million. The £2.54 million is an annual salary saving from 16/17 onwards. In addition there were annual savings from the Delivery Unit (£155,000) and from the Accommodation workstream totalling a further £236,000. Therefore the total annual savings for South Hams District Council realised from the T18 Transformation Programme were £2.93 million. This is shown in further detail in Appendix A. The overall savings represented a saving of over 25% on the Councils' net revenue budgets.

Payback Period

- 6.4 The original estimated payback period for the T18 Transformation Programme was 2 years and 6 months. The following items have had an adverse impact on the payback period of the Transformation Programme and have increased the actual payback period to 2 years and 11 months.
- i) There was budgeted to be £125,000 of savings from 2015/16 onwards for recycling and waste. This was to be gained from the rationalisation of the current waste and recycling rounds. The waste efficiency savings were taken from IESE projections and informed by the interim IESE waste manager. This was done as a desk top exercise but detailed route testing later informed the position that these savings were not able to be achieved, as previously reported to Members.
 - ii) In June 2016, Members approved temporary transitional resources of a one-off amount of £545,000. This cost was funded through a re-investment of previous T18 savings back into the T18 Programme and through a reallocation of New Homes Bonus funding. This was to improve customer satisfaction and public perception of the Council during the implementation period of the Programme.

- iii) On 25 Feb 2016, Council approved the cost of £134,000 for additional resource to address the planning enforcement backlog.
- iv) As part of the Budget proposals for 2017/18 which were approved by Council on 9th February 2017, it was agreed to utilise £75,000 of the Budget Surplus Contingency Earmarked Reserve to fund five additional case managers within Development Management for a period of one year (2017/18).
- v) The initial business case included anticipated savings of £47,000 per annum for reduced annual IT software costs. These savings have not been realised due to the additional software that was either not anticipated, out of scope of the original programme or required to replace solutions that did not meet the Councils' requirements. It should be noted that a reduced contract cost was negotiated with Civica.

6.5 Whilst the budget reductions were achieved, the transition to the new model did result in increased call volumes, increased call waiting times and some service backlogs for an interim period, whilst the Transformation Programme was being embedded. Quarterly performance reports were presented to the Overview and Scrutiny Panel. The resourcing model and staff numbers in the new model were developed by Ignite and were based on:

- The new technology being delivered and more importantly embedded across the organisation.
- New more efficient and streamlined processes implemented and embedded.
- Customers using the new technology and process to self-serve rather than calling or visiting the Councils.

6.6 Due to a number of factors listed below the technology was delayed:

- The Councils' IT resources were reduced at the start of the Programme.
- The delivery of the technology solutions from the supplier suffered delays.
- A number of the IT solutions needed significant development to meet the requirements of the Councils.
- The availability of staff for testing and training was limited due to the need to carry on with day to day customer activity.

7. Outcomes/outputs – Customer Workstream

7.1 The Customer Workstream related to the engagement required with our customers to maximise the benefits of the future operating model. These benefits were both for the customer, in terms of improved customer

service and greater access to on-line services and for the Councils through reduced costs.

- 7.2 At the centre of the new staffing structure is a band of 'Case Managers'. They take a request or task from start to finish and the customer has one point of contact throughout their enquiry. Case Managers are helped by Specialists in different fields, who can be asked for their expertise when necessary. They have been freed up from administrative duties to focus on their specialism.
- 7.3 The focus of the new computer systems was the customer, enabling them to track service requests through a personal online account and having access to our services at a time and place that suits them.

8. Benefits Realisation and Performance figures

- 8.1 With new technology, there is a greater customer expectation to meet their needs 24/7 using a variety of channels, just as they would expect from other services such as their utilities and banks. Peoples' lives are constantly changing and the Councils recognised that we must change with them. In response, the Councils fundamentally changed their service delivery model which has enabled the Councils to reduce costs whilst meeting the demands of customers and communities. It has ensured that our Councils deliver a value for money solution to the taxpayer, delivering quality services at the lowest cost.
- 8.2 In creating the Councils' new operating model, officers talked to other 'pace setting' Councils and combined their successful approaches with our own experience to date, to design a radical new operating model which delivered the following non-monetised benefits:
- 24/7 access to those who choose to use our on-line services
 - Increased range of access options to recognise the diversity of our customers
 - Customer and site details held in one place for use by all services
 - A flexible workforce with empowered roles
 - An enhanced locality role for Members as community enablers
 - Commissioning options for each Council that participated in the model
 - Flexible options for sharing with any potential future partners
 - Locality workers – customer/community services out and about
 - Improved work/life balance for our staff.
- 8.3 The non-monetised benefits are in addition to the annual savings realised from the T18 Transformation Programme of £2.93 million. The schedule in Appendix A shows that £2.93 million of annual savings have been achieved against the original business case for annual savings of £3.3 million.

