

You are requested to attend a meeting of the Executive to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 5 February 2015 at 18:15.

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## **Agenda**

- 1 Apologies.
- 2 Minutes of the meeting of the Executive held on 14 January 2015 (attached).
- 3 Public Question Time.
- 4 Declaration of Interests  
To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct.
- 5 Somerset Waste Partnership Draft Business Plan 2015-2020. Report of the Assistant Director - Operational Delivery (attached).  
Reporting Officer: Chris Hall
- 6 Movement of Tourist Information Centre (TIC) to part of the Market House, Taunton - Request for funding. Report of the Assistant Director - Business Development (attached).  
Reporting Officer: Ian Timms
- 7 General Fund Revenue Estimates 2015/2016. Report of the Finance Manager (attached).  
Reporting Officer: Steve Plenty
- 8 Housing Revenue Account (HRA) Estimates 2015/2016. Report of the Finance Manager (attached).  
Reporting Officer: Steve Plenty
- 9 Capital Programme Budget Estimates 2015/2016. Report of the Finance Manager (attached).  
Reporting Officer: Steve Plenty
- 10 Council Tax Setting 2015-2016. Report of the Finance Manager (attached).  
Reporting Officer: Steve Plenty
- 11 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

Bruce Lang  
Assistant Chief Executive

18 July 2016

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

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

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

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

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

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

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

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Lift access to the John Meikle Room and the other Committee Rooms on the first floor of The Deane House, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available off the landing directly outside the Committee Rooms.



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

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## **Executive Members:-**

Councillor M Edwards	(Business Development and Asset Management and Communications (Deputy Leader))
Councillor J Warmington	(Community Leadership)
Councillor J Williams - Leader of the Council	(Leader of the Council )
Councillor V Stock-Williams	(Portfolio Holder - Corporate Resources)
Councillor N Cavill	(Portfolio Holder - Economic Development, Asset Management, Arts and Tourism)
Councillor J Hunt	(Portfolio Holder - Environmental Services and Climate Change)
Councillor J Adkins	(Portfolio Holder - Housing Services)
Councillor C Herbert	(Sports, Parks and Leisure)

## **Executive – 14 January 2015**

- Present:** Councillor Williams (Chairman)  
Councillors Mrs Adkins, Cavill, Mrs Herbert, Hunt and Mrs Stock-Williams
- Officers:** Shirlene Adam (Director – Operations), Ian Timms (Assistant Director – Business Development), James Barraah (Director – Housing and Communities), Simon Lewis (Assistant Director – Housing and Community), Lucy Clothier (Accountant), Phil Webb (Property Services Manager), Bruce Lang (Assistant Chief Executive), Donna Nolan (Corporate Manager for Governance, Assets and Public Spaces, Mendip District Council) and Richard Bryant (Democratic Services Manager and Corporate Support Lead)
- Also present:** Councillors Coles and A Wedderkopp  
Mr Kit Chapman (Arts Taunton), Mr Richard Holt and Mr Andrew Knutt (both of the Creative Innovation Centre Community Interest Company) and Mr Philip White (Hestercombe Gardens Trust)

(The meeting commenced at 6.15 pm.)

### **1. Apologies**

Councillors Edwards and Mrs Warmington.

### **2. Minutes**

The minutes of the meeting of the Executive held on 3 December 2014, copies of which had been circulated, were taken as read and were signed.

### **3. Declarations of Interest**

Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillor Hunt declared a personal interest as a Member of Somerset County Council.

### **4. Support and funding for the Arts and Creative Industries**

Considered report previously circulated, concerning requests for financial assistance from three organisations within the Arts and Creative Industry sector.

The three applications were being considered together as they enabled a wider perspective on the key role that the Arts and Creative Industries played in supporting the economy of Taunton Deane.

## **Arts Taunton**

Arts Taunton was the umbrella organisation that sought to draw together Cultural and Arts organisations in Taunton Deane creating a vibrant, coordinated programme of activity. There were four key actions the group intended to take which had financial implications:-

- (1) An independent feasibility study to evaluate whether the aspiration expressed by a number of organisations within the consortium for a 1000-1500 seat flexible entertainment venue was viable in Taunton. The estimated costs based on similar studies was in the region of £40,000. Arts Council England (ACE) had been approached for possible funding. ACE had advised that a strong Business Case would be needed to support any application for funds. Further work was therefore required on this concept before any application was submitted.
- (2) An audit of all performing spaces in Taunton, their capacity and infrastructure. This work was being done by Richard Huish College in conjunction with other members of the organisation. The cost of this work was £750 and was being funded through individual partner's contributions.
- (3) The Taunton Cultural Consortium had been rebranded to take on the new name Arts Taunton. The new brand had a strapline of "Driving prosperity through culture". However the re-branding involved costs particularly around publicity materials which included a new website. These costs were estimated to be a maximum of £10,000 which the Council had been asked to consider funding.
- (4) The final proposal of note was to make available a public space with good footfall for a regularly changing "pop-up" art display. This would create interest in the town and create a place for the display of work a range of local artists and sculptors. Suitable locations and potential budgets would be researched which could be used to deliver this proposal.

### **Hestercombe Gardens Trust**

The trust had applied for a grant of £10,000 for each of the next two financial years 2015/2016 and 2016/2017. This would enable continued delivery of the Contemporary Arts Gallery at Hestercombe House.

This funding would enable access to an ACE grant which for the two year project was worth £96,000. The total project cost was being finalised but was likely to be in the order of £180,000. The allocation of this funding therefore would create leverage for access to significant match funding. The Trust also outlined the significant footfall generated by the Gallery during this year and the number of additional volunteers that had been recruited to deliver the work. This represented significant economic benefit to the area.

### **Creative Innovation Centre Community Interest Company (CICCIC)**

The CICCIC was a non-profit organisation that encouraged the participation and development of businesses and the creative industries; for practitioners, groups, individuals, businesses, start-ups and the local community. Through knowledge

exchange, music, art, heritage and performance CICCIC's events and workshops focused on the diversity and growth of enterprise, community and culture.

The organisation was seeking £20,000 funding per annum (2014/2015, 2015/2016 and 2016/2017) a total revenue budget commitment of £60,000 in order to sustain the CICCIC's financial viability and investment in business growth.

During the discussion of this application Members raised a number of issues on the content of the Business Plan submitted by CICCIC and requested clarification of the points raised.

The three applications had been considered by the Corporate Scrutiny Committee on 11 December 2014 and details of its recommendations to the Executive were submitted.

**Resolved that:-**

(a) Full Council be recommended to approve:-

- (i) A Supplementary Estimate of £10,000 for 2014/2015 from General Fund Reserves to enable a grant to be made to support Arts Taunton; and
- (ii) A Supplementary Estimate of £20,000 from General Fund Reserves to enable a grant be made to the Hestercombe Gardens Trust. The funds would be held in an earmarked reserve with £10,000 available in both the 2015/2016 and 2016/2017 financial years; and

(b) A decision on the application for funding from the Creative Innovation Centre Community Interest Company be deferred until the next meeting pending the receipt of further information in connection with the submitted Business Plan.

## 5. **Review of Housing Revenue Account Business Plan 2012-2042**

Considered report previously circulated, which detailed the latest review of the Housing Revenue Account (HRA) Business Plan 2012-2042.

Since the last review process (Minute No. 10/2014 refers), a number of significant changes and issues had arisen that impacted on the Business Plan, which had resulted in a further review being undertaken.

### **Business Plan – Income**

**Inflation Assumptions** - From 2015/2016 dwelling rent income was to have been uplifted annually by the Consumer Price Index (CPI) + 1% (revised from the Retail Price Index (RPI) + ½%) in accordance with national rent guidance.

CPI for September 2014 was 1.2%. This was the lowest inflationary uplift in 5 years, and significantly lower than the expectation in the Business Plan of 2%. Although good news for tenants, this had created a pressure in the 2015/2016

budget of £176,000 due to reduced income expectations. This reduction in income over the remaining 26 years of the Business Plan equated to £10,500,000.

## **Business Plan – Expenditure**

**Apprentice Scheme** - The Housing Service had long held an ambition to provide work placements for individuals from within our communities to allow them to gain vital skills and experience that would enhance their life opportunities and employment potential.

Subject to Member approval it was hoped an Apprentice Scheme would start in September 2015.

It was also hoped it would be possible, having regard to employment law, that the scheme could be ring fenced to benefit tenants and their families. A financial provision of £24,000 per annum was to be included in the Business Plan to support the costs of the project.

**Welfare Reform** - A range of measures had been taken to mitigate the impact of Welfare Reform. Key to this work has been the provision of a temporary Welfare Reform Project Officer post. With Universal Credit due to be deployed imminently it was proposed to extend the provision of this post by a further two years to provide the necessary capacity at a cost of £33,000 per year.

**Capital Investment** - A significant element of expenditure in the Business Plan related to investment in improvements to Council-owned homes. Addressing the known backlog of works combined with a high level of cyclical replacement due in the earlier years of the plan had created a higher level of expenditure in the earlier years which would reduce significantly in around seven years' time.

A review of the profile of spend required in the next few years had been undertaken and although the spend over 30 years remained the same, the investment needed in the medium term was approximately £3,300,000 more than was currently provided in the Business Plan.

It was therefore necessary to make some adjustments to some non-essential expenditure lines to ensure the necessary cash flow was in place to support the major works capital programme. These were outlined below:-

**Extensions** - The Business Plan currently contained a budget of £160,000 per year for undertaking individual extension projects. Experience had shown that delivering such projects took considerable staff time and that this would be more effectively deployed at new build development projects. It was therefore proposed to discontinue this budgetary provision from 2015/2016 onwards.

**Environmental Improvements** - At the start of the Business Plan a provision of £150,000 per year had been made to support environmental improvements that had previously been unaffordable. Based on feedback from residents, two key areas of projects had come forward - additional car parking and provision for mobility scooter storage.



A range of projects had already been completed and others were under consideration. However, to ensure essential major works were funded, it was proposed that the profile of this expenditure should be decreased to £50,000 for the next seven years.

**Sustainable Energy Fund** - Provision of £220,000 per year had been made to support initiatives to improve the thermal performance of our properties and to assist residents with the cost of heating homes. Initially this budget was established to support the provision of Air Source Heat Pumps but this was now fully integrated into the Capital Programme. Similarly projects were underway for significant investment in Solar PV and some external wall insulation provision.

Again, in order to ensure essential major works were funded in the future, it was proposed that the profile of this expenditure be decreased to £100,000 for the next seven years.

Noted that, in summary, the total capital investment in the Business Plan had not changed. What was proposed, was an adjustment of the profile of specific expenditure lines to ensure the early years major works capital expenditure expectations were affordable.

### **Development Programme and Borrowing Headroom**

The Council's new build programme was now well established with work on further schemes progressing. New build projects were planned to be revenue cost neutral to the HRA Business Plan in that the new rental income would offset the interest costs of funding schemes by borrowing over a 30 year period.

However in order to ensure borrowing costs did not exceed income, affordable housing would always require subsidy which was created from capital receipts additional Right to Buy receipts and contributions from the Social Housing Development fund. £1,000,000 per year was set aside in the Business Plan for the provision of new Council housing.

Where borrowing was required the HRA was currently subject to a borrowing cap which could not be exceeded. However, current borrowing was still significantly lower than the cap so the Council still had "borrowing headroom" of in the region of £13,500,000.

### **Voluntary code for a self-financed Housing Revenue Account**

The introduction of HRA self-financing had given local authorities the freedom to develop and deliver a more positive, less constrained, vision for Council housing. In order to support local authorities in assessing and developing, a voluntary code of practice had been developed by the Chartered Institute of Public Finance and Accountancy and the Chartered Institute of Housing. This had formally been adopted last year and a self-assessment against these principles had recently been undertaken.

Generally the self-assessment outcomes were positive in that the Council had good controls in place to manage the significant risks associated with the self-financed

HRA. However, a number of areas where further work and review were required had been identified, details of which were reported.

Overall the 30 year Business Plan continued to forecast a healthy financial position over the long term. The current spending plans would create a small budget pressure in the medium term, which would need to be managed in order to produce an affordable budget forecast for the HRA Medium Term Financial Plan.

**Resolved** that the proposed changes to the Housing Revenue Account Business Plan be approved.

## 6. **Proposed Business Case for a Shared Legal Service**

Considered report previously circulated, which set out the latest position in respect of the preparation of a draft Business Case for establishing a shared Legal Service between Mendip District Council (MDC), Taunton Deane Borough Council (TDBC) and West Somerset Council (WSC).

The three Councils had been working together to examine the feasibility of sharing legal services. This work had flowed from the Somerset Shared Services Task and Finish Group which directed that such a project should be potentially undertaken across all Somerset authorities.

Following the completion of an outline business case in April 2014, Somerset County Council, Sedgemoor District Council and South Somerset Council had decided not to pursue the matter at this time. However, MDC, TDBC and WSC had agreed to pursue their ambition to forge a constructive partnership to deliver legal services collectively.

A Joint Officer Project Board had been established to develop the Business Case. Its vision was to create a dedicated service to support public and third sector clients with specialist and cost effective advice.

The key objectives of the project would be to:-

- Deliver a significant budget saving for TDBC and WSC;
- Create a flexible resilience model, with a critical mass of expertise;
- Provide enhanced efficiency and effectiveness; and
- Establish an arrangement that would operate for a minimum initial five year period with a review at the end of year four.

The outcome from this work was the production of a draft Business Case for a shared Legal Service based on the model of MDC to be the host authority and aiming for an implementation date of 1 April 2015. A copy of the Business Case was provided to Members of the Executive for information.

The lead authority model option was seen to be the most appropriate as it would enable the three Councils to set up a shared service relatively swiftly with the minimum of risk. It was likely to be seen as a first step towards a fully integrated service that could be potentially expanded with further partners at a later date. By

adopting this model at this stage it would also not preclude revisiting other options at some time in the future, such as, for example, the South West Audit Partnership approach.

