



EXECUTIVE

YOU ARE REQUESTED TO ATTEND A MEETING OF THE EXECUTIVE TO BE HELD IN PRINCIPAL COMMITTEE ROOM, THE DEANE HOUSE, BELVEDERE ROAD, TAUNTON ON WEDNESDAY 19TH JULY 2006 AT 18:15.

AGENDA

1. Apologies
2. Minutes of the meeting of the Executive held on 21 June 2006 (attached)
3. Public Question Time
4. Declaration of Interests
To receive declarations of personal interests, in accordance with the Code of Conduct
5. Funding to Support the 2006 Westival
Report of Strategic Director (attached)
6. Taunton Parking Strategy
Joint Report of Forward Plan Manager and Civic Contingencies Manager (attached)
7. Planning Obligations Strategy for Delivering the Taunton Vision and Local Development Framework
Report of Forward Plan Manager (attached)
8. Promises to Tenants should the Housing Stock Transfer to Deane Housing
Report of Head of Housing (Housing Transfer Consultation Coordinator) (attached)

G P DYKE
Member Services Manager
11 July 2006



Members of the public are welcome to attend the meeting and listen to the discussion. Lift access to the main committee room on the first floor of the building is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available. There is a time set aside at the beginning of the meeting to allow the public to ask questions



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter. If you require any further information, please contact Greg Dyke on:



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Website: www.tauntondeane.gov.uk (Council, Executive, Review Board & Review Panel Agenda, Reports and Minutes are available on the Website)

Executive – 21 June 2006

Present: Councillor Williams (Chairman)
Councillors Bishop, Mrs Bradley, Clark, Garner, Hall, Leighton and Mrs Lewin-Harris

Officers: Mrs P James (Chief Executive), Ms S Adam (Strategic Director), Mr P Carter (Financial Services Manager), Mrs E Collacott (Principal Accountant), Mr M Western (Head of Housing), Mr S Lewis (Scrutiny and Performance Manager), Mr A Priest (Asset Holdings Manager) and Mr G P Dyke (Member Services Manager)

Also Present: Councillors Coles, Henley, Murphy, Slattery, P Smith, Stone, Stuart-Thorn, Wedderkopp, Mrs Whitmarsh and Weston

(The meeting commenced at 7.00 pm)

49. Apologies

Councillor Cavill.

50. Minutes

The Minutes of the meeting held on 3 May 2006 were taken as read and were signed.

51. Public Question Time

Councillor Henley, as a member of the public asked if there were any plans to review the current position regarding recycling of plastics.

Councillor Mrs Bradley, the relevant Executive Councillor, replied that there was an ongoing policy to keep this matter under review.

52. Issues surrounding Housing Stock Transfer and Retention

Submitted reports previously circulated regarding the following four key issues which needed to be addressed as a result of the housing transfer consultation and the outcome of the ballot.

- The Housing Options Service
- The Direct Labour Organisation
- The Housing Revenue Account Projected Capital Programme
- Capital Receipts Allocation

In the event of a “YES” vote in relation to the Housing Transfer Consultation, decisions would need to be made as to what areas of work remained with the Council and what would transfer to the new Housing Association. Detailed

consideration was given to the Housing Options Section and the Direct Labour Organisation – Building Services Unit.

The Housing Revenue Account Projected Capital Programme would have a shortfall of £1.85 million per annum for the years 2007 to 2011 if the Council were to meet the decent homes standard, which could not be met if the tenants voted “NO” to transfer. Although Officers had been working to close this funding gap the report made clear the likely consequences.

It was also necessary to give a commitment in principle that all relevant capital receipts from any transfer of the housing stock to Deane Housing would be used in the future provision of affordable housing.

Experience with other local authorities had shown that services in relation to homelessness, housing register and lettings were best kept in house to avoid abortive costs. This was also a recommendation of the Government Office of the South West.

The Building Service Unit of Deane Direct Labour Organisation had been successful for many years but if the stock transfer took place it was acknowledged that much of the Unit’s work (approximately 30%) was not Housing Revenue Account funded. The various options were considered and it was concluded that if the stock did transfer then 70% of the Unit’s functions should be transferred to Deane Housing. The remaining 30% would stay with the Council.

It was also acknowledged that the Council would have to make very serious budget reductions if the tenants voted “NO” to transfer. Further consideration was given to the proposed cuts in services and reductions in staff that would be required to close the budget gap if this happened. It was apparent that it would be necessary to make cuts in services and posts. This would be necessary to ensure that the Council met the decent homes target at the cost of other parts of the service and that the front line services were preserved at the expense of management plus support staff.

All of these issues resulted in serious financial implications for the Council. Capital Receipts Retention for affordable housing would ensure that the Council had sufficient finance to support its affordable housing programme of £850,000 per annum for many years to come. Alternatively this would need to be funded from the General Fund. This funding would also ensure continued grants from the Housing Corporation.

All of these issues had been considered in great detail by the Housing Review Panel at a meeting immediately preceding this Executive meeting and details of its recommendations were submitted.

RESOLVED that the recommendations of the Housing Review Panel be agreed and

- (i) The Housing Options Section be retained as a core Council service should the tenants vote "YES" to transferring the stock and the impact within the General Fund Planning Regime of £84,000 per annum be noted.
- (ii) The current Housing Revenue Account funded part of the Building Service Unit of the Direct Labour Organisation be transferred to Deane Housing should the tenants vote "YES" to stock transfer. This represented 70% of the Building Service Unit's workforce. The remaining 30% would be integrated by the Council in the remaining DLO and further work was required to decide the future of these services.
- (iii) Should the tenants vote "NO" to transfer the Council agreed the Officers' financial advice as set out in the reports to ensure the decent homes standard was met by 2010 at the cost of the reductions to services and posts as outlined in the reports. Posts and services were not finalised and may be altered to ensure the financial targets were met.
- (iv) All relevant capital receipts be retained for the provision of affordable housing.

52. Treasury Management Out turn 2005/06 and 2006/07 Update

Submitted report which gave an update on the Out turn position for Treasury Management activities for 2005/06 and the current position to date for the financial year 2006/07 on Treasury Management issues. It was noted that the debt position remained relatively benign in respect of costs and repayment profile. Interest rates were static but it was expected that they would take an upward trend in the future. Debt costs and investment income showed positive variances for 2005/06. Borrowing strategy remained unchanged as a review showed no revenue benefit of restructure, however with Taunton Vision and Housing Stock Transfer on the horizon this would be kept under review.

RESOLVED that the Treasury Management Out turn for 2005/06 and the position to date for 2006/07 be noted.

53. Annual Report 2006/07

Reported that the Council was required to produce an Annual Report (or Performance Plan) which articulated its proposals for improvement for the coming year including how weaknesses would be addressed, opportunities exploited and better outcomes delivered. The Council were also required to include Out turn data and targets for BVPIs progressed against past objectives and statutory statements on workforce matters.

A more accessible Annual Report would be published this year and would link to an appendix of Performance Indicators and the previously published Corporate Strategy 2006/2009.