- 8.4 The success of the T18 operation model was aptly demonstrated during the recent bad weather from snow. The Councils had 210 members of staff working from home using mobile technology and the majority of services were able to continue to be delivered to customers.
- 8.5 The Transformation Programme has shown results, both financially and through service delivery. The Performance figures for the Councils during the main implementation period of the T18 Programme have been regularly reported to the Overview and Scrutiny Panel. Performance figures are also reported annually in the Council's Annual Report.
- 8.6 Detailed below is a list of the things that went well with the Transformation Programme (Successes) and also a list of items that could be changed in the future (Challenges).

'Successes':

- The Councils' detailed Business Case helped them to focus on what was important and manage budgetary control
- Undertaking Accommodation changes alongside the Programme helped support the Councils' future operating model aspirations
- Our level of communication was strong (in both level of detail and frequency), throughout the duration of the Programme.

'Challenges':

- Data migration proved harder than expected (due to source data quality issues and the number of extracts required). Albeit the approach of taking all data from the source systems may have contributed.
- More detailed planning & definition of both the delivery and go live phases could well have helped manage its resourcing and duration (or inclusion of a little more project contingency in the plans)
- Losing Support Services staff in the first phase hindered progress in subsequent phases, perhaps retaining some transitional resource and/or reordering some projects would have helped.
- Managing the resource conflicts across Business as Usual and the Transformation Programme was a challenge. The Councils could have tried to ring fence project resource more (both technical and business).

9. National Awards

- 9.1 In recognition of the Councils' achievements, South Hams and West Devon Councils were awarded the prestigious title of Council of the Year, at the 'Improvement and Efficiency Social Enterprise' (iESE) awards 2016. This was a huge achievement for both Councils, the award recognised that the Councils continue to rise to the challenges facing Local Government and were not afraid to tackle them head on.

10. Current issues and key risks

10.1 The capacity of the organisation to maintain business as usual service as well as be available for training and testing in new processes and systems was a risk that materialised and was a key issue. This resulted in continued delays in the Programme roll-out of technology and processes. The transitional resources approved ensured that business as usual service was improved, whilst technology and new processes were embedded.

10.2 To minimise the risks of project slippage, the following measures were in place:

- Lessons learnt from the planning portal deployment are now in place for future deployments. These included more comprehensive testing and involvement of key stakeholders (Members etc.).
- Weekly reviews were in place with Civica at both operational and senior management level.
- The Support Services Group Manager reported progress weekly to the senior leadership team.
- The Executive Member for Support Services was briefed fortnightly.
- A weekly review took place with the project team.

11. Summary

11.1 The Transformation Programme (T18) has been extremely successful overall and has achieved the annual revenue savings required, improved performance across the board, changed the culture of the organisation and has given customers much better access to our services.

11.2 None of this could have been achieved without the goodwill and sheer hard work of all of the staff, which went beyond expectations, coupled with the support of Members.

12. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Council delegated to the Executive to monitor the budget monitoring position of the Transformation Programme.
Financial	N	There are no financial implications arising directly from this report. The finances of the programme are set out in Section 6.1 to 6.6.
Risk	Y	See Section 10.
Comprehensive Impact Assessment Implications		

Equality and Diversity	N	This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs.
Safeguarding	N	This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs.
Community Safety, Crime and Disorder	N	None
Health, Safety and Wellbeing	N	This report updates Members on the opportunity for developing improved access to a range of Council services and meeting a wide range of customer needs.
Other implications	N	None

Appendix A – Financial Summary

Supporting Information:

Executive – 11 December 2014

Executive – 10 March 2016 – T18 Budget Monitoring report to end of February 2016

Executive – 16 June 2016 – Transitional Resources report

Overview and Scrutiny Panel - 27 July 2017 – Transitional Funding arrangements

Overview and Scrutiny Panel – 3 May 2018 – Transformation Programme (T18) Closedown report

Executive 14th June 2018
Transformation Programme (T18) Closedown Report

APPENDIX A

Expenditure Category	2014-2015 T18 Actual Expenditure	2015-2016 T18 Actual Expenditure	Actual expenditure 16/17, 17/18 and predicted for 18/19 & 19/20 (mainly Pension strain payments) (C) (£)	Total (Columns A to C) (£)	Comparison to the total T18 Budget (One-off Investment costs) (£)	Notes
Revenue Expenditure						
ICT technology, implementation and workstream development	298,585	336,466	21,000	656,051	615,750	Note 1
ICT workstation costs and infrastructure	185,960	74,811	-	260,771	276,000	Note 2
Training and Accommodation	93,961	64,556	-	158,517	128,000	Note 3
Implementation and design of the future operating model	186,794	750	-	187,544	175,000	Note 4
Redundancy and Pension Strain costs	1,481,957	188,166	878,090	2,548,213	2,702,000	Note 5
Contingency	0	105,000	16,000	121,000	175,000	Note 6
Capital Expenditure						
Accommodation	338,310	161,658	-	499,968	450,000	Note 7
ICT Software	92,250	31,750	-	124,000	92,250	Note 8
TOTAL	2,677,817	963,157	915,090	4,556,064	4,614,000	

Summary – The table shows actual expenditure to 31st March 2018 and predicted expenditure for 18/19 and 19/20 (for pension strain costs). The table above shows that the predicted final spend (£4.556 million) is £58,000 less than the budget of £4.614 million.