It was proposed that MDC should be the host authority for the following reasons:-

- they had the management capacity to absorb the work required;
- they had significant experience of managing such joint arrangements, for example, managing the WSC Legal Contract and also undertaking legal work for Somerset County Council;
- their financial requirements were more flexible which would enable MDC to bear some upfront management costs whilst ensuring that TDBC and WSC could benefit from immediate savings; and
- they were very committed and keen to undertake this role.

The host authority model involved current TDBC staff being transferred under the Transfer of Undertakings and Protection of Employees (TUPE) Regulations to MDC. There had been consultation with all affected staff throughout the process. It was anticipated that all existing staff would have the option of a job in the new shared service.

Reported that the Business Case had demonstrated that for TDBC the annual cost of providing the Legal Service would be reduced by £25,230 to £225,207, representing a 10% saving. Correspondingly, the annual cost to WSC would be reduced by £20,113 to £113,977 which represented a 15% saving.

MDC had agreed to defray initial savings on the basis that in the Business Case it was anticipated that there would be some growth in terms of generating additional income and the distribution formula for this would be set to ensure that MDC received a 15% saving from this income as the first priority. Additional growth beyond this would then be distributed between the three partners based on a formula linked to their respective inputs into the partnership.

Reported that the high level financial Business Case had been signed off by the Section 151 Officers of the three Councils.

Members were also informed of the likely positive impacts the implementation of the Business Case would have along with the proposed timetable going forward.

Noted that consultations had been undertaken with UNISON and the affected staff at the three Councils. The comments received from the Taunton Deane UNISON Branch and the Management responses thereto were attached to the report as appendices.

Copies of further documents, including reports produced by the Association for Public Excellence (APSE) and the Chartered Institute of Public Finance and Accountancy (CIPFA), had been circulated for the information of Members.

The Business Case had been considered by the Scrutiny Committees and Cabinets of both WSC and MDC, all of whom were fully supportive of the proposal. Full

details of the considerations that had taken place were detailed in the report.

TDBC's Corporate Scrutiny Committee had considered the proposal at its meeting on 20 November 2014 where, after a lengthy debate, the decision was taken to defer consideration until such time as the report from APSE had been received.

A further meeting of the Corporate Scrutiny Committee had been held on 13 January 2015 when, again after a long discussion, Members agreed to support the introduction of a Shared Legal Service subject to a six month 'break clause' being included in the Inter Authority Agreement between the Councils which could be invoked by TDBC after the first three years of operation of a shared service.

Reported that MDC had indicated that it was amenable to this amendment subject to certain 'receipted costs' incurred by that authority being able to be recouped. Such costs would be agreed at the time of any termination of the agreement.

The Executive accepted this recommended change to the Inter Authority Agreement from the Corporate Scrutiny Committee.

**Resolved** that:-

- (1) Full Council be recommended to approve the draft Business Case for a Shared Legal Service to be implemented with effect from 1 April 2015 as set out in the report, subject to the Inter Authority Agreement relating to the partnership containing the provision for Taunton Deane Borough Council to have the right to determine the Agreement upon serving six months' notice on 30 March 2018; and
- (2) Cognisant of the comments from Mendip District Council in response to the inclusion of the six month break clause referred to in resolution (1) above, it be noted that the Inter Authority Agreement would include the provision that, should Taunton Deane Borough Council implement this break clause, there will be a requirement for Taunton Deane to pay to Mendip District Council their apportionment of receipted costs related to the Legal Shared Services start-up costs. Such figure to be agreed by the respective Council's Chief Executives and Section 151 Officers.

## 7. **Executive Forward Plan**

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

**Resolved** that the Forward Plan be noted.

(The meeting ended at 8.20 p.m.)

## **Usual Declarations of Interest by Councillors**

### **Executive**

- **Member of Somerset County Council – Councillor Hunt**
- **Employee of the Department of Work and Pensions – Councillor Mrs Herbert**

# Taunton Deane Borough Council

**Executive – 5 February 2015**

## **Somerset Waste Partnership Draft Business Plan 2015-2020**

**Report of the Assistant Director Operational Delivery – Chris Hall and Somerset Waste Partnership’s (SWP) Managing Director - Steve Read**

(This matter is the responsibility of Executive Councillor James Hunt)

### **1 Executive Summary**

The report seeks approval for the Somerset Waste Partnership’s Draft Business Plan for 2015-2020 attached.

Whilst the business plan has a 5 year horizon Member are only requested to approve the plan for 12 months

The inflationary figure for TDBC is 0.66% which is a lower figure than had originally been anticipated, this is due to reducing operating cost.

### **2. Background**

- 2.1 The Somerset Waste Partnership has managed waste and recycling services on behalf of all local authorities in Somerset since October 2007. The partnership is governed through a Joint Committee known as the Somerset Waste Board. The SWB Constitution requires the single client team to prepare a Draft Business Plan with an accompanying Action Plan on an annual basis. The Board then approves a draft for consultation with the partners, so that each partner authority has the opportunity to comment on the plan. The Board considered the draft plan on 19 December 2014 and comments are requested by mid-February so that the Board can adopt the Plan and Budget.
- 2.2 The Board can, by a majority vote, amend the Business Plan in order to accommodate any unforeseen circumstances and to assist the Board to achieve the Aims and Objectives. Any partner council can request such an amendment at any time.
- 2.3 The Board is almost exclusively funded from contributions from partners and, apart from one-off funding bids, has no automatic block grant from Central Government or any reserves. It is therefore dependent on agreement between partners on the level of funding provided by each of them in line with the cost sharing formula. Business Planning and Budget setting are therefore part of the same process.

- 2.4 The Board has delegated authority for decision making across all services and therefore must make proposals to the partners on how savings can be made, taking into account any savings requirements from individual partners.
- 2.5 Under the terms of the Inter Authority Agreement, the Board cannot make a decision that has an adverse financial implication on any partner. But the Board does have discretion on how any savings targets handed down can be implemented, provided all partners sign up through approval of this draft plan.

### **3 Purpose of the Business Plan**

- 3.1 The Draft Business Plan and associated Action Plan are the means by which the partnership describes its business, evaluates changes to the operating environment, identifies strategic risks and sets out its priorities. The plan has a five year horizon with particular focus on the next 12 months. It is the primary means to seek approval for and to secure the necessary resources to implement its proposals from the partner authorities.
- 3.2 The plan also sets out the draft Annual Budget for the Waste Partnership for 2015/16.

### **4 Responsibility for the Business Plan**

- 4.1 The Board has delegated authority for decision making across all services and therefore must make proposals to the partners on how savings can be made, taking into account any requirements to make savings and proposals on how this can be achieved. Under the terms of the Inter Authority Agreement, the Board cannot make a decision that has an adverse financial implication on any partner without the consent of that partner. The Board cannot refuse to accept savings targets handed down – but it does have discretion on how those savings can be implemented, provided all partners sign up through approval of the draft plan.

### **5 Consultation**

- 5.1 Individual partners were previously asked to give an indication of any savings targets so that options to achieve these and associated risks could be assessed by the SWP in consultation with the Strategic Management Group. All partners have a need to control costs in this area and a number of initiatives are underway to evaluate the opportunities and impacts of future cost management choices.
- 5.2 Specifically trials have been underway in Taunton Deane which will give results that can be used across the partnership. These trials made temporary alterations to the material types that were collect at the kerbside and the frequency of collections. The trial was completed in December 2014 and the data from this is being analysed now.

### **6 Key Actions for 2015–20**

- 6.1 The key actions may be seen in the Draft Action Plan which is Appendix 1 to the Draft Business Plan.
- 6.2 The Draft Plan has been brought together against the background of the continuing difficult economic situation but with a continuing desire from partners to deliver the

following key priority areas:

1. Waste minimisation, high diversion and high capture
2. Improved services for customers;
3. Contract monitoring and review;
4. Alternatives to landfill and optimising material processing;
5. Investigating Recycling Centre options;
6. Investigating collection service options;
7. Organisational efficiency.

## **7 Finance Comments**

- 7.1 The Waste Partnership is largely funded from contributions from partners and has no block grant from Central Government or any reserves. It is therefore dependent on agreement between the partners on the level of funding provided by each of them in line with the cost sharing formula. Business Planning and Budget setting are part of the same process.
- 7.2 The Annual Budget, once finally approved, will become the new measure for the financial performance of the Waste Partnership for 2015/16. SWP will continue to share the costs among partners in the same way as previously.
- 7.3 The Annual Audit letter has been received and there are no actions outstanding.
- 7.4 The inflationary figure is lower than initially anticipated as a result of operating costs being lower, primarily as a result of shared management with other local authorities and the contractor and reducing fuel costs.

## **8 Legal Comments**

- 8.1 The waste collection contract is one of the Authority's largest contracts. The Waste Partnership fulfils the Authority's statutory responsibilities in regard to waste collection.

## **9 Links to Corporate Aims**

- 9.1 SWP is one of the Authority's key partnerships and takes client and operational responsibilities for the delivery of our recycling and waste priorities.

## **10 Environmental Implications**

- 10.1 None in this report

## **11 Community Safety Implications**

- 11.1 None in this report

## **12 Equalities Impact**

- 12.1 Equalities and other Impact assessments have been made in respect of all savings proposals, even where these do not have an immediate public impact. Individual



partners will consider the Draft Plan during January and early February 2015.

### **13 Risk Management**

13.1 The SWP risk register is reviewed annually and taken to the Somerset Waste Board for approval. The updated risk assessment will be made to the Somerset Waste Board.

### **14 Partnership Implications**

14.1 The Somerset Waste Partnership is one of the Council's key partnerships. The Partnership undertakes the client and operational responsibilities for the delivery of our waste collection obligations and our recycling and waste reduction priorities.

### **15 Recommendations**

15.1 This Executive is recommended to:-

- i) Approve the Somerset Waste Partnership's Budget for 2015-2016; and
- ii) Note the content of the Business Plan 2015 – 2020.

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### **Background papers**

*Somerset Waste Board Constitution and Inter-Authority Agreement*  
<http://www1.somerset.gov.uk/council/boards.asp?boardnum=32>



# **SWP Business Plan 2015 – 2020**

Draft

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## 1. About Somerset Waste Partnership

Somerset Waste Partnership (SWP) was established in 2007 to manage waste services on behalf of Mendip, Sedgemoor, South Somerset and West Somerset District Councils, Taunton Deane Borough Council and Somerset County Council. This made it the first county wide waste partnership in the country.

SWP has delegated authority to deliver household waste and recycling services throughout Somerset, including management of kerbside collections, recycling sites and disposal sites. These duties are in turn contracted to Kier MG CIC (collection services) and Viridor Plc (Recycling Centres, landfill sites and recycling or disposal of food waste, garden waste and residual waste).

The SWP is accountable to the Somerset Waste Board, which consists of two members from each of the partner authorities.

For further information about the Somerset Waste Partnership and the Somerset Waste Board please visit [www.somersetwaste.gov.uk](http://www.somersetwaste.gov.uk)

## 2. Key Stakeholders

- Residents of Somerset
- Members and officers of partner authorities
- Kier MG CIC
- Viridor Plc

## 3. The SWP Vision

We will:

- Drive material up the waste hierarchy and, where sustainable markets exist, into the circular economy\*.
- Avoid landfill and encourage high participation in waste avoidance, reuse, recycling and food waste collection schemes.
- Engage with local people, support economic wellbeing and use efficient, sustainable and affordable solutions at every stage of the process.
- Encourage and facilitate innovation, joined up strategy, policy and operations across the county

\*A circular economy is one where resources once used are not disposed of, but become feedstock materials or energy for making new products, thus reducing reliance on raw materials and waste disposal. A “closed loop process” is a variation of this where recovered materials are recycled into the same product. The benefits of a circular economy include reduced energy consumption, resource security and lower environmental impacts. A circular economy works most effectively where there are

clear incentives for all persons on the loop (manufacturers, retailers, consumers, local authorities, reprocessors) to move the material around the loop.

## **4. Key Issues and Challenges**

### **Service Development**

The next two years will be a time of transition and development for Somerset Waste Partnership. Our collection vehicles are coming to the end of their recommended lifespan and we continue to look at the pathway to move away from landfill for processing residual waste. We have an opportunity to review the fundamental shape and nature of the collection service we provide to ensure it continues to provide the high quality demanded by the public, while taking advantage of developments in reprocessing technology to reduce cost and environmental impacts.

The coincidence of the need to review options for an alternative refuse treatment solution and a new service model for collection presents an unprecedented opportunity to explore synergies across the whole of the service area.

It is therefore important that a significant amount of available SWP resource is directed at ensuring we develop the options and make the best possible decisions for the future of Somerset waste services.

### **External Pressures**

We are now also deep into a period of constraint on the public purse, while at the same time improvements in the economy and other factors have contributed to a significant rise in the amount of household waste being produced in 2014/15. It is very difficult to turn this tide.

In addition our principal contractors have been affected by lower volumes of recyclables and the income received for sale into the market. This means that contractors are being squeezed both by clients and the markets they sell into.

### **National and Local Waste Policy**

With both general and district elections in May 2015, there is a higher than usual level of uncertainty about the future direction of waste policy nationally and local service priorities. There is no doubt that austerity will continue to require radical and sometimes difficult decisions. There may be conflicts between the need to plan the best future outcomes and respond to short term pressures.

## **5. Performance 2014/2015**

Waste arisings in 2014/2015 have increased significantly compared to the same period in 2013/14 and against the overall downward trend of previous years. Garden waste from both kerbside collections and Recycling Centres has increased significantly, with a general

increase in refuse and dry recycling as well. This is not a problem peculiar to Somerset, similar trends have been experienced by other Councils in the South West and further afield. This might be largely attributable to changes in behaviour resulting from the recovery in the economy.