The Review Board had scrutinised the Annual Report at its meeting on 8 June 2006 and had recommended that it be approved.

RESOLVED that Council be recommended that the Annual Report be agreed.

54. Performance Monitoring Out turn Report on 2005/08, Corporate Strategy 2005/06, Financial Out turn and 2005/06 Performance Indicators

Submitted report previously circulated which gave an update on the Out turn position of the Authority on revenue and capital expenditure for the General Fund Housing Revenue account and Trading Services for 2005/06 and progress against the 2005/08 Corporate Strategy and 2005/06 Performance Indicator Targets.

In respect of budget monitoring the General Fund Revenue Out turn showed an underspend of £45,000 when compared with the current budget. It was intended that this underspend would be used towards potential additional concessionary travel costs within 2006/07.

The General Fund Capital Programme expenditure for the year amounted to £4,196,387, the total budget for the year was £9,678,963. The majority of this underspend would be slipped to the 2006/07 year. The revised budget for 2006/07 to 2008/09 would therefore be £15,363,143. It was noted that the unallocated capital resources now totalled £481,000.

The Housing Revenue Account Draft Out turn showed a working balance carried forward into 2006/07 of £2,009,384 which was £352,473.00 more than predicted in the most recent budget monitoring report.

Housing Revenue Account Capital Expenditure amounted to £4,991,000 against a budget of £4,913,000. This would reduce the programme in 2006/07. The DLO had made an overall profit of £70,000. It was noted that the figures remained subject to external audit.

The Council's Corporate Strategy and Performance Monitoring had identified that 83% of Corporate Strategy Objectives were on course and 54% of Performance Indicators were on target.

The Council together with all Somerset Districts had been contributing to a local public service agreement between Central Government and Somerset County Council. The agreement was to achieve greater performance improvement than that which would normally be expected in certain Government determined functions. In addition to improved services the contributing Councils could receive a reward grant if they delivered the agreement. One element of the agreement concerned a basket of seven Performance Indicators. The final figures had yet to be audited, however this

Council had easily exceeded its target. This information would now be collated with the other District Council's performance by the County Council and if we had all achieved targets the Council would be awarded a share of the reward grant by the County Council.

RESOLVED that

- (a) The draft Out turn positions on revenue and capital for both the General Fund and Housing Revenue account for 2005/06 be noted;
- (b) Council be recommended that the General Fund underspend of £44,764.00 be earmarked for potential additional concessionary travel costs within 2006/07 and
- (c) The performance against targets for both the Corporate Strategy and Performance Plan for 2005/06 be noted.

55. Exclusion of Press and Public

RESOLVED that the press and public be excluded from the meeting for the item numbered 9 on the Agenda because of the likelihood that exempt information would be disclosed relating to Clause 9 of Schedule 12A of the Local Government Act 1972 and the public interest in withholding the information outweighed the public interest in disclosing the information to the public.

56. Purchase of Property at Stoke Road, Taunton

Reported that as part of the process in reviewing the future of its horticultural nursery at Mount Street the Council had been searching for possible alternative sites where it could be relocated (Minute 73/2005 refers). A property which was shortly due to be sold by auction had now been identified as being particularly suitable for this purpose. Details of the property together with other supporting information was submitted and considered.

RESOLVED that it be agreed in principle that the Asset Holdings Manager bid for this property at the auction sale on 5 July 2006 up to an amount to be agreed with the Leader of the Council, and the Executive Councillor for Economic Development Property and Tourism on the proviso that

- (i) Independent valuation had been sought in relation to the purchase of the property and the sale of the surplus property;
- (ii) Written confirmation from the Highway Authority was obtained giving no objections to the Council's proposals from a Highway Safety perspective;
- (iii) A satisfactory building survey had been carried out;

- (iv) A updated business case for the nursery relocating was completed by the Head of Environment and Leisure and also agreed with the Leader on behalf of the Executive and the Portfolio Holder for Leisure, Arts and Culture.

(The meeting ended at 8.06 pm)

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE COMMITTEE

July 19th 2006

FUNDING TO SUPPORT THE 2006 WESTIVAL

(This is responsibility of Executive Councillor J Clark)

Report of Strategic Director (Joy Wishlade)

EXECUTIVE SUMMARY

The Westival is a new arts festival which is being launched in Taunton this summer which is being put on via collaboration between a number of arts organisations (the Brewhouse, Taunton Music Trust and Taunton Town Centre Company amongst others). The aim is to establish Westival as an annual festival that will grow in size and prominence over the next three years and an ambition to make Taunton a cultural destination bringing increased tourism and wealth into the area. The recommendation is that the Executive approve £19,000 funding from reserves to support this initiative in its first year.

1. INTRODUCTION

The Westival is a new annual summer arts festival which is starting this summer. It has come about due to collaboration between a number of organisations within the town including the Brewhouse Theatre and Arts Centre, the Taunton Music Trust and the Taunton Town Centre Company. Various other businesses and organisations have pledged their support and £8,500 has been raised in sponsorship so far. The Westival organisers plan that it will grow into an Arts Festival of regional and national standing over the next few years. Timed to coincide with the already established Flower Show, the benefit to tourism and the local economy should be considerable.

2. PROGRAMME

The Westival will run from July 28th to August 6th and will provide a programme to suit a range of tastes which will include top professional acts together with young local musical talent. The venues will include the Brewhouse, St James' church, Vivary Park and a drive in movie theatre at Priory Bridge Road car park.

Highlights include:

- Comedienne Sue Perkins
- Mozart concertos with Orchestra West conducted by Oliver Gooch from the Royal Opera House
- A music marquee which will host local bands in the day and professional jazz in the evening
- An evening with Germaine Greer
- Garden Opera in Vivary Park (in conjunction with the Flower Show)
- Drive in movie theatre

- Midge Ure
- Closing concert party of film music
- Children and young peoples' activities

3. FUNDING

The Westival is working on the usual financial model for annual festivals i.e. that they lose money in the first year, break even in the second and make money in the third. The sponsorship money is being used to under write those events which will not pay for themselves but additional funding is required for the marketing, crucial to the success of the Westival, and to the administration of bookings etc. The organisers have been actively seeking funding from organisations in the area and although £8,500 has currently been raised many have indicated that they would be willing to sponsor year 2 of the Westival which gives them more notice in allocating budgets. TDBC has already contributing £500 from its tourism promotion budget and £2,000 for the 05/06 arts budget towards marketing.

However, in order for the first year of the Westival to be a success the marketing needs to be significant. The higher the marketing spend, the bigger the reach. The Westival organisers consider the programme has national significance. It is therefore suggested that TDBC provide a further contribution of £19,000 from reserves to add to the marketing budget and to support the efficient administration of the event.