Note 1 - ICT technology, implementation, workstream development and project management costs – These are the contract payments to the IT supplier for delivering the IT system and project management costs. These were slightly over budget by £40,000 (6.5%), mainly due to project management costs.

Note 2 - ICT workstation costs and infrastructure – This was under budget by £15,000 and was for the purchase of workstations and infrastructure.

Note 3 – Training and Accommodation – This budget was overspent by £30,000.

Note 4 - Implementation and design of the future operating model – This was for the work with IESE and the budget was overspent by £12,500.

Note 5 – Redundancy and Pension Strain costs – This was the area of the budget which was the most difficult to predict. The Council now has certainty of these costs.

Note 6 – Contingency – The contingency budget was underspent by £54,000.

Note 7 – Accommodation (Follaton) – The accommodation budget was overspent by £50,000 (11%).

Note 8 – ICT Software – This is the software element of the contract payments to the IT supplier. This is treated as capital expenditure.

SCHEDULE OF SAVINGS ACHIEVED

The table below shows the schedule of savings achieved against the budgeted amounts in the original business case.

Description of the saving	Budgeted annual saving as per the Business Case (£)	Actual annual savings achieved (£)
Staff savings including travel and other staff savings (Workforce was reduced by 30%)	£2,592,000	£2,540,000
Waste Round rationalisation (See 6.4 (i) of the main report)	£125,000	-
Reduced IT software costs (See 6.4 (v) of the main report)	£47,000	-
Accommodation – extra letting income	£215,000	£143,000*
Accommodation – reduced running costs	£130,000	£93,000*
Other Delivery Unit savings – e.g. data management savings regarding channel shift	£270,000	£155,000
TOTAL	£3,379,000	£2,931,000

The original business case envisaged that the savings on Accommodation would be incremental and achieved by 2018/19.

Summary

The schedule shows that £2.93 million of annual savings have been achieved against the original business case for annual savings of £3.3 million.

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Agenda Item 8

Not for publication

The appendix to this report contains exempt information contained in Paragraph 3 of 12A of the Local Government Act 1972 (information relating to the financial and business affairs of the Council)

Report to: **South Hams Executive**
Date: **14 June 2018**
Title: **Waste & Recycling Haulage Contract Award**
Portfolio Area: **Commercial Services**

Wards Affected: **All**

Relevant Scrutiny Committee: n/a

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Natalie Johnson** Role: **Senior Specialist (Waste Strategy & Commissioning)**

Contact: natalie.johnson@swdevon.gov.uk / **01822 813407**

Recommendations:

1. That the Executive approves the decision to award the contract for Municipal Waste Haulage to the highest scoring bidder (Bidder A) as outlined in the Part II Contract Award Report.
2. Any minor changes considered necessary to the terms as highlighted are delegated to the Commissioning Manager (Waste) in consultation with the Lead Executive Member for Commercial Services.

1. **Executive summary**

- 1.1. The current contract for the provision of haulage services of household recycling to a reprocessor and residual household waste to a disposal site (energy from waste plant) is at its end and has exhausted its possible extension periods. Therefore in order to comply with Public Contract Regulations 2015 the award of a new contract is required.
- 1.2. Following a competitive open procurement process Bidder A has been evaluated to have provided the most economically advantageous tender for the provision of Mixed Municipal Waste Haulage Services.

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- 1.3. This report proposes that the Executive approve the decision to award the contract for the above mentioned services to Bidder A. The Part II Contract Award Report provides detail regarding the process used and how submissions were evaluated and scored.
- 1.4. Provided the decision is approved by the Executive, the Commissioning Manager will move forward with arranging for contract sealing and mobilisation with the target of the new contract being operational on Monday 23rd July 2018.
- 1.5. Failure to award the contract could result in the Council being non-compliant with the Public Contracts Regulations 2015 as the current contract has exhausted its possible extension periods.