While the upturn is of concern, over the last five years the number of households in the county has grown by 4.9% but the uplift in waste arisings has only been 1.6%. The key issue is whether waste growth will be sustained and what impacts SWP can make regardless of macro-economic factors.

See Appendix 1

## 6. Key Aims and Priorities for 2015/16

For the period of this business plan we will set three clear priority areas: -

New Service Model	<p>Review of kerbside collection service, considering potential development of service through review of:</p> <ul style="list-style-type: none"> <li>• Materials collected</li> <li>• Method of collection</li> <li>• Frequency of collection</li> <li>• Collection containers</li> <li>• Depot infrastructure</li> <li>• Reprocessing arrangements</li> </ul>
Alternative Refuse Treatment	<p>A formal New Project Approval Process commenced in 2014 and will continue into 2015. This project seeks to identify a sustainable and affordable residual waste treatment solution for the future.</p>
Addressing the Impact of Waste	<p>There are also a large number of initiatives identified to address the financial, social and environmental impacts of waste. These will include waste minimisation campaigns and initiatives to improve and develop reuse options, SWP's ability to manage problem properties, recycling facilities in schools and flats, and vitally, safety in the delivery of services. SWP has a great record of securing external funding and will continue to follow up opportunities to assist with its objectives as they arise.</p>

## 7. SWP Budget 2015/16

### Business Plan 2015- 2020

#### Summary Draft Annual Budget 2015/2016

	Rounded £000s	Total	SCC	MDC	SDC	SSDC	TDBC	WSDC
<b>Expenditure</b>	£000s		£000s	£000s	£000s	£000s	£000s	£000s
Salaries & On-Costs	895		423	102	108	152	104	6
Other Head Office Costs	209		96	23	24	35	23	8
Support Services	141		61	16	17	24	17	6
Disposal - Landfill	11983		11983					
Disposal - HWRCs	9235		9235					
Disposal - Food waste	1367		1367					
Disposal - Hazardous waste	318		318					
Composting	1801		1801					
Kerbside Recycling	8628			1773	1777	2664	1719	695
Green Waste Collections	2191			439	515	602	540	95
Household Refuse	5833			1187	1220	1773	1188	465
Clinical Waste	113			23	24	34	24	8
Bulky Waste Collection	79			18	12	25	15	9
Container Maintenance & Delivery	177			37	37	54	39	10
Pension Costs	69			1	2	63	2	1
Depot Costs	176			36	38	53	36	13
Transfer Station Avoided Costs	301		301					
Recycling Credits	2352		2352					
Capital Financing Costs	276			61	51	91	49	24
<b>Total Direct Expenditure</b>	<b>46144</b>		<b>27937</b>	<b>3716</b>	<b>3825</b>	<b>5570</b>	<b>3756</b>	<b>1340</b>
<b>Income</b>								
Sort It Plus Discounts	-80			-16	-17	-24	-17	-6
Transfer Station Avoided Costs	-301			-61	-65	-91	-62	-22
May Gurney Secondment Saving	-117		-53	-13	-14	-19	-13	-5
Recycling Credits	-2327			-480	-489	-713	-470	-175
<b>Total Income</b>	<b>-2825</b>		<b>-53</b>	<b>-570</b>	<b>-585</b>	<b>-847</b>	<b>-562</b>	<b>-208</b>
<b>Total Net Expenditure</b>	<b>43319</b>		<b>27884</b>	<b>3146</b>	<b>3240</b>	<b>4723</b>	<b>3194</b>	<b>1132</b>

**Business Plan 2015- 2020**

**Summary Draft Annual Budgets**

**Rounded £000s                      2015/16   2016/17   2017/18   2018/19   2019/20**

<b>Expenditure</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Salaries & On-Costs	895	904	913	923	932
Other Head Office Costs	209	209	209	209	209
Support Services	141	141	141	141	141
Disposal - Landfill	11983	12543	13117	13706	14321
Disposal - HWRCs	9235	9481	9726	9977	10235
Disposal - Food waste	1367	1381	1396	1410	1425
Disposal - Hazardous waste	318	321	324	326	329
Composting	1801	1832	1863	1895	1927
Kerbside Recycling	8628	8910	9201	9502	9813
Green Waste Collections	2191	2262	2336	2412	2491
Household Refuse	5833	6024	6221	6424	6634
Clinical Waste	113	116	120	124	128
Bulky Waste Collection	79	81	83	85	87
Container Maintenance & Delivery	177	182	187	192	197
Pension Costs	69	70	70	71	72
Depot Costs	176	176	176	176	176
Transfer Station Avoided Costs	301	310	319	329	339
Recycling Credits	2352	2422	2495	2570	2647
Capital Financing Costs	276	276	276	276	276
<b>Total Direct Expenditure</b>	<b>46144</b>	<b>47641</b>	<b>49173</b>	<b>50748</b>	<b>52379</b>

<b>Income</b>					
Sort It Plus Discounts	-80	-80	-80	-80	-80
Transfer Station Avoided Costs	-301	-310	-319	-329	-339
May Gurney Secondment Saving	-117	-117	-117	-117	-117
Recycling Credits	-2327	-2397	-2469	-2542	-2619
<b>Total Income</b>	<b>-2825</b>	<b>-2904</b>	<b>-2985</b>	<b>-3068</b>	<b>-3155</b>
<b>Total Net Expenditure</b>	<b>43319</b>	<b>44737</b>	<b>46188</b>	<b>47680</b>	<b>49224</b>



## Budget Assumptions

- Inflation for collection contract – actual inflation 0.66%

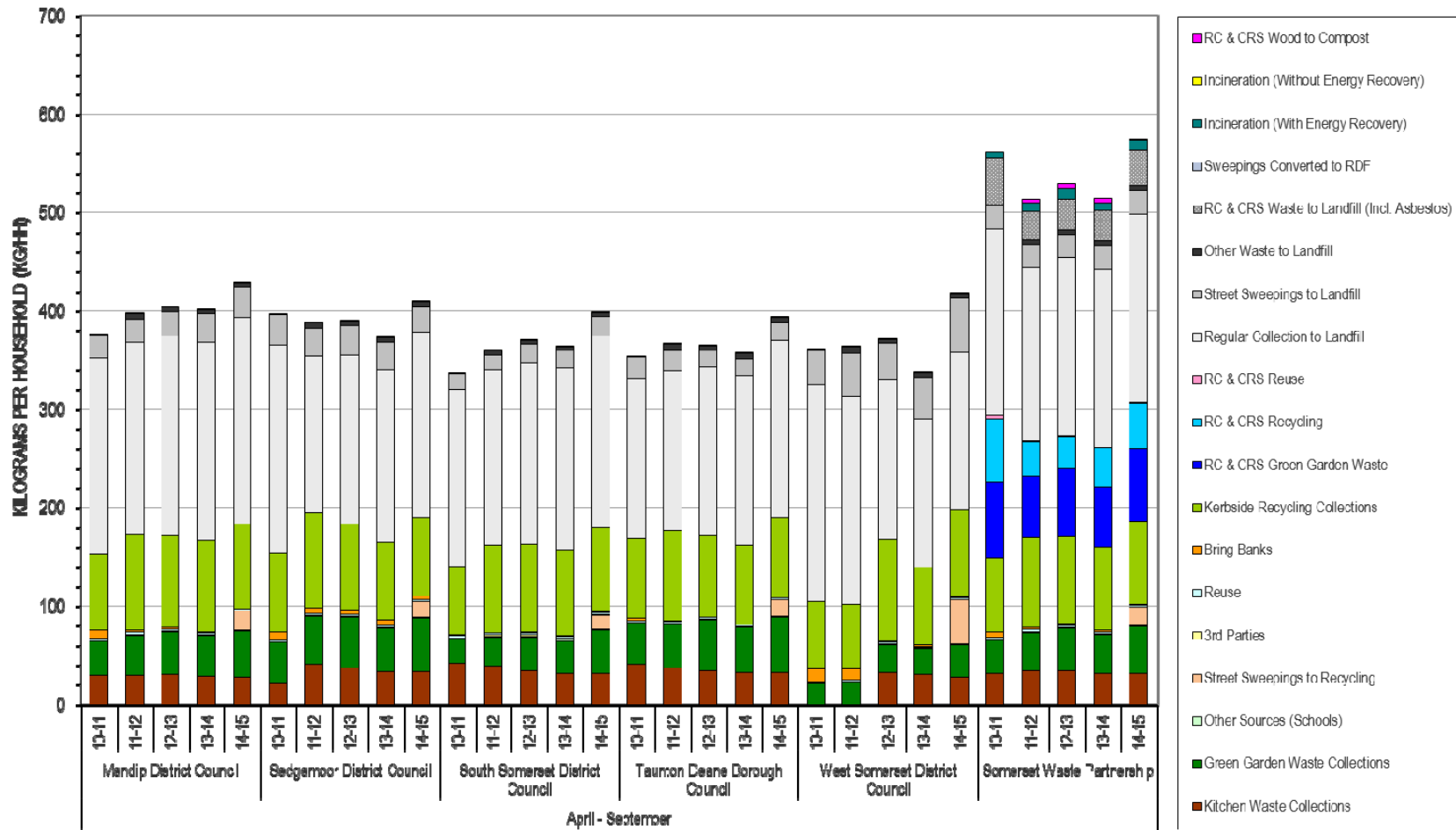
Estimates as follows: -

- Growth in Waste volumes – 1.5%
- Inflation for disposal contract – average of the 4 different indices used is estimated at 1.1%. Made up of RPI 2.3%, CPI 1.25%, Baxter (basket of indices) 0.2%, and Walpole food basket 1%.
- Housing growth - estimated December figures provided by the districts give an average growth across the County of 0.7%



# Appendix 1

## TOTAL HOUSEHOLD WASTE ARISING IN SOMERSET KG/HH COMPARISON 2010-11 - 2014-15



## Appendix 2

Task	Description	Outcome/Target (completion by March 2016 unless otherwise stated)	Lead officer	Resource - Implementation Budget	Resource - People (internal)	Comment
<b>1. Service Development Programme: Alternatives to Landfill</b>			<b>Steve Read</b>			
1.1	Viridor Strategic Partnering Agreement – Economically viable alternatives to landfill.	Commencement of diversion of residual waste away from landfill.	David Oaten	£30,000 (consultancy fees)	Senior manager - 1 day per week	Budget from WDA contribution.
<b>2. Service Development Programme: New Service Model</b>			<b>Steve Read</b>			
2.1	Recycle More Trials	To report on 2014 trials by June 2015. If report identifies need, to test options for other future collection models, designed to increase recycling and reduce costs, by November 2015.	David Mansell	£50,000 for further trials	Report: Senior Manager - 5 days; Senior Officer - 5 days. Further Trials: Senior Manager - 64 days; Senior Officer - 64 days; Collections Officer - 2 days; PP&P Officer - 5 days	Budget to be agreed based on separate proposal to the Board. If agreed will be from WCA contributions.

Task	Description	Outcome/Target (completion by March 2016 unless otherwise stated)	Lead officer	Resource - Implementation Budget	Resource - People (internal)	Comment
2.2	Collection system review with Kier inc vehicle specification for new recycling fleet	To recommend a high-performing service model that can achieve 60%+ recycling for adoption from 2016/17, including identification of costs and operational requirements. STAGE 1 - June 2015 <ul style="list-style-type: none"> <li>To study collection options, including with regard to recycling potential, household preference, material quality, compliance with TEEP, health and safety and cost.</li> <li>Identify preferred service model.</li> </ul> STAGE 2 - November 2015 <ul style="list-style-type: none"> <li>Future costs and operational requirements.</li> <li>Vehicle specifications for refuse and the new recycling fleet required from 2016/17.</li> <li>Vehicle and depot requirements.</li> </ul>	David Mansell	£25,000 (external advice)	Senior Manager - 10 days; Senior Officer - 3 days; Operations Manager - 12 days; Specialist Officer - 12 days; Finance Officer - 4 days	Budget to be agreed based on separate proposal to the Board. If agreed will be from WCA contributions.
2.3	Collection Service - Depot Review	To produce a document assessing options and costs for delivery of the best model of depot infrastructure for provision of Somerset's collection services.	Colin Mercer		Senior Manager - 20 days; Senior Manager (Viridor) - 2 days	

<b>Task</b>	<b>Description</b>	<b>Outcome/Target (completion by March 2016 unless otherwise stated)</b>	<b>Lead officer</b>	<b>Resource - Implementation Budget</b>	<b>Resource - People (internal)</b>	<b>Comment</b>
2.4	Vehicle Replacement Procurement	To ensure budget arrangements are in place and that the contractor delivers a procurement process that is compliant with legislative and best practice requirements and delivers the vehicles specified by the client.	Colin Mercer		Senior Manager 10 days; Finance Manager - 15 days	Finance requirement of £7.5 million for spend in 2016/17?
2.5	Progress flexible shift patterns for collection crews	To understand potential effectiveness of implementing flexible working patterns for collection crews, using days and times more flexibly throughout the week. Phase 1 - Feasibility; Phase 2 - Implementation (if feasibility study shows business and social benefit)	Colin Mercer	£2,000	Phase 1 - Assessment: Senior Manager - 10 days; Phase 2 - Implementation - Senior Manager - 20 days; CS Manager - 10 days; Senior PP&P Officer - 10 Days; Collections Officers - 15 days.	Costs primarily met by contractor. Contingency from SWP budget (WCA contribution).
2.6	Review collection contract to identify further potential savings	To review collection contract cost components <ul style="list-style-type: none"> <li>• Benchmark against basket of contracts</li> <li>• Document findings</li> <li>• Propose savings where identified</li> </ul>	Colin Mercer		Senior Manager - 10 days	

Task	Description	Outcome/Target (completion by March 2016 unless otherwise stated)	Lead officer	Resource - Implementation Budget	Resource - People (internal)	Comment
2.7	Integrated waste management strategy	To prepare and gain approval for a new waste strategy for Somerset that updates targets and incorporates new plans for collections and residual waste treatment.	David Mansell	£2,500	Senior Manager - 12 days; Senior Officer - 10 days; PP&P Officers - 6 days	Costs for consultation and consultation events, to be met from SWP core budget.
<b>3. Projects and Activities to Manage the Impact of Waste</b>						
3.1	Alupro can recycling promotion trial	Alupro are offering to joint fund a promotion scheme to stimulate increase in recycling of aluminium cans. SWP will review the offer and, if there is a clear business case, will joint fund with the aim of achieving a return on investment of greater than 100% of our costs.	Mark Blaker	£50,000 if conducted county wide; <£15,000 if limited to single district.	Assessment - Senior Manager - 2 days; Implementation - Senior Manager 10 days; Senior PP&P Officer - 15 days; Support and Monitoring - 20 days.	Would procure services of Carymoor Environmental Trust for face to face activities.  Requires new money based on separate business case to be presented to Board for approval in 2015.