4. RECOMMENDATION

That the Executive support the Westival 2006 with a grant of £19,000 from reserves

Joy Wishlade
Strategic Director
Taunton Deane Borough Council

TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 19 JULY 2006

JOINT REPORT OF THE FORWARD PLAN MANAGER AND THE PARKING AND CIVIL CONTINGENCIES MANAGER

(This matter is the responsibility of Executive Councillor Bishop)

TAUNTON PARKING STRATEGY

1.0 PURPOSE OF REPORT

1.1 To consider the draft Taunton Parking Strategy.

2.0 SUMMARY

2.1 Parking is an important issue for the future prosperity of business in Taunton. The parking strategy is a key component of the land use and transport planning of the town. The majority of the land identified for regeneration in the Vision is owned by the Borough Council and is mostly surface parking. Clearly multi storey car parks must be provided to enable the Vision to happen. This presents a considerable challenge for the Borough Council. This study confirms the principles of the UDF and identifies a number of priorities for future action.

3.0 BACKGROUND

3.1 The Taunton Vision partnership commissioned Atkins to prepare a Parking Study for Taunton in mid 2005. The Transport and Parking Vision officer sub-group is steering this work. A Parking Survey Report, Policy Review, Development Review and Case Studies were completed in December 2005. A Parking Model was designed to reflect the existing demand and supply situation and enable forecasts of future demand, supply and tariff structure. Several specific local issues, such as park and ride, the blue badge scheme, variable message signing (VMS) and residential parking permits were also examined. Procurement options were also studied.

3.2 The draft Parking Strategy was completed in May. It was the subject of a workshop for both Borough and County Councillors on 23 May 2006 in the PCR. A stakeholder workshop was held on 30 May in the Luttrell Room at County Hall.

3.3 SPTED Review Panel considered and unanimously agreed this report on 29 June 2006. The County Council took the strategy to the Environment Scrutiny Sub-Committee on 4 July, and will take it to Somerset Strategic Planning Conference on 17 July and Executive Board on 26 July 2006.

4.0 TAUNTON PARKING STRATEGY

- 4.1 The draft Parking Strategy is appended to this report. It has an important role in helping to deliver the regeneration of Taunton town centre, as set out in the Vision for Taunton and the Urban Design Framework (UDF). It sets out objectives and guiding principles that fit with the Local Transport Plan (LTP2) and inform the Taunton Town Centre Area Action Plan (TCAAP). These principles will be included in the TCAAP preferred option consultation in October and November.
- 4.2 The Parking Strategy confirms that the UDF was correct in terms of the total amount of parking to be provided and the strategy to provide a ring of multi storey car parks (MSCPs) on radial routes within easy walking distance of the town centre. The strategy has not recommended specific locations for the MSCPs, but the officer sub-group considers that the optimal sites for the four main car parks serving Firepool, Tangier, High Street West and High Street East are as shown in the UDF. All the MSCP proposals have potential for skinning prominent frontages, such as to roads or waterways, with single aspect residential flats. This will improve the visual appearance and help to provide a return on investment in construction.
- 4.3 The UDF strategy also put forward a MSCP at Sainsbury's Hurdle Way site, but delivery of this is unlikely since this land is not under Council control. The UDF proposal of a MSCP next to Station Road swimming pool is not directly related to the major regeneration sites. The existing First Great Western car park south of the railway station may well be turned into a MSCP by First. Our car park at Kilkenny was not included in the UDF proposals, but does have potential to become a MSCP skinned with flats, possibly in connection with a public transport interchange.
- 4.4 An outcome from the workshops on 23 and 30 May, was a recognition that there were different priorities for parking provision in different parts of the town centre. For example, there needs to be a distinction between priorities in shopping areas and residential areas. The objectives and guiding principles were generally agreed. Whilst the adequate supply of parking spaces is a prerequisite for a successful town, management of parking supply is an essential element of the transport strategy, which relies on a demand management process.
- 4.5 The strategy identifies key outcomes and relates these to 13 Action Plans. These identify a significant amount of work to be done. It is important for the partners to prioritise this work and agree who will be responsible for delivering each of the agreed priority Action Plans. The officer sub-group has considered this matter and concluded as follows:

Action Plan	Lead	Support	Priority	Comment
1. Demand management plan	TDBC	SCC	High	Bullets 7&8 – existing member working group
2. Town Centre Parking Standards Review	TDBC	SCC	High	TCAAP will take this forward
3. Taunton Access Plan	SCC	TDBC	High	Bullets 1-5 TDBC; 6,7,8&10 SCC; 9 done
4. Contributions policy	TDBC	SCC	High	TCAAP will take this forward
5. Development Review Model	Taunton Vision	TDBC & SCC	High	Ongoing – combine with action plan 11
6. Major events access plan	SCC	TDBC	Medium	Liaison with Somerset County Cricket Club
7. Customer Charter	Lucy Ball	SCC & TDBC	Medium	
8. Joint Working Arrangements	Taunton Vision Partners			Already happening through Vision Transport and Parking sub-group
9. Disability Access Plan	TDBC	SCC	High	Already being done
10. Procurement Strategy	TDBC	Vision & SCC	High	
11. Financial Forecasting Model	TDBC	SCC	High	Combine with action plan 5
12. Parking Management Information Model	TDBC	SCC	Medium	Will assume greater importance with commencement of development
13. Parking Marketing Plan	SCC	TDBC	High	Part of wider transport strategy – Smarter Choices campaign

4.6 Delivery and phasing

Firepool is the key strategic employment site in the Taunton Vision. The Vision Delivery Team is working on an implementation programme for Firepool. It is anticipated that marketing for a development partner will commence this autumn and take until the end of this year. The flood alleviation scheme for Firepool involves the construction of replacement flood storage within the valley of the Tone, which is programmed for completion in January 2008. Enabling construction works on site are due to commence in January 2008 and development commencing later in 2008.

4.7 The procurement of a MSCP at Firepool should be our first priority, related to the completion of the early phases of development. Firepool is our strategic

employment site with potential for 50,000 sq.m. of offices next to the mainline railway station. It is important that this opportunity for major office development is viable and deliverable. In this context it appears likely that the master developer would accept strict operational parking standards, such as 1 space per 200 sq.m. under each office building, provided that there were sufficient dedicated spaces for other workers during office hours in the Firepool MSCP. The developer could provide the MSCP and in return would expect no income to the Borough Council from the dedicated office spaces during the week, only at weekends. In this scenario a 650 space Firepool MSCP would therefore be likely to have about 200 car parking spaces available for public use during weekdays. The Atkins report puts forward parking standards on page 25. Whilst the principles of the parking standards are accepted, the precise figures for parking standards will need to be set in the context of the viability of the development as a whole.