2. Background

- 2.1. The contract for the provision of Municipal Solid Waste and Recycling Haulage Services from the Council's Torr Quarry Waste Transfer Station was last tendered in early 2015.
- 2.2. The contract covers the haulage of mixed municipal (grey bin) waste to Plymouth Energy from Waste Plant and the haulage of paper & cardboard (blue sacks) and plastics and metals (clear sacks) to Printwaste Material Recovery Facility (MRF) in Cheltenham. The Council will remain responsible for the loading of the vehicles used for haulage and the operation of the weighbridge.
- 2.3. As haulage rates can vary significantly as a result of fuel prices and delivery sites such contracts are re-procured every 2-3 years.
- 2.4. The estimated whole life value of the contract exceeded the OJEU threshold and therefore required a procurement process in line with the Public Contracts Regulations 2015.
- 2.5. On 11th April an Invitation to Tender (ITT) for these services was issued in order to secure submissions for future service provision.
- 2.6. The contract period has been set for one year with the ability to extend for a further two periods of one year each. This allows for any changes to services that may affect haulage of waste that may occur in the next three year period.

3. Outcomes/outputs

- 3.1. On 14th May the Council received 3 submissions in response to the ITT that were of satisfactory quality to allow for sufficient competition.
- 3.2. All submissions were evaluated in line with the criteria in 5.1 of Part II Contract Award Report and as set out in the tender documents.
- 3.3. Following moderation of evaluation scores the submissions were ranked in terms of highest score and can be seen in 5.4 of Part II Contract Award Report.
- 3.4. As part of the procurement it was ensured that council values around health, safety and environment were detailed in the specification and included as part of the evaluation.
- 3.5. Bidder A was evaluated to have provided the most economically advantageous tender and the submission provided confidence that the contractor is capable of delivering the service to, and exceeding, the specification.

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4. Options available and consideration of risk

- 4.1. The existing contract must now be replaced as there are no remaining extension periods.
- 4.2. If the Council chose not to award at this time it would result in the Council being non-compliant with the Public Contracts Regulations 2015. There is also no guarantee that, if the procurement process were to be repeated, good quality bids allowing competition would be received.
- 4.3. It was ensured that operational staff based at Torr Quarry Waste Transfer Station were consulted regarding aspects of the procurement documents to ensure that they were deliverable and realistic.

5. Proposed Way Forward

- 5.1. It is proposed that the Executive approves the award of the contract to Bidder A for the provision of these services.
- 5.2. Awarding at this time with the chosen contract term allows the Council to continue to deliver its statutory waste services while also allowing for variability that could occur as a result of the ongoing Frontline Services procurement exercise.
- 5.3. This procurement ties in with the 'Environment' corporate priority by ensuring that we continue to manage municipal waste correctly and lawfully by entering into a contract with a responsible and experienced waste haulier so that the recycling and waste reaches its end destination without damaging the environment.
- 5.4. Project risks and applicable mitigations are stated in section 6 of Part II Contract Award Report.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	As the contract to be awarded falls within scope of Public Contracts Regulations 2015 (PCR 2015), it must be awarded in full compliance with the same. Officers must make sure that the Council is in full compliance of PCR 2015 and all applicable laws.
Financial	Y	Costs of the contract and how this was evaluated are outlined in 5.3 in Part II Contract Award Report. Awarding the new contract is expected to cost an additional £45,000 a year. This is primarily as a result of inflation since the contract was last awarded and presents very good value for money (following comparison with other submissions for this contract). In addition, this figure is based on current recycling and waste tonnages, if these tonnages fluctuate this will affect the overall cost of the contract.

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The appendix to this report contains exempt information contained in Paragraph 3 of 12A of the Local Government Act 1972 (information relating to the financial and business affairs of the Council)

		As there are no changes to the existing waste collection regime planned for the contract term it is highly unlikely that the recycling and waste tonnages will fluctuate significantly.
Risk	Y	Risks related to this procurement are outlined in section 6 of Part II Contract Award Report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	n/a
Safeguarding	N	n/a
Community Safety, Crime and Disorder	N	n/a
Health, Safety and Wellbeing	Y	As part of their submissions bidders were asked to self-certify that they had an appropriate Health & Safety Policy in place and were evaluated on a number of method statements relating to health, safety and environment. These method statements formed over a third of the quality score weighting.
Other implications	N	

Supporting Information

Appendices:

Part II – Contract Award Report.

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**MINUTES OF THE MEETING OF THE
OVERVIEW & SCRUTINY PANEL
HELD AT FOLLATON HOUSE, TOTNES ON
THURSDAY, 3 MAY 2018**

Panel Members in attendance:			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr K J Baldry	*	Cllr E D Huntley
*	Cllr J P Birch	*	Cllr D W May
*	Cllr J I G Blackler	*	Cllr J T Pennington
*	Cllr B F Cane	∅	Cllr K Pringle
*	Cllr J P Green	*	Cllr M F Saltern (Chairman)
*	Cllr J D Hawkins	*	Cllr P C Smerdon (Vice Chairman)
*	Cllr M J Hicks		

Other Members also in attendance:
Cllrs H D Bastone, I Bramble, J Brazil, P K Cuthbert, R D Gilbert, N A Hopwood, J A Pearce, R Rowe R C Steer, K R H Wingate and S A E Wright