Task	Description	Outcome/Target (completion by March 2016 unless otherwise stated)	Lead officer	Resource - Implementation Budget	Resource - People (internal)	Comment
3.2	Roll out improved recycling collections to Communal Properties	To have enhanced recycling services operating in all eligible communal properties by March 2016.	Colin Mercer	£49,000	Senior Manager - 15 days; Senior Collections Officer - 30 days; Senior Officer (planning) - 5 days; Service Officers - 15 days (total); PP&P Officer - 2 days.	Additional annual service cost of £23k p/a (net cost including increased income from recycling credits). Costs would partially be offset by reduction in weekly collections (as per paper presented to Board in 2014/15 Business Plan). Business case to be reviewed and represented to Board for approval in full if recommendation to proceed made at Officer level.



<b>Task</b>	<b>Description</b>	<b>Outcome/Target (completion by March 2016 unless otherwise stated)</b>	<b>Lead officer</b>	<b>Resource - Implementation Budget</b>	<b>Resource - People (internal)</b>	<b>Comment</b>
3.3	To develop further reuse facilities to Chard and Highbridge sites.	To have a network of three operation reuse facilities, providing a lower cost route for reusable materials.	David Oaten	£45,000	Senior Officers - 30 Days	To be funded by SWP under same finance model as Priorswood facility, with investment recouped over 30 months.
3.4	Recycling Incentive Scheme	Subject to successful DCLG funding application, to work with economically deprived communities to incentivise improvements in waste reduction and recycling.	Mark Blaker	£42,000	Senior Manager - 10 days; Senior Officer - 10 days, PP&P Officers - 20 days	Only to proceed if funded by DCLG; primarily delivered by Carymoor Environmental Trust.
3.5	Round improvement project using successful trial elements, including 'no food waste' stickers on refuse bins	To promote food waste recycling to 25,000 households, increasing food waste recycling by 300-650 tonnes per annum and achieving disposal savings of £15-40kpa for SCC. To confirm the effectiveness of this project and learn about implementation on a larger scale, so that further larger implementations can be undertaken in future years.	David Mansell	£32,500	Senior Manager - 2 days; Senior Officer - 10 days	Separate Business Case to be presented to Board prior to proceeding, based on results of trials conducted in 2014.

<b>Task</b>	<b>Description</b>	<b>Outcome/Target (completion by March 2016 unless otherwise stated)</b>	<b>Lead officer</b>	<b>Resource - Implementation Budget</b>	<b>Resource - People (internal)</b>	<b>Comment</b>
3.6	Conduct Customer Satisfaction Survey	To complete a survey for a representative sample of Somerset households on service satisfaction, waste actions and services improvement.	David Mansell	£7,500	Senior Manager - 2 days; Senior Officer - 3 days	To be funded from SWP Head Office budget, subject to agreement by Board
3.7	Food Waste Minimisation Campaign	Cross media campaign to encourage people to reduce food waste and make better use of their food waste recycling facilities.	Mark Blaker	£5,000	Senior Manager - 5 days; Senior PP&P Officer - 15 days; PP&P Officer - 15 days	To be funded through funding allocated for SWP customer communication in draft budget (Other Head office Costs).
3.8	Provide support to Furniture Reuse Groups to increase reuse	To review site signage. To trial diversion of WEEE for reuse	David Mansell	£3,900	Senior Officer - 20 days	Signage element - To be delivered as part of wider signage review of SWP sites.
3.9	SWP Enforcement Strategy	To develop an enforcement policy and staff training for SWP to manage littering and tipping of waste where it falls within the SWP remit to address.	Colin Mercer		Senior Manager - 15 days; Senior Collections Officer - 5 days; Other Manager Input - 4 days	Training fund being met from 2014 budget.
3.10	Maintain SWP COTC (Certificate of Technical Competence) capability	Renew COTC qualification for four officers; Achieve COTC accreditation for one additional officer	David Oaten	£2,000	4 days for renewal; 30 days for new qualification (Senior Manager)	Statutory requirement. To be met from Head Office budget.

<b>Task</b>	<b>Description</b>	<b>Outcome/Target (completion by March 2016 unless otherwise stated)</b>	<b>Lead officer</b>	<b>Resource - Implementation Budget</b>	<b>Resource - People (internal)</b>	<b>Comment</b>
3.11	Support for Carymoor to maintain the Compost Champions scheme	Compost Champions to engage 500 people to encourage and develop composting skills per year	David Mansell	£2,000	Senior Officer - 2 days	Primarily delivered by Carymoor Environmental Trust
3.12	Review weekly refuse collections to further reduce numbers	To save costs by identifying properties currently receiving weekly refuse collections, review the need and convert to fortnightly as required.	Colin Mercer	£2,000	Senior Manager - 2 days; Senior Officer - 5 days; Planning Officer - 5 days; Service Officer - 10 days	Funding primarily required from Communications. To be met by relevant WCAs.
3.13	With WRAP, train volunteer Food Ambassadors to promote food waste reduction and recycling	Hold 2 Food Ambassador training sessions, coordinated with WRAP. Train 15 Food Ambassador volunteers to promote food waste reduction and recycling in their community through talks, events and table top displays. Review and evaluate methods for engaging and working with community volunteers to cascade food waste reduction and recycling messages, and identify those suitable for community engagement in other waste reduction and recycling initiatives.	David Mansell	£1,700	Senior Officer - 15 days; PP&P Officer - 5 days	Costs to be met from Head office budget.

<b>Task</b>	<b>Description</b>	<b>Outcome/Target (completion by March 2016 unless otherwise stated)</b>	<b>Lead officer</b>	<b>Resource - Implementation Budget</b>	<b>Resource - People (internal)</b>	<b>Comment</b>
3.14	Residual Waste Minimisation	Complete at least 4 bin retrieval campaigns (identification of rounds with significant numbers of unauthorised bin, and subsequent removal of unauthorised bins)	Colin Mercer	£1,500	Senior Manager - 2 days; Senior Officer (Planning) - 5 days; Service Officers - 20 days (total); CS Manager - 4 days.	Costs to be met from Household Refuse budget.
3.15	Research - Understanding waste choices and how/why people make them.	Produce proposal for communication strategy to better influence choices such as "home compost or garden waste service".	Mark Blaker	£1,000	Senior Manager - 10 days; Senior PP&P Officer - 10 days; PP&P Officer - 5 days	Budget required for training. To be met from Head Office budget.
3.16	Develop new staff training modules - inc. Collection services - rules and regulations, and Dealing with Difficult Customers	Develop and deliver new training modules using internal resources and expertise to build the skills levels of SWP staff.	Mark Blaker	£1,000	Senior Manager - 5 days; CS Manager - 15 days.	Budget required for training. To be met from Head Office budget.
3.17	Promote food waste reduction and recycling by working with community organisations	Provide training and promote awareness of community support tools to reduce and recycle food waste. Engage community groups to encourage at least 10 community-led food waste reduction and recycling promotions. Test delivery models for Love Food Hate Waste "Save More" sessions with 5 community groups.	David Mansell	£500	Senior Officer - 25 days; PP&P Officer - 2 days	To be met from Head Office budget.

Task	Description	Outcome/Target (completion by March 2016 unless otherwise stated)	Lead officer	Resource - Implementation Budget	Resource - People (internal)	Comment
3.18	Support for community organisations to undertake reuse, repair and real nappy projects	Hold a community waste action conference. Create and maintain community waste action contact database	David Mansell	£500	Senior Officer - 15 days; PP&P Officer - 3 days	
3.19	Tender and Let the Closed Landfill Management Contract	Contractor signed up to provide maintenance of closed landfill sites.	David Oaten		Senior Manager - 20 Days; Senior Officer - 10 days	Ongoing annual contract cost of £32k pa, to be met from WDA contribution (already allocated).
3.20	Secure long term SLA for COTC (Certificate of Technical Competence inspections) provision for Highways	SLA agreed and in place	David Oaten		Senior Manager - 10 days	Projected income of £27k per annum
3.21	Reduce unauthorised Commercial Waste entering recycling sites	Reduce amount of waste entering household recycling sites by 5% by March 2016	David Oaten		Senior Manager - 10 days; Senior Officer - 24 days; PP&P Officer - 5 days; Admin support - 40 days	
3.22	Safe Working Practices – Enhance Crew Monitoring Schedule	To ensure crew monitoring is a fully integrated part of the collection service operational procedures	David Oaten		Senior Officer - 25 days	
3.23	Provision of additional recycling lines at Recycling Centres	Investigate and implement, if viable, provision of facilities to recycle PTT, mattresses, carpet	David Oaten		Senior Manager - 5 days; Senior Officer - 6 days	

<b>Task</b>	<b>Description</b>	<b>Outcome/Target (completion by March 2016 unless otherwise stated)</b>	<b>Lead officer</b>	<b>Resource - Implementation Budget</b>	<b>Resource - People (internal)</b>	<b>Comment</b>
3.24	Core Services contractual 'Benchmarking' exercise	To review haulage charges for the Viridor contract and benchmark against a basket of comparable services, negotiating a price review with the contractor if deemed appropriate. To be completed by February 2016	David Oaten		Senior Manager - 5 days	
3.25	SWP Health and Safety Review	To collate an electronic Health and Safety library for SWP.	Helen Oaten		Senior Officer - 5 Days; Resource Officers - 10 days	
3.26	Improve recycling available to schools and commercial customers	To identify and report on increased opportunities for recycling by schools and businesses through collections	Colin Mercer		Senior Manager - 5 days	
3.27	To integrate waste collection requirements into the planning process	To prepare and gain adoption of supplementary planning guidance on waste collections as part of Somerset's Waste Core Strategy. To integrate this guidance into district council pre-application and planning approval processes.	David Mansell		Senior Manager - 10 days; Senior Officer - 25 days; Senior Officer (Planning) - 15 days;	

<b>Task</b>	<b>Description</b>	<b>Outcome/Target (completion by March 2016 unless otherwise stated)</b>	<b>Lead officer</b>	<b>Resource - Implementation Budget</b>	<b>Resource - People (internal)</b>	<b>Comment</b>
3.28	Develop and Implement SWP Style Guide	To produce a guide to producing SWP marketing, promotional and informational communications, signage, web pages etc so that they are consistent in branding. To be completed by December 2015	Mark Blaker		Senior Manager - 10 days; Senior PP&P Officer - 5 days.	
3.29	SWP Annual paid-for press coverage	To produce pull-out spread for Autumn edition of Your Somerset; Advertising in local press for bank holiday changes; To plan a two page insert in the Spring Your Somerset.	Mark Blaker		Senior Manager - 2 days; Senior PP&P Officer - 10 days; PP&P Officer - 5 days	
3.30	Investigate opportunities and improve use of e-mail and text as contact mechanisms	To develop a plan for improving the effectiveness of SWP communications through targeted use of e-mail and text, and similar media.	Mark Blaker		Senior Manager - 2 days; Senior PP&P Officer - 5 days.	
3.31	Develop Social Media protocol	To understand, document and plan to implement best practice in use of social media in promoting key messages.	Mark Blaker		Senior Manager - 2 days; Senior PP&P Officer - 3 days; PP&P Officer - 2 days.	

# Taunton Deane Borough Council

**Executive - 5 February 2014**

## **Movement of Tourist Information Centre TIC to part of Market House – Request for funding**

### **Report of the Assistant Director Business Development**

(This matter is the responsibility of Executive Councillor Norman Cavill)

#### **1. Executive Summary**

The report outlines the proposal to relocate the Tourist Information Centre (TIC) from its current location to the Market House.

This proposal is in line with the principle suggested in the Taunton Rethink document of moving the TIC to a more prominent position. It therefore forms an element of the work to revitalise the town centre presenting an opportunity to reconsider the use of the current site. The other key benefits will be improvements to the condition of the Market House and the surrounding area.

The report outlines the budgetary requirements to deliver this relocation and the associated benefits of this proposal.

#### **2. Background**

The TIC is currently located in Paul Street adjacent to Taunton Library. It has been situated in that location since 1996.

The Taunton Rethink document which was adopted in early 2014 refreshed the council's approach to the Town Centre and made reference to the relocation of the TIC. This related to widening the opportunities at the Orchard Centre and creating a more prominent location for the Tourist Information Service. Two possible sites were suggested which were the Coal Orchard site in conjunction with a regenerated Brewhouse or the possibility of a site in North Street.

In terms of the suggestion around Coal Orchard this related to the regeneration of the site which has yet to commence and as a consequence this option is not a real possibility at the current time. Another key factor in not pursuing this option is that the footfall across the



site to the Brewhouse is not as high as that through any town centre location.

In the case of North Street there are no specific assets available to the Council for use at the current time. The Market House, in Fore Street, is a very large building with distinct areas which lends to it being let in individual sections to maximise the income generated by the council and widens the use of the building. Therefore the Market House is considered to be an appropriate option for the TIC location.