- 4.8 Flood alleviation for Tangier involves the construction of one or two upstream dams on the tributary streams that pass through the site. The process of land acquisition, design and construction for this is more complex and is therefore unlikely to be completed before mid 2009. In this context it is clear that the provision of a MSCP at Tangier will be later and a lower priority for the Vision delivery.
- 4.9 The proposals East and West of High Street are not affected by flooding. It is anticipated that the developers of these retail developments will provide MSCPs as an integral part of the scheme, although the details of the design have yet to be agreed. Phasing of these schemes has not yet been considered, but it is clearly essential that the continuity of shopper parking during construction will be an important issue to be resolved. It is accepted that the UDF proposals for the bus station to be relocated to the Crescent car park are unrealistic for a variety of reasons although a central bus interchange within the town centre will be required. It is anticipated that the retail schemes will increase the total amount of car parking east and west of High Street by about 100 spaces.
- 4.10 Procurement
The Strategy recognises that the Vision ambitions can be achieved only by provision of alternative parking stock in the form of multi-storey car parks. Background work done on possible procurement routes has identified that the private sector would be interested only if the various new car parks were to be constructed in a relatively short timescale and only if they could have control of the income stream. The timescale for replacement of much of the surface car parking stock is inextricably linked with the overall Vision delivery programme, but is unlikely to occur within a short period. The income stream is vital to the delivery of many general Borough Council services. At the recent workshop session for Members there was no appetite expressed for going down the private sector route in any of the possible forms of partnership or management contracts.

4.11 This leaves procurement to be funded by the Borough Council itself. Latest estimates from other projects indicate a cost in the region of £12,500 per space for a modern multi-storey properly equipped with CCTV and Pay on Foot in a customer-friendly environment. The cost of a 500 space multi-storey would therefore be in the region of £6.25m. The options for funding such a high level of capital investment are being investigated now, as are possibilities for alleviating the costs such as including either retail or residential development within the design. The options include

- capital receipts from sale of assets;
- joint procurement with the RDA;
- developer contributions;
- capital grants;
- prudential borrowing
- use of reserves; and
- redirecting the existing Capital Programme.

4.12 Resources

The Action Plans all identify further work to be carried out over the coming months and years to review existing policies and practices, gather additional information about usage and customer habits, trends and preferences. These together with the provision of more information to the customer base, either electronically or in more traditional forms and the statement that, over time, an even more robust approach to DPE enforcement is taken will require resources that do not exist within the Parking Services Unit, and possibly not within either the Borough or County Councils at all. It is important that when future actions are prioritised the provision of appropriate resources is addressed.

4.13 Residents Parking

The background survey work Atkins carried out on this important part of the parking provision identified capacity problems in some areas. Continual redevelopment of brownfield sites within existing residential areas together with conversion of traditional houses into flats brings additional pressure on the available road space. The Panel's Working Group on Residents' Parking has also recently identified this. The Strategy recommends that the number of resident and visitor permits issued per household be reviewed along with the method and rates of charging. The Members also came to this conclusion and were concerned specifically about the operation of the Visitor Permit scheme. Given that any changes would need to be applied across existing schemes as well as new ones, and the interest shown by the public in extending the areas involved, it is considered this piece of work should be seen as a priority and would be subject to full consultation.

5.0 **CONCLUSIONS**

5.1 Parking is an important issue for the future prosperity of business in Taunton. The parking strategy is a key component of the land use and transport

planning of the town. The majority of the land identified for regeneration in the Vision is owned by the Borough Council and is mostly surface parking. Clearly MSCPs must be provided to enable the Vision to happen. This presents a considerable challenge for the Borough Council. This study confirms the principles of the UDF and identifies a number of priorities for future action.

6.0 CORPORATE PRIORITIES

6.1 The Vision for Taunton is one of the Council's top priorities and it bears on all the other corporate priorities. The Taunton Town Centre Area Action Plan will take forward the policy principles of the Parking Strategy to assist the delivery of the Vision for Taunton.

7.0 RECOMMENDATION

7.1 It is recommended that the Taunton Parking Strategy and principles and priority actions set out above be agreed.

Background Papers

The following documents have informed the content of this report:

- Taunton Parking Strategy
- Somerset Local Transport Plan 2
- Taunton Urban Design Framework

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TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 19 JULY 2006

REPORT OF THE FORWARD PLAN MANAGER

Planning Obligations Strategy for Delivering the Taunton Vision and the Local Development Framework

(This matter is the responsibility of Executive Councillor Bishop)

1.0 Introduction

- 1.1 Planning obligations' from developers under S106 will be necessary to deliver the Taunton Vision, and various other proposals that may be included in the forthcoming Local Development Framework (LDF).
- 1.2 A decision on the way forward is needed to meet the timescales of both the Taunton Vision and the LDF. This report reviews the main issues that are arising and identifies potential approaches. Initially the proposals are aimed at developments in Taunton Town Centre, but will need to be expanded to a Borough-wide approach when the LDF Core Strategy is prepared.
- 1.3 This report has been prepared in consultation with Somerset County Council, the Taunton Vision Delivery Team, the Environment Agency and SWRDA. These organisations are the Borough Council's partners in delivering the Taunton Vision. Consultation with stakeholders in the LDF process has proved very helpful.
- 1.4 This report was agreed by the Strategic Planning, Transportation and Economic Development Review Panel (SPTED) on 29 June 2006. SPTED approved the recommendations without amendment, but Members raised the following specific issues in relation to any planning obligations strategy:
 - (i) In view of the high level of need for affordable housing in the Borough, Members questioned whether affordable housing should be required to contribute to the costs of infrastructure and services. Planning obligations should only be required in respect of market housing.
 - (ii) Members wished to see S106 agreements used to help deliver sustainable development.
 - (iii) It was felt that, in Taunton Town Centre, the majority of developer funding would be needed simply to make development feasible, given the known high costs of site development.
 - (iv) Members asked why the emphasis appeared to be on securing developer contributions from housing. It was explained that the

majority of development activity in the Borough is private sector housing, that employment development may not be profitable enough to make contributions, but that retail development may be able to contribute either in cash or in kind (for example, by funding car parking provision in Taunton Town Centre). It is not the intention to exclude commercial development from any system.

- (v) Account should be taken of what other local authorities have done in preparing strategies for planning obligations. The examples of Milton Keynes and Swindon were referred to.

2.0 Key issues

2.1 The following issues need to be considered:

- (i) Why is a strategy for planning obligations required?
- (ii) What advice is contained in Planning Policy Guidance/Statements (PPG/PPS) and Circulars?
- (iii) What feedback has been received to date from LDF stakeholders?
- (iv) Taking account of (ii) and (iii), what approach might best be pursued?
- (v) What information on infrastructure and services, and their associated costs, needs to be contained in a strategy?
- (vi) What action should be taken next?

3.0 Why is a strategy for planning obligations required?

3.1 The Urban Design Framework (UDF) for Taunton Town Centre includes a number of key aspirations that will require developer funding. These include (for example) leisure and cultural facilities, transport improvements, and public realm improvements along the riverside and in streets and open spaces.

3.2 General agreement is therefore needed on a strategy for planning obligations before initial market testing of the Firepool site (likely to be in September 2006). More detailed information will be needed when potential developers are short listed and for the TCAAP 'preferred option' stage (October/November 2006).

3.2 Consultation with stakeholders on the LDF under Regulation 25 took place between March and June 2006. A workshop for development interests was held on 22 May, and discussion on planning obligations formed a key part of this. The views expressed at this workshop (section 6.0) need to be taken into account in framing a planning obligations strategy.