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Group Manager – Commercial Services; and Senior Specialist – Democratic Services
3	O&S.110/17	IT Community Of Practice Lead
7(a)	O&S.112/17(a)	Assets Community Of Practice Lead
7(c)	O&S.112/17(c)	Section 151 Officer
8	O&S.113/17	Urban Fringe Delivery Team Leader and Planning Senior Specialist
9	O&S.114/17	Assets Community Of Practice Lead
10	O&S.115/17	Specialist – Performance and Intelligence
11	O&S.116/17	Group Manager – Business Development and Principal Consultant, Altair

O&S.108/17 MINUTES

The minutes of the meeting of the Overview and Scrutiny Panel held on 22 March 2018 were confirmed as a correct record and signed by the Chairman.

O&S.109/17 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting. These were recorded as follows:-

Cllr M F Saltern declared a personal interest in Item 8: '*Update on the Urban Fringe Delivery Team and Sherford Strategic Review*' (Minute O&S.113/17 below refers) by virtue of being a Director of the Westcountry Schools Trust and remained in the meeting and took part in the debate on this matter.

O&S.110/17 URGENT BUSINESS

The Chairman informed that he had agreed for one item of urgent business to be raised at this meeting. The item related to the recent IT issues that had been experienced by the Council and the IT Community Of Practice Lead was in attendance to provide an update.

(a) Recent IT Issues

The Panel was informed that the first issue had been attributed to a domain name failing. Whilst the Council had paid (and received an acknowledgement of payment) to renew its licence on 31 March 2018, officers had noticed on 19 April 2018 that it had still expired. Despite many attempts to contact the host company, these had proven to be unsuccessful. To mitigate against this issue, the Council had now moved its host to a different organisation.

With regard to the email outage on the weekend of 28 and 29 April, officers had wished to undertake some systems maintenance. However, these works did not materialise as intended and had resulted in there being a need to restore the original systems.

In the ensuing discussion, the following points were raised:-

- (i) The Panel wished to record its thanks to those officers who had worked throughout the weekend to restore the email systems;
- (ii) A Member was of the view that such IT issues appeared to be occurring more frequently. As a consequence, the Panel requested that a more detailed update (entitled: 'IT Resilience and Continuity') be presented to its next meeting on 28 June 2018;
- (iii) The lead Executive Member highlighted the upcoming IT Procurement Process and reminded those present that the Panel had requested consideration of this matter at its meeting on 2 August 2018 before its onward presentation to the Executive.

It was then:

RESOLVED

That the Panel Work Programme for 2018/19 be updated to include an item entitled: 'IT Resilience and Continuity' to be considered at the next Panel meeting on 28 June 2018.

O&S.111/17 PUBLIC FORUM

In accordance with the Public Forum Procedure Rules, there were no issues received for consideration.

O&S.112/17 EXECUTIVE FORWARD PLAN

The Panel was presented with the most recently published Executive Forward Plan.

In accordance with Overview and Scrutiny Procedure Rules, a Member had given the required notice for updates to be considered at this meeting on the following future Executive agenda items: '*Follaton HQ Review*' and '*Medium Term Financial Strategy for 2019/20 Onwards*'.

(a) Follaton HQ Review

A local Ward Member expressed his concerns over the newly installed barriers at Follaton House Car Park, Totnes and questioned whether steps were to be taken to enable access to the Follaton Park at weekends.

In response, the Assets Community Of Practice Lead recognised that there was a fine balance between access provision for the public open space and the ability to control the use of the private car park. Whilst it would be kept under close and regular review, the officer confirmed that the decision had now been taken for the barriers to be left up. This response was welcomed by the local Ward Member.

(b) Medium Term Financial Strategy

In setting the context behind the request to consider this matter, the Member highlighted the assurances given by the Leader of Council at the full Council meeting held on 22 February 2018 (Minute 62/17 refers) regarding the proposal to impose a 'pay on entry' charge at the Steamer Quay, Totnes. In particular, the Member highlighted the assurance that was given at this meeting whereby '*consultation would be undertaken with relevant tenants, stakeholders and local Ward Members*'.

By way of an update, it was noted that a meeting had been held between officers, tenants and other affected stakeholders during which various options had been discussed. Prior to any final decisions being made, it was intended that consultation would then take place with the local Ward Members.

As a general point, the importance of keeping local Ward Members informed was raised by the Panel and it was felt that each of those local Members who would be affected by these charging proposals should also be consulted as part of the decision-making process.

(c) Transformation Programme (T18) Closedown Report

A report was considered that sought endorsement of the contents of the T18 Transformation Programme Closedown report and the benefits realised from this project.