As Members will be aware the Council has also been working with Somerset County Council on the consolidation of staff into County Hall. Through that work TDBC has given consideration to moving the TIC into the proposed Public Sector Hub which would be located at County Hall. However it has been recognised that the Public Sector Hub, in a very general sense, has as its main customer base local residents. The TIC in contrast has a different customer base which serves visitors, local residents and the business community.

The differing needs of its customers and the role of the TIC therefore support the rationale for the Market House being an ideal location for the TIC. Its position will also create a very visible presence in this key central part of the Town. This visibility is also perceived as increasing the commercial opportunities for the TIC. As an example an opportunity is being explored to increase travel ticket sales due to proximity to the current bus station. The central location also presents an opening to raise the profile of local events taking place in the area as the centre's ticket box office would be in a more prominent location and also review the current range of retail goods that are on offer with the potential to provide new items for sale

Whilst the location of the TIC and the opportunities created by its relocation are important considerations in making the move there are other factors to consider. The delivery of improvements to the Market House and the surrounding area combined with the need to maintain it as an asset of the Council are also factors in this project. This also links to the reinvigoration of this part of the Town.

The location of the TIC in the western end of the Market House will complement the letting of the ground floor and basement areas to a good quality restaurant chain. This is in part due to the quality of the proposed design incorporating a new glazed area within the arches of the Market House which creates a new entrance to the this area of the building. The interior design is being developed through engagement with Visit England whose assistance has been valuable. They have provided extremely helpful examples of similar historic buildings that are used for TIC's and have provided a fresh modern offer to their customers. This has helped inform the design process, although it should be noted this is yet to be completely finalised. This design has also been developed to take into account the new restaurant. Elevation Plans are attached as Appendix A

of this report to illustrate the new feel to the western end of the market house.

The design has also been evolved through consultation with English Heritage and the SCC cultural team. The Market House has enormous historic value to Taunton so as an element of the project Tom Mayberry, Chief Executive of the South West Heritage Trust, has provided Appendix B which highlights the building's importance. It should be noted that this appendix is only intended to provide context to the report.

In terms of maintenance and repairs the work will deal with the current electrical service points for street vendors which are strung out from the Market House above head height. The current supply is unreliable and has failed on a number of occasions. The proposals would ensure that it was located underneath the paved area at ground level.

Internally there is an underutilised office suite in this area of the Market House at first floor level which will be refreshed to a basic standard and will then be made available for lease once the works have been completed. In addition maintenance work will be carried out on the shared staircase in the building which is currently used by the occupier of the dance studio and which is in poor repair. The final element of the work will be the upgrading of the services in that area to ensure they meet appropriate standards before the building is reoccupied. This will include provision of an appropriate IT infrastructure.

The presence of the TIC will enable creation of a soft seating area adjacent to it. There are a number of existing street traders providing a food offer so these will be grouped in that area. This will create an informal and attractive space which provides a positive entrance into the TIC for visitors. This space is intended to be bounded by low level removable fencing which will be branded with the Taunton "T". This combined with the use of this motif on the glazed areas will help give a fresh look to the area.

In terms of access to the proposed TIC in the Market House, previous tenants have suffered from poor physical access particularly for those individuals who have a disability or require level access. Consideration has been given to this access issue and following consultation with SCC Highways and the Building Control team an application has been lodged to provide a ramped access with appropriate consents put into place. The stopping order has now been granted and is being advertised for the statutory period of six weeks. This commenced on 26<sup>th</sup> January 2015.

The final benefit of this move are the reduction of costs associated with the current lease at the library. The rental cost at the library is currently £12,000 with an annual management charge of £8 -9000. This represents a cost of £20 -21,000 per annum. Whilst the final rental cost for the Market House is not yet settled for this area, overall savings should be in the region of £10,000. This sum relates to the internal charging

mechanism for space in council buildings and is being finalised by Asset management colleagues.

In terms of the vacated space in the library consideration is being given to the opportunities that will occur to change its use. In the short term two possibilities for potential use are as a retail space or potentially an art exhibition area. We are currently evaluating the lease provisions to ensure that an appropriate use can be delivered if the TIC moves out. We also plan to explore opportunities as part of overall work with SCC and public sector partners.

### **Comments from Corporate Scrutiny**

The Corporate Scrutiny committee were broadly supportive of the proposals. Specific issues were discussed around the nature of the budget and members requested that more information be provided to them on breakdown of costs as they became known. These will be solidified through the open procurement process that will occur.

Members also raised issues around the current site, the notice period and how that effected the usage if the site was vacant. This is being explored and will be subject to negotiation with SCC. The notice period begins on 30<sup>th</sup> September with a six month period for vacating formally on the 30<sup>th</sup> March 2016. The proposal within this report would therefore mean the site was empty for 7 -8 months. However alternative uses may be available during that time and also as noted negotiation with SCC based on wider discussions of asset usage within the town are possible. This may lead to surrender of the lease at an earlier juncture but this has not been progressed until members agree the capital budget for this project.

### **3. Current project status and next Actions**

JP Gainsford have been instructed to provide an initial design, provide indicative costings, apply for and secure planning permission, secure necessary access permissions and project manage any agreed build. This work with the exception of the management of the build has been funded through existing revenue budgets.

Planning permission was secured at January Planning Committee which took into account all of the issues relating to the listed status of the building. This has now been confirmed by the Secretary of state.

The indicative costing for the work is £120,000 although this represents a maximum cost and includes appropriate contingency which links to the age of the building.

The next actions therefore are to seek agreement from council for the principle of the move occurring and for the appropriate finance to be made available to deliver it.

If budgetary allocation is made as a result of this report we aim to complete the works by 30<sup>th</sup> June 2015. This will enable the TIC to play a key role in the Taunton Live Festival which is planned for 18<sup>th</sup> -25<sup>th</sup> July 2015.

#### **4. Finance Comments**

The revenue costs of the appointment of JP Gainsford and the IT requirements of the project are in the region of £16k. This expenditure is covered by existing budget and therefore approval is being sought for the capital element only. The sum of £120k is available from the New Homes Bonus Earmarked Reserve which has an unallocated balance of £180k at the end of 2014/15. Subject to agreement by council the budget holder has approved the use as appropriate funding for this regeneration project. This project has been included in the Capital Programme Estimates Report 2015-16 which is on the same agenda as this report.

The projected savings in relation to the revenue costs have not been factored into forward budget plans for prudent purposes. An adjustment can be made when savings crystallise. At this stage until costs are clarified through the tender process the payback period is indicative at ten years but there are a number of variables to be addressed in the next few months.

Turnover & Staffing facts around the operation of the TIC are attached as Appendix C of this report.

#### **5. Legal Comments**

No specific issues identified by the Legal Services Manager which need to be addressed in conjunction with this report.

#### **6. Asset Management Comments**

The relocation of the TIC to the Market House is supported as it makes good asset management practice to utilise existing empty stock before leasing in additional stock. In this instance the Market House also provides a much improved location to support the operation of the TIC so the argument in favour of the relocation is even stronger. The timing of any move should be such as to tie in with the break option provision at the library site so as to avoid any ongoing liability for rent beyond when we require that property. There is much work currently taking place to secure a better general use of the Market House and the letting to a high-end restaurant operator is just one part of this journey, along with the relocation of the TIC. The proposed mix of uses complement each other very well. Asset Management would recommend however that where possible, works to create the TIC are timed to cause as little inconvenience to the other tenants as possible. It is considered that the presence of the TIC at the Market House would assist further utilisation of the remaining vacant / underutilised parts of the property and that the

£120,000 represents value for money in terms of mitigating our ongoing rental of the library and in terms of 'investing' in a TDBC asset.

## **7. Links to Corporate Aims**

The contents of this report support two of the three Corporate Aims  
Aim 2 – A Vibrant Economic Environment

Aim 3 – A Vibrant Social, Cultural and Leisure Environment

These proposals specifically impact on objectives 4 and 6 of the corporate business plan as they will respectively speaking increase economic activity and facilitate and support cultural and leisure activities

## **8. Environmental Implications**

No specific implications identified

## **9. Community Safety Implications**

There are no issues perceived as being linked to this report.

## **10. Equalities Impact**

An assessment has been carried out combined with informal consultation with disability groups. Initial thoughts were that it may be possible to make an access statement due to the age of the building and make appropriate arrangements to enable access. However on further consideration and in consultation with building control it has been decided to provide ramped access to the property. The TIC should therefore be fully compliant with access requirements and the design will take into account any issues related to the protected Characteristics

## **11. Risk Management**

The key risk is managing any disruption to the service and ensuring that there is continuity during any move. This will be addressed through management of the renovation work to ensure that disruption is minimised.

## **12. Partnership Implications**

There are implications in moving the TIC from its current location as they relate to the accommodation proposals being developed with SCC. However these are already being considered as part of that overall strategic plan and on balance present a positive opportunity for the use of the Paul Street site.

### 13. Recommendations

Executive agree the principle that based on the information contained within this report the TIC move to the Market House.

Executive recommend to Full Council the inclusion of a capital budget of £120,000 within the General Fund Capital Programme, to be funded from the Growth and Regeneration (New Homes Bonus) Reserve.

**Contact:**      Officer Name      Ian Timms  
                         Direct Dial No      01823 356577  
                         [e-mail](mailto:itimms@westsomerset.gov.uk) address      itimms@westsomerset.gov.uk

Appendix A – Elevations for illustration of the planned improvements

Appendix B – Heritage of the Market House

Appendix C – Key Budgetary & staffing facts – operation of TIC

#### **Appendix A - Attached PDF elevations**

#### **Appendix B - Heritage of the Market House**

### **THE MARKET HOUSE, TAUNTON**

When Taunton's Georgian Market House was completed in 1772, it became the most conspicuous expression of a town determined to renew itself.

The Market House occupies the southern end of a triangle of land historically known as 'the Island' and 'the Cornhill'. Before 1772 the site was crowded with 14 public houses, many market standings, an assembly room, and a medieval guildhall. It was notorious for rowdiness, drinking, vice and filth, and by the 1760s an increasing number of prominent citizens were seeking ways to clear the site and create a fine new public building for the town. With the assistance of Benjamin Hammet, Taunton's MP, an Act of Parliament was obtained in 1768 for 'erecting a market house, and holding a market'. Work on the project began soon afterwards.

The Market House was designed by the gentleman artist and architect, Coplestone Warre Bampfylde, best known today as the creator of the landscape gardens at Hestercombe, his family home. The new building was 'laid out into different apartments for the purposes of justice, amusement, and pleasure', and had two large wings, or arcades (demolished in 1934), intended to accommodate farmers and tradesmen on market days.

On the ground floor of the Market House was the Guildhall, where the magistrates would sit to hear cases every Wednesday and Saturday. The Guildhall was also used for public meetings convened by the magistrates. In addition there was a Reading Room which in 1822 was supplied with four London daily papers and four provincial weekly papers.

The first floor of the Market House contained a billiard room and a 'commodious room for card tables'. But its chief public space, and the major attraction of the building as a whole, was the 'superb assembly room', measuring fifty feet long, thirty feet wide, and twenty-four feet high. The room included a music gallery, 'two elegant and large glass chandeliers', and a full-length portrait of George III which is still part of the Borough Council's collection.

From 1772 and for much of the 19th century the Market House, and especially the assembly room, provided one of Somerset's chief public meeting places. The assembly room was particularly valued as a setting for concerts and balls, and it was there in 1840 that Franz Liszt gave a piano recital during his tour of England. The rival venues provided by the great hall of Taunton Castle and the 'new assembly room' behind the County Hotel undermined the role of the Market House during the 19th century. After 1929, when the markets moved to the edge of the town, the building's public role declined steeply and has long since been effectively lost.

The Market House is a monument to civic pride whose meaning and purpose have been forgotten. Most inhabitants of the town, even those of long standing, will never have entered it or seen the assembly room. It is long overdue for public rediscovery.

Tom Mayberry  
6 October 2014

## **Appendix C – Turnover and staffing facts TIC**

### **Turnover statistics**

In terms of turnover this equates to annual sales, the average figure for the past three financial years is £267k. Sales at 14.01.15 are already at £289,900. This is due a range of factors such as increased footfall through the Dragon trail and increased travel and ticket sales

### **Staffing Facts:**

Current staffing level:

Total 2.35 FTE

0.4 FTE Business Development Specialist (or Marketing and Tourist Information Lead)

1 FTE Tourist Information Officer

0.95 FTE Tourist Information Assistants

Open to the public: Monday to Saturday 9.30am to 4.30pm (closed Bank Holidays)

Proposed staffing levels:

Costs and overall levels expected to be similar but will certainly be within existing

budgetary provision. Structure of staffing is being evaluated to enable additional coverage by reorganisation of rotas etc. This will be subject to consultation with staff.