3.3 The overriding purpose of planning obligations on sites in Taunton Town Centre will be to make development physically possible. For example, flood

alleviation could involve works costing some £4 - 5 million. The TCAAP will need to identify the planning obligations in respect of each development site. The respective positions of the Borough Council as a landowner, and SWRDA who are funding site assembly, will need to be reflected in the planning obligations that are sought.

- 3.4 Discussions between officers from the Vision partner organisations suggest that to make development happen, priorities for developer funding are flood alleviation, highways and sustainable transport, and public realm enhancements. The reasoning behind this is:
- (i) No development can take place on sites in the flood plain without necessary alleviation measures first being provided.
 - (ii) Highways and other transport measures are essential to provide access to the developments.
 - (iii) A high-quality public realm is fundamental to the design aspirations of the Vision, commercial success of individual developments and to attract people into Taunton Town Centre.
- 3.5 It is clear that these 'up front' costs of site development will limit the ability of town centre schemes to fund other infrastructure and services, particularly affordable housing. In recognition of this, the Borough Council would need to secure higher levels of affordable housing on greenfield sites to offset the lower levels that can be afforded on sites in Taunton Town Centre.
- 3.6 Demand for town centre facilities does not arise solely from sites in the town centre, but from developments throughout the Borough (and in some cases, further afield). In due course, therefore, the LDF Core Strategy will need to identify how developments outside Taunton Town Centre can contribute to the cost of town centre facilities.
- 3.7 The draft Joint Code of Practice for Planning Obligations, endorsed by the Somerset Strategic Planning Conference, remains relevant and will be used as the basis of the LDF approach. Established formulae for calculating developer contributions to services such as education would continue to be used, but would be incorporated within a more comprehensive approach embracing infrastructure and other services.
- 4.0 Procedure and deadlines
- 4.1 The emerging timescale for progressing a planning obligations strategy is as follows:
- LDF stakeholder workshop: held on 22 May
 - Taunton Vision Executive: 6 July
 - Consideration by portfolio holders of TDBC and SCC: June/July

- SPTED: considered this report on 29 June
- TDBC Executive: 19 July
- Preparation of policies for TCAAP: June – September 2006

5.0 Planning Policy Guidance and Circular advice

5.1 Any strategy for planning obligations must be consistent with Government advice as expressed in Planning Policy Guidance/Statements and Circulars. Planning obligations should only be sought where they are:

- (i) Necessary;
- (ii) Relevant to Planning;
- (iii) Directly related to the proposed development;
- (iv) Fairly and reasonably related in scale and kind to the proposed development;
- (v) Reasonable in all other respects.

5.2 Circular 05/2005 (paragraph B8) states that:

Obligations must... be so directly related to proposed developments that the development ought not to be permitted without them – for example, there should be a functional or geographical link between the development and the item being provided as part of the developer's contribution.

The scale of development allocated to Taunton Deane in the RSS must be accompanied by infrastructure and service improvements in Taunton Town Centre. It is therefore reasonable for development on greenfield sites to contribute towards the cost of town centre improvements, as the town cannot sensibly expand without these. Paragraph B9 of the Circular gives added support to this:

...developers may reasonably be expected to pay for or contribute to the cost of all, or that part of, additional infrastructure provision which would not have been necessary but for their development. The effect of the infrastructure investment may be to confer some wider benefit on the community but payments should be directly related in scale to the impact which the proposed development will make.

5.3 The ODPM/Grimley report: *Reforming Planning Obligations: the Use of Standard Charges* (November 2004) recommended that:

...public infrastructure requirements should be examined through the RSS and LDF process, and the relationship between development and infrastructure

needs, costed and apportioned. Appropriate formulae...would be advanced and tested at this stage and reviewed transparently through public consultation at regular intervals.

and

a system should be developed to prioritise...contributions made through planning obligations... The grading would have regard to regionally set priorities such as strategic transport schemes and, at the bottom end, by Community Strategies at the local level.

It went on to say that:

an assessment of financial viability is essential... Allowance must be made for on-site provision and exceptional development costs and, where relevant, current use value.

The report also recommended that affordable housing be required to contribute to the costs of infrastructure and services.

- 5.4 Circular 05/2005 takes forward some of the suggestions in the ODPM/Grimley report. Paragraph B25 states that:

In order to allow developers to predict as accurately as possible the likely contributions they will be asked to make through planning obligations and therefore anticipate the financial implications for development projects, local authorities should seek to include as much information as possible in their published documents in the Local Development Framework.

- 5.5 Paragraph B33 states that:

Local authorities are encouraged to employ formulae and standard charges where appropriate, as part of their framework for negotiating and securing planning obligations.

which is qualified in paragraph B35:

Standard charges and formulae should not be applied in blanket form regardless of actual impacts, but there needs to be a consistent approach to their application.

- 5.6 Paragraph B21 of Circular 05/2005 lends support to a 'pooling' approach, whereby costs are shared more widely:

Where the combined impact of a number of developments creates the need for infrastructure, it may be reasonable for the associated developers' contributions to be pooled, in order to allow the infrastructure to be secured in a fair and equitable way.

5.7 To reflect Circular 05/2005, there is a need to 'share out' any existing spare capacity, requiring each developer to contribute to additional capacity on the basis of impact, rather than allowing the first developer who comes along to use all of it. There is also a case for considering a 'credit' offset against the obligation in cases where an existing development is replaced with one having a lower impact.

5.8 'Forward funding' of infrastructure in advance of development, with costs being met by subsequent planning obligations, is endorsed by Circular 05/2005 (paragraph B23) as follows:

In cases where an item of infrastructure necessitated by the cumulative impact of a series of developments is provided by a local authority or other body before all the developments have come forward, the later developers may still be required to contribute the relevant proportion of the costs.

5.9 The DCLG/Halcrow report, *Valuing Planning Obligations in England*, published in May 2006, concluded that in the vast majority of cases, local authorities using standard charges secure more planning obligations than those who do not. The exception is for 'Community and Leisure' obligations (the definition of which *excludes* sports facilities and open space). This may however be because many of these have not in the past been assessed using standard charges.

5.10 The *Consultation Paper on New Planning Policy Statement 3 (PPS3): Housing* (paragraph 27) advises local authorities to:

...balance the need for affordable housing against the viability of sites in their area.

It also recommends a threshold of 15 dwellings, which is lower than the current threshold of 25 in the Taunton Deane Local Plan. Local authorities may set a higher or lower threshold where this can be justified. Given the high level of need for affordable housing in Taunton Deane – as highlighted by the Ark report - it may be that the current threshold of 25 will be reduced in the LDF. However there is also a need for flexibility on sites known to have high infrastructure costs.

6.0 Consultation with LDF stakeholders

6.1 A workshop for stakeholders in the development industry was held on 22 May as part of the LDF consultation process. The main points to emerge were:

- (i) Developers want to know as early as possible what is the maximum level of financial contribution they will have to make.
- (ii) Uncertainty and delays in the planning process should be reduced.
- (iii) The cost of major infrastructure should be shared fairly between developers.