In discussion, reference was made to:-

- (i) the financial performance of the project being a success, with the final spend being £58,000 less than the Budget of £4.614 million and total annual savings of £2.93 million being realised. It was noted that the IT technology spend was over budgeted by £40,000 (which represented 6.5% of the Budget of £615,000) and Members were of the view that this element had been disappointing. However, when considering the size and scale of the Programme, Members endorsed the fact that it had been a financial success and commended officers for achieving this outcome;
- (ii) some of the lessons learned from the project. In citing the example of allowing the Councils' IT staffing resources to be reduced at the start of the Programme (prior to the IT systems being in place), a Member felt that this should have received greater prominence and reference in the presented agenda report. As a consequence, the Panel requested that this be highlighted in the report that was to be presented to the Executive at its meeting on 12 June 2018 alongside the other consequent lessons that had been learned;
- (iii) the ability for staff to work from anywhere. A Member particularly wished to highlight the success of the agile working aspect of the Programme and felt that the performance and resilience of the Council during the recent inclement weather was testament to this provision;
- (iv) the anticipated IT software cost savings of £47,000 not being realised. Officers confirmed that this additional cost pressure had been built into the 2018/19 Budget setting proposals.

It was then:

RESOLVED

1. That the Panel endorse the contents of the T18 Transformation Programme Closedown report and the benefits realised (as set out in Section 8 of the presented agenda report);
2. That the Panel endorse the fact that the T18 project had been a financial success; and
3. That, as part of its deliberations at its meeting on 14 June 2018, the Executive give particular consideration to the impact during the transition period and the project lessons to be learned.

O&S.113/17 UPDATE ON THE URBAN FRINGE DELIVERY TEAM AND SHERFORD STRATEGIC REVIEW

A report was presented that provided an update on both the Urban Fringe Delivery Team and the Sherford Strategic Review.

Alongside this report, the Urban Fringe Delivery Team Leader conducted a Presentation and, by way of a progress update on Sherford, Members particularly noted that:-

- 240 dwellings had been constructed;
- The foundations for a further 200 dwellings had been established;
- 148 dwellings were occupied; and
- The first Primary School was currently under construction and it was intended to be officially opened in time for the September 2018 term.

Upon the conclusion of the presentation, it was agreed that copies would be circulated to all Members.

In the ensuing discussion, reference was made to:-

- (a) the current Sherford Road closure. In light of the temporary closure, some Members highlighted the impact that this was having and the roads from Brixton to the A38 were frequently gridlocked. In light of the impact, these Members asked that all measures be taken to ensure that the five weeks that had been scheduled for this temporary closure be adhered to. In reply, the Head of Paid Service informed that the Sherford Project Board was scheduled to meet on 9 May 2018 and she would emphasise the importance of this point at this meeting and provide an update to Members accordingly;
- (b) the Members Steering Board. Members expressed some confusion over the status of the Steering Board (as referred to in paragraph 2.2 of the presented agenda report), the Joint Steering Group and the Sherford Project Board. As a consequence, the Panel requested that these matters be clarified in time for the Annual Council meeting on 17 May 2018;
- (c) the first Primary School. It was confirmed that, whilst further details would emerge in due course, 24 children had been enrolled to start at the School in September 2018 and some staff members had already been recruited;
- (d) the Transport Specialist role vacancy. Whilst interim measures had been in place to cover aspects of this role, officers advised that it was intended to start the formal recruitment process to fill this vacancy in the upcoming weeks;
- (e) skills shortages in the construction industry. In recognising that these skills shortages were a national trend, the Panel was informed that an onsite Skills Centre had recently opened and, whilst still very much in its infancy, it was already attracting some levels of interest;
- (f) the role of Devon Wildlife Trust. In reply to concerns that had recently been raised by the Trust, officers countered that the organisation had been consulted as part of the Section 73 planning application process. However, the Council had not received any response from the Trust during this process;

- (g) park and community space. Officers agreed to provide interested Members with a plan that outlined where the onsite park and community space would be located.

It was then:

RESOLVED

1. That the set up and function of the new Urban Fringe Delivery Team be noted and supported;
2. That officers clarify the status of the 'Members Steering Board'; the 'Joint Steering Group' and the 'Sherford Project Board' in time for the Annual Council meeting to be held on 17 May 2018; and
4. That the latest update on the Sherford Strategic Review be welcomed.

O&S.114/17 FEASIBILITY OF INSTALLING ELECTRIC CAR CHARGING POINTS IN THE COUNCIL'S PUBLIC CAR PARKS

In line with the resolution arising from the Council meeting held on 14 December 2017 (Minute 52/17(b) refers), the Panel considered a report that presented a proposed strategy for the installation of an electric vehicle charging network in Council Car Parks.