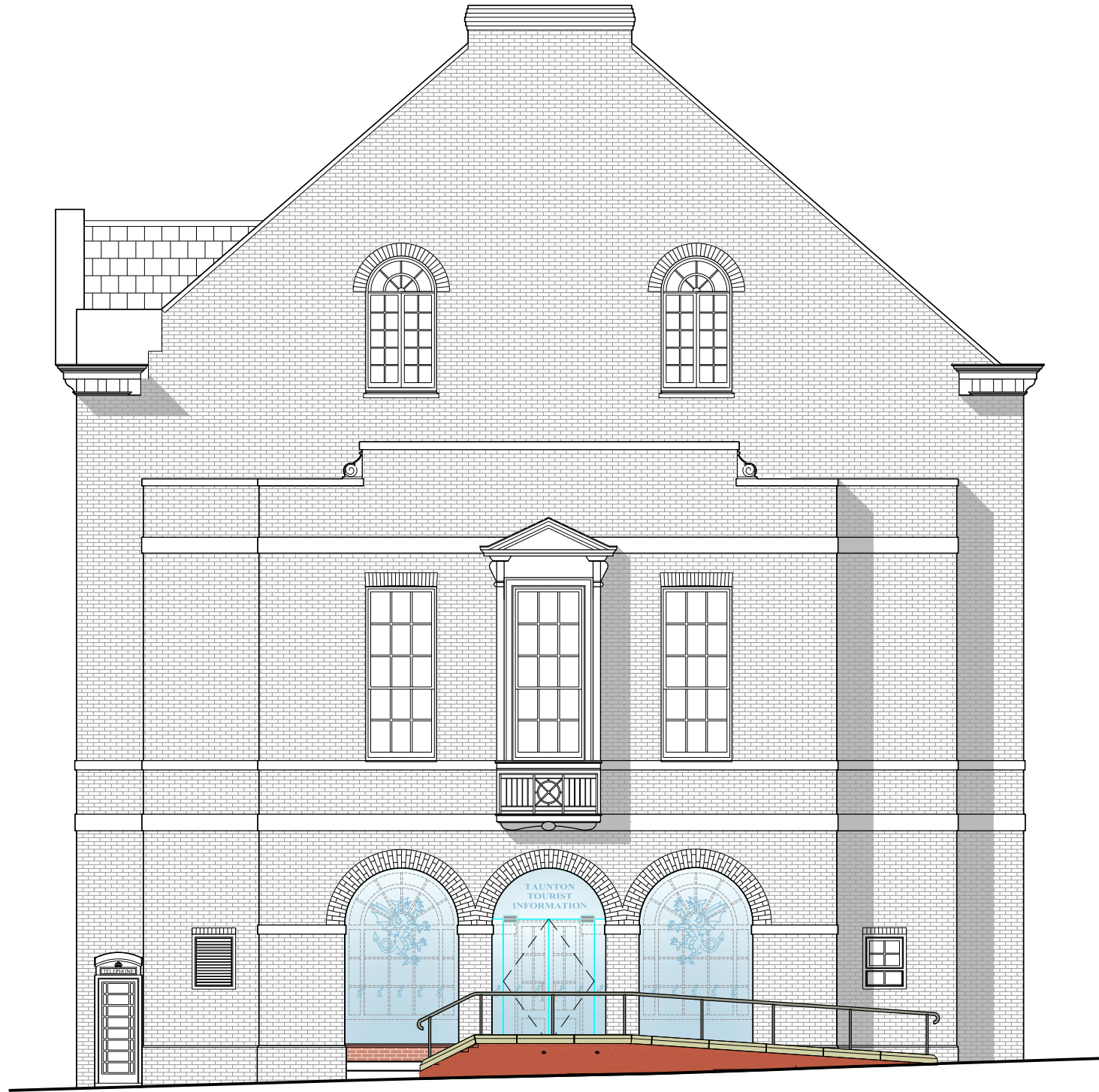


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REVISION	BY	DATE	DETAILS

NOTES



WEST ELEVATION AS PROPOSED

*J P Gainsford Associates*

**CHARTERED BUILDING SURVEYORS**  
 1 Tower Lane, Taunton, Somerset TA1 4AR  
 Tel: 01823 288388  
 Fax: 01823 288444  
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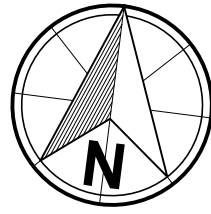
CLIENT  
 TDBC

PROJECT  
 The Market House,  
 Fore St,  
 Taunton, TA1 1JD

DRAWING TITLE  
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 AS PROPOSED**

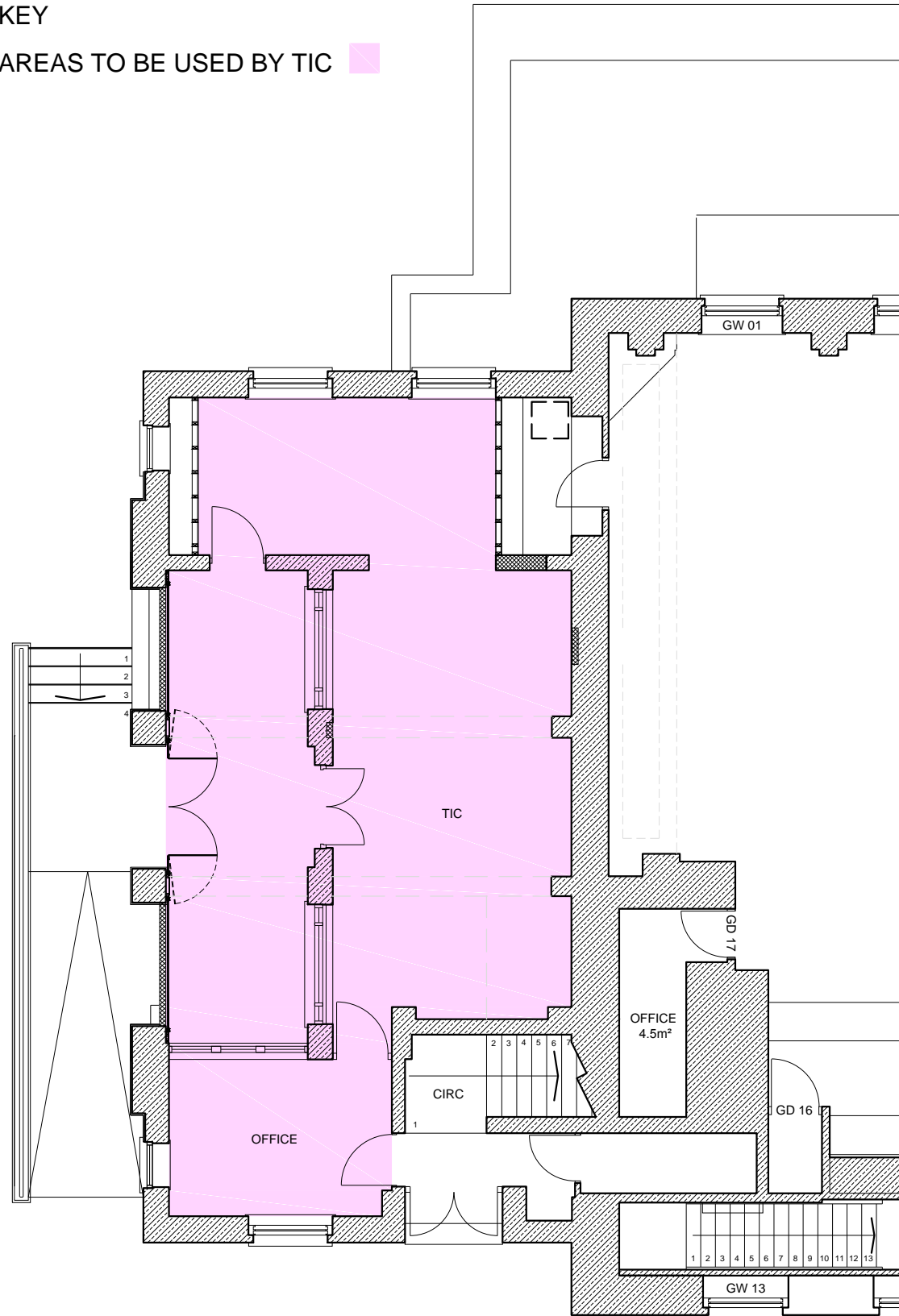
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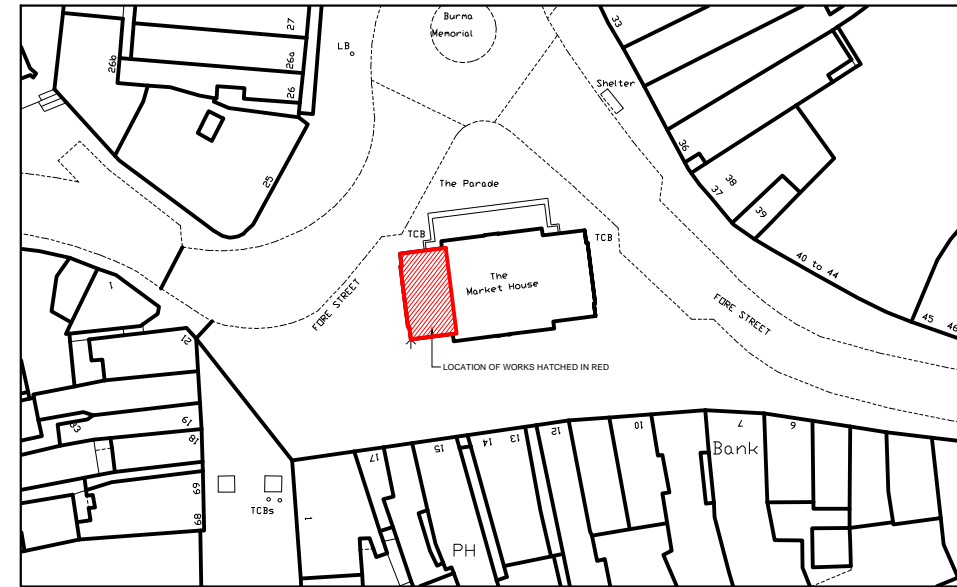


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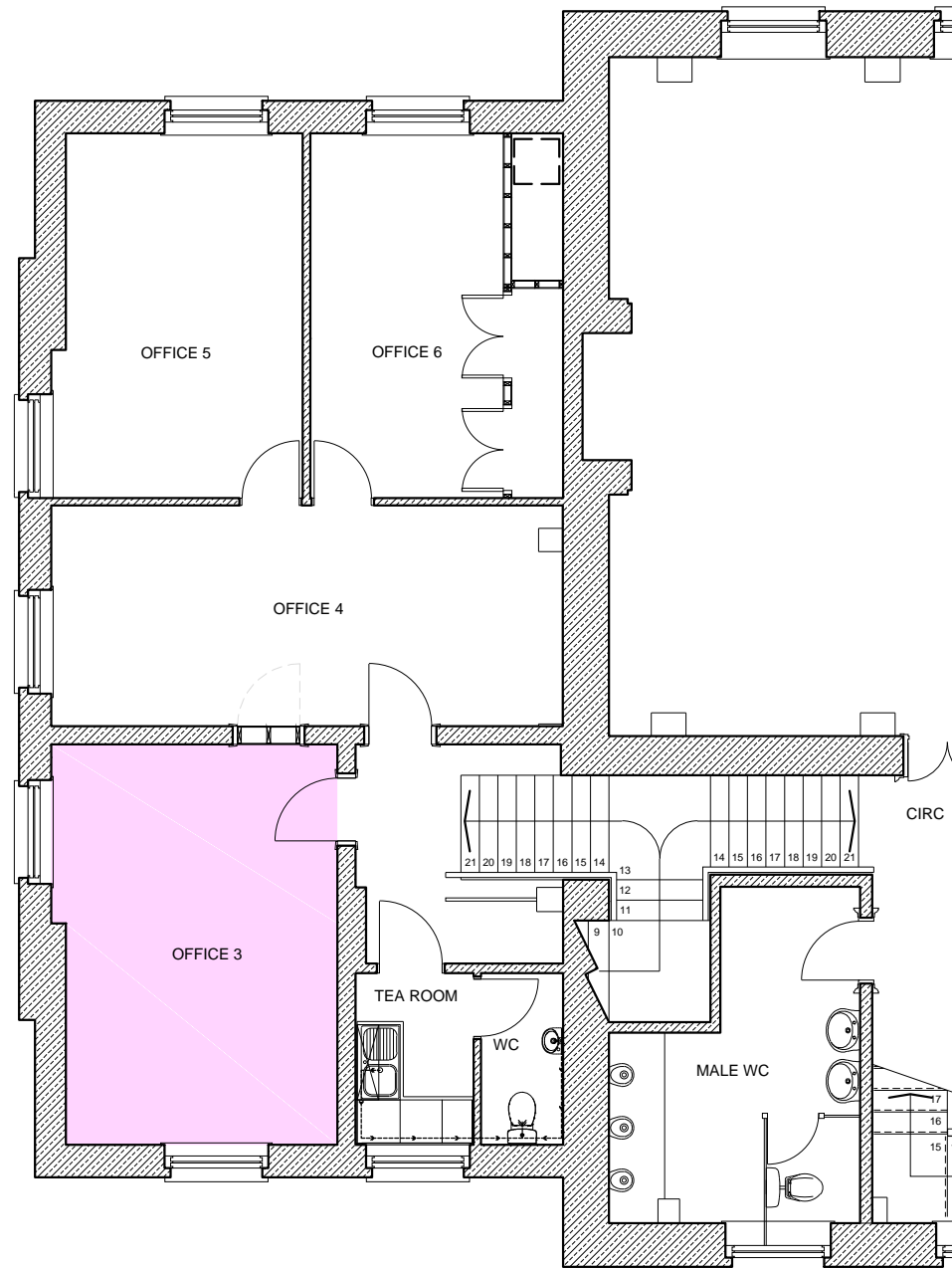
AREAS TO BE USED BY TIC



GROUND FLOOR AS PROPOSED



LOCATION PLAN SCALE 1:1250



FIRST FLOOR SCALE 1:100

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REVISION	BY	DATE	DETAILS

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CLIENT  
**TDBC**

PROJECT  
**The Market House,  
 Fore St,  
 Taunton, TA1 1JD**

DRAWING TITLE  
**GROUND & FIRST FLOOR  
 PLANS & LOCATION PLAN  
 AS PROPOSED**

DRAWN BY <b>AJL</b>	DATE <b>14/01/15</b>
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# Taunton Deane Borough Council Executive – 5 February 2015

## Draft General Fund Revenue Estimates 2015/16

### Report of the Assistant Director Resources

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

### IMPORTANT NOTICE FOR MEMBERS

In order for this item to be debated in the most efficient manner at the Executive meeting, Members are requested to contact the named officers in advance of the meeting with queries regarding points of detail or requests for further supporting information.

#### 1 Executive Summary

This report presents the Executive's 2015/16 Budget for the General Fund for recommendation to Full Council for approval on 24 February 2015.