- (iv) Ways must be found of forward funding major infrastructure in advance of development.
 - (v) Developers should be able to offset financial payments by making a contribution in kind.
- 6.2 Stakeholders expressed significant support for a 'planning tariff', to which all developments, even those of a single dwelling, would be expected to contribute. At the moment, a small number of (generally large) schemes are being asked to pay substantial sums towards infrastructure and community facilities, while other (generally smaller) developments pay little or nothing.
- 6.3 A key issue for developers is knowing in advance of site purchase what the maximum level of planning obligations will be. A tariff system is seen as offering greater certainty than relying solely on site-by-site negotiations, and also has potential to speed up the planning process. Landowner expectations will need to take account of the planning obligations strategy.
- 6.4 More design guidance is needed for individual development sites. The volume and type of development that the local planning authority will allow on a site has a major influence on the value of the land, and wherever possible, developers want to know this information in advance.
- 6.5 Delivering affordable housing is seen as a key issue. If too much is expected, this will either make development non-viable, or else will leave no funds available for infrastructure and other services.
- 6.6 It was suggested that there is potential for a tariff to equalise land values. This could encourage mixed-use developments, rather than schemes solely for the highest value use.
- 6.7 In terms of what the Borough Council ought to be doing, stakeholders suggest that it should:
- (i) Play a lead role in identifying what infrastructure is required, and how it is to be prioritised and delivered.
 - (ii) Continue to lobby for funding, including for some smaller infrastructure schemes, across Taunton Deane.
 - (iii) Ensure land allocated for development actually becomes available by taking more account of site viability and the extent of developer contributions.
 - (iv) Seek early dialogue with developers.
 - (v) Produce more site-specific design policy and guidance.

- (vi) Introduce a planning tariff, but continue to examine viability and justification for individual schemes.
- (vii) Consider making use of compulsory purchase powers in partnership with developers to bring land forward for development.

7.0 Alternative approaches to planning obligations

- 7.1 An increasing number of local authorities have been consolidating charges for infrastructure and services to form a planning tariff, in the manner suggested by LDF stakeholders. The tariff is applied on a unit basis (per dwelling, per square metre of floorspace, per vehicle trip, etc.) Examples include Milton Keynes, Ashford and Peterborough.
- 7.2 In November 2005, the Government consulted on its proposals for a Planning Gain Supplement (PGS), as recommended by Kate Barker in her review of housing supply. Nationwide, the response to this consultation does not appear to have been positive, although it appears that Government intends to press ahead with its proposals.
- 7.3 In broad terms, there appear to be three options available for securing planning obligations:
 - (i) Site-by-site negotiation
 - (ii) Introduction of a planning tariff applying to all sites above certain thresholds
 - (iii) A hybrid involving a planning tariff on small sites and a combination of standard charges (for off-site elements) and negotiation on larger sites
- 7.4 Evidence from the DCLG/Halcrow study (see 5.9) suggests that Option (i), would raise less money and would therefore be less effective in securing contributions to fund off-site works. This is a key consideration in view of the infrastructure and services that Taunton Deane will need over the next 15-20 years. In particular, smaller sites would continue to pay less than their 'fair share' of costs compared to larger developments.
- 7.5 Options (ii) and (iii) both 'share out' costs of infrastructure and services among developers, and involve assessing what these costs are. Although this requires a significant effort, the output would be of value under a range of scenarios. For example, if PGS is introduced, the need for infrastructure and services provides evidence of the level of PGS revenue that Taunton Deane ought to receive.
- 7.6 Option (iii) has already been adopted by a number of local authorities. It has the merit of recognising that in larger developments, much infrastructure will be provided on site, but that this isn't possible in smaller developments. A flat rate tariff for smaller schemes ensures that they contribute equally to infrastructure and services.

- 7.7 The TCAAP is now to be prepared somewhat ahead of the Core Strategy, and will have to contain details of what planning obligations will apply to each development site. Given what is known about scheme viability, those obligations necessary to make development feasible – such as flood alleviation and transport – will have to be given priority. Other, less site-specific elements could be subject to a tariff approach. On all major town centre development sites, a detailed viability appraisal will need to be provided.
- 7.8 Infrastructure costs associated with the Urban Extension, and other major developments, need to be considered further when drawing up the planning obligations policy for the Core Strategy. Some of these will be very substantial (for example, orbital road schemes) which suggests that Option (iii) – a mix of contributions by developers in cash and in kind – may be most appropriate.
- 7.9 The ODPM/Grimley report suggested that retail development in Taunton Deane is viable enough to support a tariff. However, sites in town centres are likely to have exceptional costs (such as demolition and contamination), and retail development within mixed-use UDF schemes may not be very profitable. In terms of employment uses, evidence suggests that these will probably only be able to meet their direct development costs, although this situation would need to be kept under review. Changes in yields, for example, can significantly affect viability of commercial schemes.
- 7.10 Different issues arise on each major development site within Taunton town centre. For example, the major developments around High Street would probably contribute more often in kind, rather than in cash – for example, by constructing replacement multi-storey car parks. At Firepool and Tangier, by contrast, the overriding priority will be funding of flood alleviation measures, so that the sites can physically be developed.
- 7.11 The Government Office for the South West (GOSW) has indicated a desire to work with the Borough Council in developing planning obligations proposals.

8.0 Infrastructure and service delivery

- 8.1 There is a need to identify services and infrastructure required over the LDF period (2006-2021), make an allowance for funding from other sources (e.g. grants) and allocate the remaining unmet costs between the anticipated developments. This could include certain services that are the responsibility of agencies other than the Borough and County Councils. Some work has already been done on this, but further refinement is needed prior to completing the LDF Core Strategy.
- 8.2 The RSS build rate implies an average of 700 dwellings per annum in Taunton itself. Applying a level of tariff similar to those being applied in other fast-growing areas, would create a need to manage an income and deliver schemes with a value of millions of pounds per annum. Appropriate systems

need to be put in place to collect and distribute these monies, together with an 'audit trail'.

- 8.3 Where local authorities have introduced planning tariffs, they have usually been accompanied by a delivery plan, setting out how the infrastructure and service improvements will be managed, and identifying what other funding sources are available to contribute to schemes. It would seem sensible to work in partnership with other agencies (such as the County Council where their services are involved) to tackle this.
- 8.4 Development and infrastructure provision need to be considered over shorter time periods than that of the LDF. 5-year phases correspond with the LTP, the Urban Housing Potential Study and probable feasibility of reviewing the LDF.
- 8.5 Some key items of infrastructure will be needed in advance of development. These need to be identified in a delivery plan, and means of funding them established. The role of the tariff would be to repay, over a period of time, the initial investment.
- 8.6 To deliver major developments in the town centre, the urban extensions etc. will require planning obligations to be approached on a partnership basis between TDBC and SCC, and in some cases also SWRDA and the EA. The role of each agency in any forward funding arrangements needs to be clarified. Each agency would be eligible to receive developer contributions towards the cost of infrastructure and services for which they are responsible.
- 8.7 The draft RSS (paragraph 3.6.8) refers to establishment of a Regional Infrastructure Fund as '...an essential component' in delivering significant levels of development in the region's Strategically Significant Cities and Towns (SSCT), of which Taunton is one.
- 8.8 Planning agreements may sometimes relate to a scheme where the final nature of the development is not known. In the case of residential development, different types of dwelling have a different impact on services such as education and transport. The respective S106 agreements will need to refer to any tariff for each type of dwelling.
- 8.9 Local authorities elsewhere suggest that the use of standard clauses is desirable in S106 and similar legal agreements. The Councils' respective legal advisors therefore need to be involved at an early stage.
- 9.0 Recommendations
- 9.1 The Executive is recommended to approve the following measures
 - (i) Incorporation of planning obligations for each town centre site in the TCAAP, on the basis of priorities agreed with the Taunton Vision Delivery Team to secure development.