In discussion, the following points were raised:-

- (a) Although a number of Members expressed their support for the proposed strategy, some concerns were raised over the indicative installation date of late 2019 and it was hoped that efforts could be made to bring this date forward. As a result, an addition to the recommendation (shown in italics) was **PROPOSED** and **SECONDED** as follows:

'That the Panel **RECOMMEND** that the Executive **RECOMMEND** to Council that the proposed Strategy for the installation of an electric vehicle charging network in Council Car Parks be endorsed, *subject to steps being taken to advance the proposed installation date as outlined in paragraph 2.6 of the presented agenda report (late 2019).*'

When put to the vote, this addition was declared **CARRIED**.

- (b) With regard to the Nursery Car Park, Totnes, officers gave an assurance that re-surfacing works would be undertaken prior to any charging points being installed;

- (c) In disagreement with those Members who were supportive, other Members expressed specific concerns relating to the proposed strategy. These concerns primarily related to this matter being a non-statutory function for the Council and the loss of revenue arising from a reduction in fee paying car parking spaces. In response, these Members were reminded that Air Quality Management was a statutory duty for the Council and the loss of revenue would be included in the Business Case;
- (d) In the event of the funding provision that was referred to in the presented agenda report no longer being available, the lead Executive Member confirmed that the matter would be presented back to the Panel for further consideration.

It was then:

RECOMMENDED

That the Panel **RECOMMEND** that the Executive **RECOMMEND** to Council that the proposed Strategy for the installation of an electric vehicle charging network in Council Car Parks be endorsed, subject to steps being taken to advance the proposed installation date as outlined in paragraph 2.6 of the presented agenda report (late 2019).

O&S.115/17 Q4 2017/18 PERFORMANCE REPORT

Members considered a report that presented the 2017/18 Quarter 4 Performance Indicators.

In discussion, reference was made to:-

- (a) planning appeal decisions. The Panel felt that it would be beneficial to include the total number of planning appeals that had been determined as opposed to the total number of planning applications. In response, it was noted that the Development Management Committee had expressed the same view when it last considered the performance information;
- (b) the planning enforcement statistics. A Member reiterated his previously raised concerns relating to the number of planning enforcement cases being such that the funding and capacity allocated to the service were still wholly insufficient. In reply, officers accepted that the number of reported cases remained extensive and, in the event of Members being of the view that the service still required further improvements, then this would need to be brought back through the budget setting process. Furthermore, some Members emphasised the important role that had to be played by Legal support to ensure an effective and efficient planning enforcement service.

The view was expressed that all Members also had a key role to play in planning enforcement cases. In particular, Members needed to be in regular contact with Enforcement Officers and be firm when considering (and dealing with) those cases that were merely neighbour disputes;

- (c) the downward trend in overall waste recycling rate %. When questioned, officers stated that the actual reduction was less than 1% and was attributed to the missed collections that had resulted from the inclement winter weather in the South Hams. Given the bad weather that had occurred in the South Hams, Members felt that only a 1% reduction was a commendable result and the thanks of the Council should therefore be passed on to the waste and recycling crews;
- (d) the % of benefits change of circumstances online. It was acknowledged that the overall take up for the online change of circumstance had been, to date, disappointing;
- (e) a potential new performance indicator. A Member remained of the view that a new indicator should be developed in connection to caseload per planning officer and asked that this be given consideration as part of any pending review into the performance measures that were reported.

It was then:

RESOLVED

1. That the performance levels against target communicated in the Balanced Scorecard and the performance figures supplied in the Background and the Exception report be noted; and
2. That the thanks of the Panel be passed on to the waste and recycling crews for their hard work and efforts during the recent period of bad weather.

O&S.116/17 ENABLING HOMES TO MEET THE NEEDS FOR ALL

Members considered a report that presented a range of options for the purpose of delivering social/affordable housing in order to meet the needs of those in the South Hams who were finding it difficult to purchase their own property and/or find suitable rented accommodation.

The Chairman proceeded to introduce the Principal Consultant from an organisation called Altair, who delivered a presentation to those in attendance. Upon the conclusion of the presentation, it was agreed that the presentation would be circulated to all Members for their information and reference.

In the ensuing discussion, reference was made to:-

- (a) inclusion of social rented housing. When questioned, the Principal Consultant expressed the view that, for the purposes of this project, inclusion of social rented housing would not be a sustainable option. In light of this comment, some Members felt that the heading of the agenda item (i.e. Enabling Homes to '*Meet the Needs for All*') was somewhat misleading and should be revisited as the project progressed;
- (b) governance supporting the establishment of a Board / Executive arrangement. Whilst acknowledging the likely appetite of the Council to maintain close control of any vehicle that underpinned the governance arrangements, the Principal Consultant also highlighted the need for any Board / Executive to have representatives that were appointed on a 'fit for purpose' basis;
- (c) an amendment to the report recommendation. In **PROPOSING** a series of amendments to the recommendation, a Member was of the view that the principles (as outlined in Section 4 of the presented agenda report) gave too much emphasis on a Wholly Owned Company (WOC) being a solely commercial entity rather than a commercial and social entity. Furthermore, it was the view of the proposer that any profits generated by a WOC should be reinvested for further development. These amendments were each **SECONDED** as follows:

- i. That section 4.1.1 be amended to read:

'The delivery of affordable housing by the Wholly Owned Company (WOC) should be financially viable and not dependent on funding from the Council to cover any possible financial losses.'