The Budget was previously presented to Members at Corporate Scrutiny on 22 January 2015. Subsequently, Executive Councillors have finalised its budget proposals, which includes some updates to the previous draft as set out in this report and significantly a change in Council Tax proposal.

The Executive is proposing to **freeze Council Tax in 2015/16**. Significant progress has been made to implement the new JMASS structure which has delivered savings, contributing to the 2015/16 provisional budget position reported in December which showed a potential surplus, pending confirmation of the final settlement; finalisation of Executive proposals and completion of detailed budget analysis. This has enabled Executive to propose additional budget provision for growth and other key services **totalling £315k** which have been prioritised, some of which were funded on a one-off basis in 2014/15 from the 2013/14 underspend. Details are included in this report.

Since reporting to Corporate Scrutiny in December, the Provisional Settlement for the Council's funding from Central Government has been announced. This has confirmed the continuation of significant cuts to general funding as the Government implements measures to address the national deficit. The Provisional Settlement Funding Assessment has resulted in a 15.5% cut in the funding baseline in 2015/16, further to the 13.4% reduction in 14/15. It has been well reported that **delivering a sustainable financial position for the Council over the medium term will**

**continue to be extremely challenging.** The Council has made significant progress in tackling the financial pressures faced. The implementation of joint management and shared services with West Somerset Council provides important efficiency savings, however further savings will be needed over the medium term to deliver a balanced budget in future years.

The Proposals, if approved by Full Council on 24 February 2015, will enable the Council to set a balanced budget for 2015/16, which is essential for the ongoing financial resilience of the authority.

## **2      Background**

- 2.1      The purpose of this report is for the Executive to consider and finalise its Budget proposals for 2015/16, for recommendation to Full Council on 24 February 2015.
- 2.2      The General Fund Revenue Account is the Council's main fund and shows the income and expenditure relating to the provision of services which residents, visitors and businesses all have access to including Planning, Environmental Services, Car Parks, Leisure Services, certain Housing functions, Community Services and Corporate Services.
- 2.3      The Council charges individual consumers for some of its services through fees and charges. The expenditure that remains is mainly funded through a combination of local taxation (including Council Tax and a proportion of business rates) and through grant funding from Central Government (including Revenue Support Grant, New Homes Bonus and other non-ringfenced and specific grants/subsidy).
- 2.4      Each year the Council sets an annual budget which details the resources needed to meet operational requirements. The annual budget is prepared within the context of priorities identified by Members which are embedded in the Council's Corporate Business Plan.
- 2.5      It has been well reported that the Council faces significant and ongoing financial challenges, with a continuation of the annual reductions in Government funding for local council services as the Government seeks to reduce the national deficit.
- 2.6      The framework and approach for budget setting have previously been reported to Members in the following reports:
  - Corporate Scrutiny 18 September 2014: Medium Term Financial Plan Update & Approach to Budget Setting 2015/16
  - Corporate Scrutiny 20 November 2014: 2015/16 Budget Progress Update
  - Corporate Scrutiny 11 December 2014: 2015/16 Initial Draft Budget Proposals
  - Corporate Scrutiny 22 January 2015: Draft budgets shared for review and comment
- 2.7      Executive Councillors have reviewed the initial draft budget proposals with recent updated information from the Provisional Finance Settlement, and have

also considered feedback from Members including comments from Corporate Scrutiny in December. Initial changes to the Draft Budget proposals by the Executive are set out within this report.

### **3 Corporate Scrutiny Comments**

3.1 The Draft budget was presented to Corporate Scrutiny on 22 January 2015 for review and comment. The Committee reviewed the draft budget proposals and the following comments arose:

- Various comments and requests for clarification regarding public toilet provision, including the rationale for the arrangements with town and parish councils and related asset transfers;
- The savings proposal regarding the removal of the temporary climate change officer post was discussed with suggestion this is reviewed;
- The budget position was noted in respect of Christmas lights, including the proposal to review funding through use of end of year underspend. There was some disappointment that no formal provision was included within the 2015/16 budget for this purpose;
- The committee queried the latest position regarding the Deane Helpline review and has requested an update.

3.2 Specific recommendations from the Committee were:

- a) Request that further information is provided in relation to public toilets and the process surrounding community asset transfers and arrangements with town and parish councils.

Members are advised that a report in respect of public toilet provision was presented to Community Scrutiny on 6 January 2015 which may address the queries raised by the Corporate Scrutiny Committee. A copy of the report is on the Council's website and can be provided to Members upon request to the Democratic Services Manager.

- b) The Committee resolved to request the previous decision, made during the 2014/15 budget setting process, to remove the funding for the fixed-term climate change officer role be reconsidered.

The Executive has considered this request from Corporate Scrutiny, however is minded to maintain the proposal for the budget saving in 2015/16 as previously approved by Full Council. The rationale for this takes into account:

- The Council has in place a carbon management and local resilience strategy
- The temporary post was not appointed, and the funds have been redirected to provide solar PV panels at the Blackbrook Pavilion sports centre, contributing to renewable energy and carbon reduction
- The Council's accommodation review means there would be little value in investing in corporate buildings

- The biggest opportunity for making a difference is through the investment in the HRA housing stock, which is happening without a designated Climate Change Officer
- The money raised through feed in tariffs and reduced energy costs from solar PVs is budgeted to be reinvested in climate change initiatives

#### **4 The Robustness of the Budget Process**

- 4.1 The Local Government Act 2003 requires a report on the adequacy of the Council's financial reserves and for the S151 Officer to report on the robustness of the budget plans. The statement in respect of the Draft Budget is included in Appendix A.

#### **5 Funding From Central Government**

##### ***Provisional Finance Settlement***

- 5.1 The MTFP has previously been updated for indicative estimates of potential funding from Government. Details of the Provisional "Settlement Funding Assessment" for 2015 were announced by CLG on 18 December 2014.
- 5.2 The funding settlement for the past three years (to 2015/16) has seen the Council's main general funding reduce by £1,605k in cash terms (26.8%). 2013/14 saw the introduction of changes to the main method of general funding, with core funding now received via Revenue Support Grant plus Retained Business Rates. A number of previously separate grants were 'rolled in' to the funding base including the 2011/12 and 2013/14 Council Tax Freeze Grant, Homelessness Prevention Grant, and Council Tax Support Funding.
- 5.3 Details of the Provisional Settlement Funding Assessment were issued by CLG on Thursday 18 December 2014. This settlement information has been used for the draft budget included in this report. In summary, the headlines are:
- The net Settlement Funding cut by 15.5% in 2015/16, further to the 13.4% reduction in 2014/15. This comprises combined funding targets for Revenue Support Grant (RSG) and Business Rates (BR) Baseline.
  - RSG reduced by £850k (30.7%) compared to 2014/15, from £2,766k to £1,916k.
  - BR Baseline has increased by 1.9%, from £2,412k to £2,458k.
  - New Homes Bonus (provisional) grant increased by £876k, to £3,178k
  - Council Tax Freeze Grant of £62k available for 2015/16 tax setting. This grant, if taken, will be rolled into the base for RSG in future and therefore be included in future settlement beyond 2015/16 (subject to future Spending Reviews).

5.4 The following table summarises updated funding baseline:

**Table 1 – Provisional Settlement Funding Assessment headline figures**

	2013/14	2014/15	Change		2015/16	Change	
	£k	£k	£k	%	£k	£k	%
Updated RSG Baseline	3,613	2,766	-847	-23.4%	1,916	-850	-30.7%
Business Rates Baseline	2,366	2,412	46	1.9%	2,458	46	1.9%
Total Funding Baseline	5,979	5,178	-801	-13.4%	4,374	-804	-15.5%

5.5 The final Settlement has been received and there has been no change to the figures reported.

### **Revenue Support Grant (RSG)**

5.6 As previously reported, it is anticipated that RSG will be the main area of funding the Government will target to achieve the reduction in national spending on local government. In addition to the above figures in Table 1, we are forecasting that RSG will be subject to further reductions in future years. Our projections in the MTFP assume that RSG will reduce to nil by 2020. However details beyond 2015/16 will be subject to future periodic Spending Reviews and annual Funding Assessments, and our financial strategy will be updated as further information becomes available.

### **Retained Business Rates**

5.7 Our budget figures for business rates will be based on local estimates of business rates income, which may be different from the Baseline figures shown in the table above.

5.8 The estimates for the 2015/16 retained business rates funding have been updated to reflect the “NNDR1” rates income forecast, completed late January 2015. The figures have changed compared to the provisional estimates included in previous reports.

5.9 The indicative estimates included with the Draft Budget in this report is summarised as follows:

**Table 2 – Business Rates Indicative Funding Estimates**

	Budget 2014/15 £k	Estimate 2015/16 £k	Change £k
<b>Standard Share of business rates income</b>	<b>15,754</b>	<b>15,923</b>	<b>169</b>
Add: S31 Grant Income (government-funded reliefs)	0	678	678
Add: Renewal Energy Business Rates retained	63	120	57
<b>Share of business rates income</b>	<b>15,817</b>	<b>16,721</b>	<b>904</b>
Less: Tariff payable to Government	-13,471	-13,729	-258
Less: Levy Payment to Government	0	-243	-243
Add: Safety Net payment from Government	0	0	0
<b>Net Retained Business Rates Funding</b>	<b>2,346</b>	<b>2,749</b>	<b>403</b>

- 5.10 The budget forecast for retained business rates income has increased by £403k in 2015/16. However, Members will note that our local forecast of business rates funding, which will be used for budgeting purposes, is above the Business Rates Baseline included in 5.4 above. As our projected income is significantly above the baseline there is a risk in terms of the gap between our budget and safety net, therefore we propose to set aside £298k as a contingency within the Business Rates Smoothing Reserve. The balance of the increased funding (105k) will be used to support the budget plans for 2015/16.
- 5.11 We received confirmation on 16 December from the Secretary of State for Communities and Local Government that we have been successful in our application to form a Pool of Authorities for Non-Domestic Rates with BANES; Mendip; North Somerset; Sedgemoor; Somerset County; and South Somerset Councils. This arrangement will come into effect from 1 April 2015 and will be reviewed on an annual basis. The figures above are based on our individual retention forecast. We will work through the implications of the Pool taking into account the 15/16 forecast and anticipate any dividend in 2015/16 will be added to the Business Rates Smoothing Reserve to reflect increased risk but anticipate it will provide a positive impact for the budget in 2016/17. Other councils with a relevant geographic presence will be considered for inclusion in the future (specifically WSC) subject to there being no significant adverse impact on the financial viability of the pool.
- 5.12 Further supporting information for the business rates funding system was provided to all Members as part of the Budget Consultation Pack.

#### ***New Homes Bonus Grant (NHB)***

- 5.13 The New Homes Bonus (NHB) Grant has been in place since 2011/12. It is funding allocated by Government, separate to Revenue Support Grant and Business Rates, which incentivises or rewards housing growth. The NHB grant is non-ringfenced which means the Council is free to decide on its use.
- 5.14 The scheme design sets out that each year's Grant allocation will be payable for six years. Assuming this funding mechanism remains consistent in future, the Council should receive six years' grant allocations in each financial year from 2016/17 onwards.
- 5.15 The Government has very recently announced the Provisional NHB Grant allocation of £3,179k for 2015/16. The total grant is an increase of £876k compared to the grant for 2014/15 and it is assumed this extra amount will be transferred to the NHB Reserve to provide additional funding towards the Council's key corporate priority of growth and regeneration. The following table summarises the grant income to date and future estimates currently included in the MTFP. The projections for 2016/17 onwards are potentially modest and likely to be higher based on planned housing growth.



**Table 3 – New Homes Bonus Grant Funding**

	11/12 £k	12/13 £k	13/14 £k	14/15 £k	15/16 £k	16/17 £k	17/18 £k	18/19 £k	19/20 £k	Cumulative £k
2011/12 Grant	392	392	392	392	392	392				2,352
2012/13 Grant		648	648	648	648	648	648			3,888
2013/14 Grant			687	687	687	687	687	687		4,122
2014/15 Grant				576	576	576	576	576	576	3,456
2015/16 Estimate					876	876	876	876	876	4,380
<b>Subtotal</b>	<b>392</b>	<b>1,040</b>	<b>1,727</b>	<b>2,303</b>	<b>3,179</b>	<b>3,179</b>	<b>2,787</b>	<b>2,139</b>	<b>1,452</b>	<b>18,198</b>
2016/17 Estimate						589	589	589	589	2,356
2017/18 Estimate							516	516	516	1,548
2018/19 Estimate								516	516	1,032
2019/20 Estimate									516	516
<b>Total</b>	<b>392</b>	<b>1,040</b>	<b>1,727</b>	<b>2,303</b>	<b>3,179</b>	<b>3,768</b>	<b>3,892</b>	<b>3,760</b>	<b>3,589</b>	<b>23,650</b>

5.16 The current draft budget for 2015/16 (and longer term projections in the MTFP) assumes that £392k of this grant will be used as ‘mainstream funding’ to support the annual budget. This allows the Council to continue to support functions such as Regeneration, Economic Development, Planning Policy, Housing etc which will ensure that the benefits of growth are maximised for Taunton Deane and its communities.

5.17 The strategic principle set out in the Budget Approach (Corporate Scrutiny, 19 September 2013) is that all unallocated NHB will be set aside for investment in growth and regeneration – with a caveat that this may need to be revisited based on affordability. On this basis the current draft budget for 2015/16 and the MTFP forecasts assume that the balance of the grant (after deducting £392k) is to be allocated to support investment in growth and regeneration projects.

### ***Housing Benefit & Council Tax Admin Grant***

5.18 This grant is separate to the general funding provided through Revenue Support Grant and Business Rates. The national budgets that provide the source of this grant has being split – with a proportion being transferred to the Department for Works and Pensions (DWP) for Housing Benefit element, with the balance retained by CLG for Council Tax Support admin. The combined Provisional Grant allocation for 2015/16 is £565k which is £65k (10%) less than the grant for 2014/15. This reduction has been taken into account within the previously reported MTFP.