- (ii) Incorporation of a 'hybrid' approach to planning obligations in the LDF, under which small schemes would pay a flat rate charge, and larger schemes would be able to make equivalent payments in kind as an alternative.
- (iii) Commission further research to establish what level of tariff may be affordable in Taunton Deane, having regard to the viability of differing types of development.
- (iv) Establish a project plan for completing the planning obligations strategy via the Core Strategy and SPD.
- (v) Continue to prioritise and refine costs of schemes where developer funding will be sought (and which will be included in the LDF).
- (vi) Seek to maximise the availability of other sources of funding for particular projects.
- (vii) Reviewing existing procedures for collecting and distributing payments received from developers.
- (viii) Continuing to liaise with GoSW on the proposed way forward, in the light of LDF stakeholder response and the Taunton Vision requirements.
- (ix) Consulting further on the emerging planning obligations strategy with LDF stakeholders at the 'preferred option' stages of the TCAAP and the Core Strategy.

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Background Papers

Circular 05/2005 *Planning Obligations*, Office of the Deputy Prime Minister, July 2005

Reforming Planning Obligations: The Use of Standard Charges, ODPM/Grimley, November 2004

Consultation Paper on New Planning Policy Statement 3 (PPS3): Housing, ODPM, December 2005

Valuing Planning Obligations in England, DCLG/Halcrow, May 2006

TAUNTON DEANE BOROUGH COUNCIL

MEETING OF THE COUNCIL'S EXECUTIVE – 19 JULY 2006

REPORT OF THE HEAD OF HOUSING (HOUSING TRANSFER CONSULTATION CO-ORDINATOR)

PROMISES TO TENANTS SHOULD THE HOUSING STOCK TRANSFER TO DEANE HOUSING

(This matter is the responsibility of Executive Councillor G Garner.)

Executive Summary

The Council has decided to consult tenants about a possible housing stock transfer. Part of this consultation has involved identifying the priorities that tenants would want to see delivered in the event of a stock transfer. The Council's formal consultation document (the offer document) will need to make clear statements about what transfer means for tenants. Where clear statements are made about improvements that would be delivered through stock transfer, it is important that these reflect tenants' priorities, and that Deane Housing will have the financial resources to deliver these promises. This report contains an overview of the priorities that have been identified as part of the consultation to date - together with an assessment of the impact on the Council if these priorities for improvement were promised as part of the Council's formal offer document to tenants.

The Executive is asked to consider the report and agree the recommendations.

1. Purpose of Report

- 1.1 To advise the Executive of the promises being recommended and to seek its agreement to the recommendations.

2. Background

- 2.1 The Council has a statutory duty to consult tenants on housing transfer. The statutory consultation document (the offer document) should clearly set out what transfer would mean to tenants. This would include an explanation about any improvements that could be promised and delivered as a result of the additional resources available through housing transfer, compared with the level of resources available to the Council.
- 2.2 All such commitments must be carefully considered. Every change to the cost of our current services will have an impact upon the value which we would receive for the stock if our tenants vote in favour of transfer. We must ensure that any such assurances and commitments that we make are both accurate and achievable as any such promises are monitored by the Council and the Housing Corporation.

2.3 In order to frame these recommendations to the Executive, tenants have been consulted, preferences noted and costings completed so as to ensure our promises (which have been agreed with our consultants, accountants and housing managers) are feasible and affordable for Deane Housing.

3. Report Summary

3.1 In December 2005, it was reported to members that the anticipated tenanted market value of the housing stock would be £36.3m. Since then the valuation has been updated to reflect the 2006/07 budgets. These budgets show a reduction in service charge and supporting people income, together with an increase in management costs. These budget changes reduce the tenanted market value to £35.4m.

3.2 This paper sets out the consultation promises that could be delivered within this valuation (sections A and B), and sets out options for further consultation promises (section C). These would have a cost impact on the valuation.

4. The Consultation Promises

Options for consultation promises within existing valuation

The base valuation includes a £5m environmental improvement budget to be spent over 10 yrs. Officers have considered the options for spending this budget and these are set out below. Some options involve replacing the budget for physical improvements with service promises which continue beyond the first 10 years, whilst maintaining an element of priority improvement budget to address other needs. The options for spending this budget are set out below.

A

Offer document promise	Comments	Cost within current valuation
<ul style="list-style-type: none"> Internal decoration service for elderly/vulnerable tenants. This could also include an improved decoration service on relets. 	<ul style="list-style-type: none"> If a budget of £100,000 is included per year, this would provide for around £500 to be spent on 200 properties per year. 	<ul style="list-style-type: none"> £1.65m
<ul style="list-style-type: none"> Freephone repair reporting line 	<ul style="list-style-type: none"> Estimated cost £10K pa 	<ul style="list-style-type: none"> £139K
<ul style="list-style-type: none"> Digital TV and PC points provided as part of all rewiring done in yrs 1–5 	<ul style="list-style-type: none"> Additional rewire costs of £20K p.a. yrs 1 – 5 	<ul style="list-style-type: none"> £118K
<ul style="list-style-type: none"> Extra security lighting for elderly and vulnerable residents 	<ul style="list-style-type: none"> £40K pa yrs 1 – 5 	<ul style="list-style-type: none"> £232K

Offer document promise	Comments	Cost within current valuation
<ul style="list-style-type: none"> • Specialist ASB team 	<ul style="list-style-type: none"> • £55K pa. for two additional officers to be employed to achieve a step-change in the service given to the victims of anti-social behaviour, and in particular focus on resolution of the most serious cases 	<ul style="list-style-type: none"> • £764K
<ul style="list-style-type: none"> • ASB initiatives and mediation 	<ul style="list-style-type: none"> • £12K pa. additional expenditure on initiatives to support the work of the ASB team including use of professional witnesses and mediation services 	<ul style="list-style-type: none"> • £166K
<ul style="list-style-type: none"> • £2m environmental improvement budget over the first ten years. This would be spent in consultation with residents and could include <ul style="list-style-type: none"> ▪ Additional funding for DFGs, including level access showers and stairlifts ▪ Additional external lighting to external communal areas ▪ Sound insulation between homes ▪ Better play areas ▪ Parking for mobility scooters ▪ Improvements to meeting rooms to meet residents' requirements including DDA 	<ul style="list-style-type: none"> • Remaining environmental improvement budget would provide £2m over 10 yrs. • It should be noted that it would not be possible to spend significant amounts of money on all of these priorities due to the limit in the size of the budget to £2m. Decisions would need to be made about whether to spend a small amount across all of these areas, or focus expenditure on some of these areas. 	<ul style="list-style-type: none"> • £2m

All of these promises can be contained within the current valuation of £35.4m. In fact, the valuation would increase slightly to £35.5m. This is achieved by using the original £5m environmental improvement budget and profiling the spend over a longer period where appropriate to provide long term services.