When put to the vote, this amendment was declared **CARRIED**.

- ii. That section 4.1.8 be amended whereby reference throughout to the term '*will*' be replaced with the term '*may*'.

A number of Members did not support this amendment and, when put to the vote, it was declared **LOST**.

- iii. That section 4.1.8 include an additional (final) sentence that read:

'In any event, the focus of the WOC is to provide affordable housing for sale or rent at below market rates.'

When put to the vote, this amendment was declared **CARRIED**.

- iv. That section 4.1.9 be deleted.

Whilst the proposer felt that this section did not add anything to the principles, the majority of Members disagreed and, when put to the vote, this amendment was declared **LOST**.

- v. That section 4.1.9 be amended to read:

‘Affordable Housing rents will be set in order to meet the objectives *in the Business Case*. This does not mean that social rents will be made available.’

When put to the vote, this amendment was declared **CARRIED**.

- vi. That sections 4.10 and 4.11 be deleted.

When put to the vote, this amendment was declared **CARRIED**.

- vii. An additional recommendation 4 to read:

‘That, before a business case is presented to the Panel and the Executive, arrangements be made for the relevant officers to meet with Members on a ward by ward basis so as to investigate and ascertain possible opportunities that may be available (or become available) to the WOC in their area for the development of affordable housing. During these meetings, particular attention is to be given to possible ‘exception’ sites in planning terms. The outcome of these meetings will then be presented to the Panel and the Executive alongside the business case proposal.’

When put to the vote, this addition was declared **CARRIED**.

In concluding the agenda item, the Chairman thanked the Principal Consultant for his informative presentation and, on behalf of the wider membership, looked forward to developing the working relationship with his organisation as the project evolved.

RESOLVED

1. That the good work carried out already to support the Council’s strategic aim of enabling homes to meet the needs for all (as outlined in Section 3 of the presented agenda report) be acknowledged;
2. That the principles (as outlined in Section 4 of the presented agenda report) be agreed and supported subject to:-

- (a) Section 4.1.1 being amended to read:

‘The delivery of affordable housing by the Wholly Owned Company (WOC) should be financially viable and not dependent on funding from the Council to cover any possible financial losses.’

- (b) Section 4.1.8 being amended to include a final sentence that reads:

‘In any event, the focus of the WOC is to provide affordable housing for sale or rent at below market rates.’

(c) Section 4.1.9 be amended to read:

‘Affordable Housing rents will be set in order to meet the objectives *in the Business Case*. This does not mean that social rents will be made available.’

(d) Sections 4.1.10 and 4.1.11 being deleted.

3. That the Panel consider (before its presentation to the Executive) a detailed business case for the formation of a South Hams District Council WOC that will increase the Council’s capability to enable homes to meet the needs for all; and
4. That, before a business case is presented to the Panel and the Executive, arrangements be made for the relevant officers to meet with Members on a ward by ward basis so as to investigate and ascertain possible opportunities that may be available (or become available) to the WOC in their area for the development of affordable housing. During these meetings, particular attention is to be given to possible ‘exception’ sites in planning terms. The outcome of these meetings will then be presented to the Panel and the Executive alongside the business case proposal.

O&S.117/17 **TASK AND FINISH GROUP UPDATES**

(a) Drug and Alcohol Abuse

As part of his update, the Chairman of the Task and Finish Group advised that:

- the next Group meeting was due to take place on the rising of this Panel meeting; and
- a questionnaire was being circulated around local secondary schools in the South Hams. It was noted that one of the key intentions of the survey was to ascertain the depth of the recreational drug use issue.

O&S.118/17 **ACTIONS ARISING / DECISIONS LOG**

The contents of the latest version of the Log was presented for consideration. In so doing, the Group Manager – Commercial Services gave a commitment to look at the information contained on the promotional board in the Follaton House Car Park (Minute O&S.73/17 refers).

O&S.119/17 **DRAFT ANNUAL WORK PROGRAMME**

In consideration of its Annual Work Programme, the following comments, additions and amendments were made by the Panel:-

- (a) In accordance with the earlier request made under the urgent item (Minute O&S.110/17(a) refers), Members noted the decision to schedule an item entitled: 'IT Resilience and Continuity' on to the next Panel meeting agenda on 28 June 2018;
- (b) Having made the request to consider the 'Wholly Owned Company Business Case' before its presentation to the Executive (Minute O&S.116/17 above refers), it was noted that this item would be added to the Work Programme for the Panel meeting on 6 September 2018.

(Meeting started at 10.00 am and concluded at 1.15 pm)

Chairman