B

Other promises can be made which, at this stage, would appear to be fundable from existing budgets and would therefore have no impact on the valuation including:

<i>Issue</i>	<i>Comments</i>	<i>Consultation promise</i>
<ul style="list-style-type: none"> Tenants Incentive Scheme 	<ul style="list-style-type: none"> To enable tenants to buy a home on the open market. Can be used to release homes where a need is identified from housing waiting lists 	<ul style="list-style-type: none"> Deane Housing would be in a position to bid for funding from the Housing Corporation to help tenants with a range of home ownership options. The Council has no access to these funds
<ul style="list-style-type: none"> Estate car parking and extra barrier planting 	<ul style="list-style-type: none"> To address anti social behaviour and improve estate management. Current budgets include a provision of £47K p.a. Savills transfer standard (related assets) includes an additional £35K p.a. compared with the retention standard. 	<ul style="list-style-type: none"> Deane Housing would increase spend by almost 75%
<ul style="list-style-type: none"> Extensions 	<ul style="list-style-type: none"> Transfer standard includes work to extend kitchens and bathrooms. There is no funding for extending dwellings to provide more bedrooms 	<ul style="list-style-type: none"> Deane Housing would be able to extend existing kitchens and bathrooms where more space is needed to meet modern standards, and where this is technically possible
<ul style="list-style-type: none"> Improve grounds maintenance 	<ul style="list-style-type: none"> A cut and collect service could be provided if tenants wished to pay an increased service charge 	<ul style="list-style-type: none"> Deane Housing would not introduce any additional charges for existing services. Deane Housing would only introduce a new service charge if, after consultation, it was agreed with tenants and related to the introduction of the new service
<ul style="list-style-type: none"> Continued funding for tenant and resident involvement officer 	<ul style="list-style-type: none"> This represents a current temporary post that could be made 	<ul style="list-style-type: none"> Deane Housing would provide specialist staff to support tenant and

involvement officer	permanent on transfer, but would not be continued under retention	resident involvement.
<ul style="list-style-type: none"> Sheltered housing – improved cleaning in communal areas 	<ul style="list-style-type: none"> Any increase in cost would need to be recovered via service charge 	<ul style="list-style-type: none"> Deane Housing would consult sheltered housing tenants on improvements to cleaning services
<ul style="list-style-type: none"> Sheltered housing – revamp/upgrade communal areas 	<ul style="list-style-type: none"> Included within Savills’ costs - need to determine what upgrades should be prioritised within current budgets 	<ul style="list-style-type: none"> To be formed based on tenants’ priorities from provision in stock condition survey
<ul style="list-style-type: none"> Extra care housing – colour code different floor areas 	<ul style="list-style-type: none"> Included within current cyclical budgets 	<ul style="list-style-type: none"> To be formed based on advice from Pat Potter
<ul style="list-style-type: none"> Sheltered housing – update door entry systems 	<ul style="list-style-type: none"> Included within Savills’ costs 	<ul style="list-style-type: none"> Improved security

C

Further development

Further potential improvements to housing services have been identified that could be provided at additional cost.

The main focus of these “extra” improvements would be on **Community Development**, further developing a **Neighbourhood Presence** and introducing **Measures to Encourage Greater Tenancy Compliance**.

This could include projects that would further address inequalities in health, education and employment within the housing environment. Clearly this would be delivered in partnership with others, but could make a real difference to the quality of life of our tenants. It is envisaged that Deane Housing will have developed community partnerships within 10 years to continue the funding of this service if required.

Additionally, Deane Housing could seek to bring services closer to the community where possible, including the establishment of neighbourhood focused surgeries. The principle is to bring the service to the tenants rather than the tenants to the service. Ideally this would be developed with other agencies.

Finally, Deane Housing could develop a system of rewards for tenants who complied with their tenancy agreement, were law-abiding and showed respect for other residents and the wider community, so that responsible behaviour

was visibly recognised and appreciated. Again, this could make a real impact on anti-social behaviour within the housing environment, and make a real difference to the quality of life of our tenants. Deane Housing will develop these schemes to ensure they are self-financing within 10 years.

It is estimated that the combined impact of these extra initiatives on the valuation would be to reduce it by just over £800,000 to £34.7m.

Options for funding these additional commitments would be

- to accept a reduction in the valuation to £34.7m, or
- to reduce the environmental improvement budget from £2m to £1.15m. It should be noted, however, that such a reduction in the environmental improvement level by almost 50% may reduce the impact this budget could have, and the range of options presented for spend set out in section A.

5. Financial Implications

- 5.1 The impact on the tenanted market value is set out in section 4. This would impact on the anticipated net capital receipt as set out below:

If the promises in section A were delivered at an indicative tenanted market value of £35.5m, the net capital receipt to the Council would be £18.3m. (As previously explained the “net capital receipt” is what the Council would receive after deducting relevant Government levies, set-up costs and repayment of any Housing debt.) This compares with a figure of £18.9m reported in December 2005. As the valuation reduces, the amount of levy that the Council would have to pay to government also reduces, so that the impact on the net capital receipt is reduced.

If the additional housing services promises in section C were delivered at an indicative tenanted market value of £34.7m, the net capital receipt to the Council would be £17.7m. Minimal levy would be payable at this stage so any further reductions in capital receipt would reduce the net receipt to the Council by 100%.

As reported in December 2005, there are further changes that may reduce the valuation and the net capital receipt further, which are not included in the figures set out in this paper. These include

- Pension costs. Where there is a deficit on the pension fund, the Council will be required to make good this deficit before transfer. This is currently estimated to be in the region of £3.3m, but will be subject to further actuarial advice as the project progresses
- Increases in building costs between now and transfer that are above levels currently estimated
- The final number of properties to transfer
- Decisions about assets and services to transfer

6. Corporate Priorities

- 6.1 Should there be a stock transfer then our Corporate Priorities affecting the economy, health, environment and crime reduction would all see improvements. The aims of the “Delivery” priority would also be assured.

7 Recommendation

The Executive is asked to agree

1. That all the promises set out in paragraphs 4A and B (above) are included in the informal consultation with tenants over the next few months, and, subject to support through that process, in the formal offer document to tenants that will be brought back to Council for approval.
2. That all the promises set out in paragraph 4C - in relation to improvements in housing services - are included in the informal consultation with tenants over the next few months and that they are funded through a reduced valuation

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