## **Funding from Council Tax**

6.1 The Council Tax Base of 38,348.55 Band D Equivalentents has been approved under delegated powers by the Section 151 Officer.

### ***Powers for the Public to Stop Excessive Council Tax Rises***

- 6.2 Although the Localism Act abolishes Central Government power to cap tax increases, the Local Government Secretary has the power to set a threshold for “excessive” tax rises. In the recent Provisional Local Government Finance Settlement, the Government re-confirmed its Council Tax referendum threshold of 2% and this is our current assumption for financial planning purposes.
- 6.3 Members are also advised – for information only – that the Government has previously indicated it is considering extending the Council Tax referendum provisions to parish councils. There are no changes for 2015/16, but it is conceivable that parishes with larger precepts will need a referendum to support “excessive” tax rises in future years.

### ***Council Tax for 2015/16***

- 6.4 The Executive is minded to recommend a **Council Tax freeze** in 2015/16.
- 6.5 The proposed tax rate will therefore remain unchanged at **£137.88** per year (£2.64 per week) based on a Band D property.
- 6.6 Using the Council Tax Base for 2015/16 the draft budget estimate for Council Tax income is therefore  $38,348.55 \times £137.88 = £5,287,498$  (excluding parish precepts). This represents a total increase in budgeted income of £94,528, as shown below:

	£
Council Tax Income Budget 2014/15	5,192,970
Increase due to change in Tax Base (Band D equivalents)	<u>94,528</u>
Estimated Balance as at 31 March 2016	<u>5,287,498</u>

### ***Council Tax Freeze Grant***

- 6.7 In 2014/15 the Council approved a 1.99% increase. The details of potential Council Tax Freeze Grant for 2015/16 have been announced in the Provisional Funding Assessment. It is anticipated that a Council Tax Freeze in 2015/16 will attract a grant worth approximately £62k. This is broadly equivalent to a 1% tax increase (adjusted to exclude CTS impact). Ministers have agreed that the funding for 2015/16 freeze grant scheme will be included in the spending review baseline for future years. However, the Baseline will be subject to changes in future Government decision making.
- 6.8 The current budget estimates and MTFP forecasts assume that Council Tax will be frozen in 2015/16 but increased by 1.99% in 2016/17. The Government’s trigger for a referendum for “excessive Council Tax increases” for 2016/17 and beyond is not known at this point.
- 6.9 The following table shows indicative Freeze Grant funding, **if** Council approve the recommended tax freeze in 2015/16. The Freeze Grant related to 2011/12 and 2013/14 tax setting has been rolled into the funding baseline for Revenue

Support Grant and Business Rates, however it should be noted that these are affected by net funding reductions year on year.

Council Tax Freeze Grant Estimates	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k	2015/16 £k	2016/17 £k
2011/12 Tax Freeze Grant	138	138	Rolled into RSG and Business Rates Baseline			
2012/13 Tax Freeze Grant		140	Grant given for one year only			
2013/14 Tax Freeze Grant			57	Rolled into Revenue Support Grant		
2014/15 Tax Freeze Grant				Tax increased by 1.99%		
2015/16 Tax Freeze Grant					62	Rolled into RSG
<b>Totals</b>	<b>138</b>	<b>278</b>	<b>57</b>	<b>0</b>	<b>62</b>	<b>0</b>

6.10 It is anticipated that parish councils will continue to be excluded from the Council Tax Freeze scheme, but any increase in Special Expenses levied by TDBC for the unparished area of Taunton would count against an option to claim the Council Tax Freeze Grant for TDBC.

6.11 By way of comparison, the following table provides Members with an indication of the impact of tax setting for the next three years on the Council's ongoing funding base. This scenario is based on the 2015/16 tax base, and shows that a tax freeze compared to possible 1.99% tax increase each year and assumed freeze grant each year, would reduce the ongoing funding base potential by approximately £220k per year from 2017/18.

Tax Base – Band D Equivalentents		37,662.97	38,348.55	38,348.55	38,348.55
		2014/15 Actual £k	2015/16 Forecast £k	2016/17 Forecast £k	2017/18 Forecast £k
A	Council Tax Forecast with 1.99% increase in 2015/16	5,193	5,393	5,541	5,694
	Council Tax Forecast with 0% increase in 2015/16, 2016/17, and 2017/18	5,193	5,288	5,288	5,288
	Tax Freeze Grant	-	62	124*	186*
B	Net Funding		5,350	5,412	5,474
<b>C</b>	<b>Difference - A minus B</b>	<b>0</b>	<b>43</b>	<b>129</b>	<b>220</b>

\* includes amounts assumed to be rolled in to RSG baseline

### ***Special Expenses / Unparished Area Budget***

6.12 In line with budget approach in previous years, and the inherent link with the calculations for tax freeze grant eligibility and referendum thresholds, the Executive proposes the Special Expenses Rate (SER) will be remain the same in 2015/16, i.e. a freeze alongside the TDBC Basic Council Tax. The Special Expenses income raised through Council Tax in 2014/15 is £42,330 which is a Band D Equivalent charge per year of £2.98 for the Unparished area of Taunton. In addition, the Unparished Area Budget has received a notional CTS Grant of £6,690 in 2014/15 giving a total budget for the year of

£49,020.

- 6.13 In order to provide Members with an indication of possible tax charges and income projections, the following table provides indicative figures for what TDBC's Council Tax income would be, based on a range of percentages.

Tax Base for 2014/15 14,206.17 Band D Equivalents  
Provisional Tax Base for 2015/16 14,395.62 Band D Equivalents  
2014/15 Band D Annual Council Tax Charge £2.98

Council Tax Increase	Band D Tax Per Year £	Council Tax Income £	CTS Grant Allocation £	Unparished Area Budget £
0.0%	2.98	42,900	6,030	48,930
1.0%	3.01	43,330	6,030	49,360
1.99%	3.04	43,760	6,030	49,790

- 6.14 The proposed Unparished Area Budget for 2015/16 is £48,930 as shown below. The slight reduction compared to 2014/15 is due to reduced demand and therefore reduced cost of CTS within the unparished area. The Unparished Area Panel will continue to prioritise the allocation of these funds through the agreed governance arrangements.

Special Expenses [14,395.62 x £2.98] £42,900  
Grant for CTS £ 6,030  
Total Unparished Area Budget 2015/16 £48,930

### ***Council Tax Support (CTS) Grant and Funding for Parishes***

- 6.15 The Government included funding for the Council's share of the cost of CTS within the baselines for Revenue Support Grant and retained Business Rates in 2014/15. As this funding is included in the baseline it is not transparent as to how much funding will be received for CTS in 2015/16.
- 6.16 At Full Council on 9 December 2014, Members approved the revision of the Local Council Tax Support Scheme from 1 April 2015. Included within the approvals was the preferred option to pass on funding for CTS to parish councils and the unparished area. This has resulted in the following total estimated grant funding from TDBC in 2015/16:

	£
Grants payable to Town and Parish Councils	38,970
Notional grant allocated to Unparished Area Budget	<u>6,030</u>
Total funding to be passed on for CTS	<u>45,000</u>

- 6.17 There is no statutory requirement or prescribed basis to allocate a proportion of the funding to parishes; it is for TDBC as billing authority to agree an appropriate allocation with parish councils.

## **7 The 2015/16 Budget Gap**

- 7.1 In September 2014 we reported a small gap of £22k in our budget for 2015/16.

The gap had been kept to a minimum by the implementation of the JMASS Business Case, which identified significant savings for both TDBC and WSC. The updated position is detailed below.

- 7.2 As reported to Corporate Scrutiny 11 December 2014, the estimated Budget Gap for 2015/16 was showing a 'work in progress' surplus of £362k. A further projection following the Provisional Settlement was a surplus of £379k, but with areas of the budget to be finalised.

**Table 4: 2015/16 Budget Gap Position – December Consultation Pack**

	Options £k	Gap £k
2015/16 Budget Gap September 2014		22
Pay award offer	13	
Fees & charges proposals	-54	
Initial Savings proposals	-121	
<b>Forecast Budget Gap as at November 2014</b>		<b>-140</b>
Forecast Increase in New Homes Bonus Grant	-396	
Forecast Increase in Transfer to Earmarked Reserves (NHB)	396	
Council Tax Base increase	-70	
Collection Fund Surplus / Deficit (provisional estimate)	-154	
HB and Council Tax Support Admin Grant confirmed	2	
<b>Budget Gap Estimate 11 December 2014</b>		<b>-362</b>
Provisional Settlement increase in RSG	-15	
Provisional Forecast increase Business Rates Retention	-359	
Proposed transfer to Business Rates Smoothing Reserve	359	
Add back – Arts Grants savings not taken	2	
New saving - Postage	-4	
<b>Budget Gap Latest Estimate</b>		<b>-379</b>

## **8 Draft Budget Proposals 2015/16**

- 8.1 The Draft Budget has been prepared to deliver, as a minimum, a balanced budget for 2015/16. This is in the context of the over-arching objective in the Corporate Business Plan to achieve financial sustainability. It is assumed that the new Council will address budget priorities beyond 2015/16, and develop and agree the next Budget Strategy.
- 8.2 The Executive have worked with the Management Team to prepare options in line with 3-year savings targets set last year, weighted in line with priorities indicated by Members through the preparation of the Corporate Business Plan. Whilst a primary focus has been to identify proposals that deliver the priorities and ambitions of the Corporate Business Plan and minimise the impact of budget reductions, it is inevitable that some proposals will affect frontline services in future although minimal impact is expected for 2015/16.
- 8.3 The total savings from the Budget Proposals are £123k (see Appendix B):

**Table 5 – Summary Total of Budget Proposals and Options**

	Proposals 2015/16 £k
Postage	-3,500
Shopmobility	-20,000
Planning	-27,500
Housing	-6,500
Climate Change	-42,000
Internal Audit	-23,330
<b>TOTALS</b>	<b>-122,830</b>

- 8.4 If Members support the 2015/16 proposals through the Budget Approval process in February, then the Budget Gap will have been closed.
- 8.5 Following work to develop the Draft Budget further, a number of proposals have been put forward which the Executive is minded to support to invest in services that improve the area and support growth and regeneration. The details and impact are as follows in Table 6:

**Table 6 – Summary Total of Budget Proposals and Options**

<b>Budget Gap Reconciliation</b>	£k	£k
Budget Gap working balance Per Consultation Pack		-379
Proposals:		
Waste management – enforcement and support for events	10	-369
Asset management – additional capacity to support commercial arrangements	30	-339
Marketing	25	-314
Town centre wifi – set up (one-off)	30	-284
Town centre wifi – ongoing costs	15	-269
PR support – Asst Media Officer 3 days/wk	20	-249
Street cleansing – additional caretaker and cleaning	42	-207
Grass cutting	50	-157
Weed spraying	10	-147
Corporate Fraud – match funding	20	-127
<i>Budget impact of Motions to Council: (See section 8)</i>		
Reopen Hamilton Park public conveniences	8	-119
Full-time cleaning operative to remove needles etc	25	-94
Specialist provision to support users in looking to break the addiction	25	-69
Match funding for education programme re dangers of Legal Highs	5	-64
Support for growth – finance resources	95	31

<b>Budget Gap Reconciliation</b>	£k	£k
Reduction in transfer to New Homes Bonus Reserve	-95	-64
RCCO – Revenue funding for TIC relocation	120	56
Transfer from Growth and Regeneration reserve	-120	-64
Council Tax - initial estimate at 1.99% - Removed	105	41
Council Tax Freeze grant – assume one-off	-62	-21
Collection Fund Surplus – final estimate adjustment	19	-2
Completion of detailed estimates	77	75
Business Rates – Final NNDR1 Adjustment	-75	0
Capacity Funding Grant	-240	-240
Planning spend re Capacity grant	240	0
Reduction in transfer to BRR based on final NNDR1	-42	-42
Revision of estimated Levy payment to Government	42	0
<b>Budget Gap for 2015/16</b>		<b>0</b>

8.6 As the Table shows the proposed budget brings the Gap to zero, thus providing a balanced budget for 2015/16. The proposals above are explained as follows:

- Waste Management – this is to support the clear up following events in the town centre. The funds will be used to implement more effective clear up of large scale waste, examples to be explored are the use of large scale bins and waste removal for big events such as the carnival and Christmas switch on etc. This will be optimised and could be invested in a variety of ways, for example through staffing, purchase of event bins, or to place the infrastructure to support removable event bins.
- Asset Management – Additional capacity is needed to support our commercial arrangements with external partners and further advance asset related projects that will improve asset utilisation.
- Marketing – this will provide additional resources to further promote the Borough in line with the growth and regeneration priority.
- Wifi – The business development team is currently considering proposals to provide free wi-fi internet access in the Town centres of Taunton and Wellington. If implemented this would enable residents and visitors to both towns to quickly access the internet with the intention of improving this element of digital connectivity within the town. An initial evaluation of the benefits of both proposals is currently being undertaken to determine whether they present value for money. The budget requested is to cover the costs made in those proposals although there are a number of issues that need to be resolved before we progress with this solution.
- PR support from Assistant Media Officer - The primary function of the role would be to support the work of the Media and Communications Officer in promoting the Council within the community.
- Street Cleansing – This is an extension of the full time town centre caretaker role for the full year 2015/16. This role sweeps the streets, empties the litter bins and supports the work with commercial waste in the town centre (including Castle Green) this money also continues the roll out of new bins for Wellington, Milverton and Wiveliscombe. The investment

from TDBC continues the enhanced work funded in the current year through use of previous underspend.

- Grass Cutting – This is an increase of the highways verge cutting taking the services from an assumed 2 cuts to 7. SCC have yet to confirm their request to fund 2 cuts, however the investment from TDBC continues the enhanced work funded in the current year through use of previous underspend.
- Weed spraying - This is to supplement the current 2 weed sprays that are funded by TDBC. The investment from TDBC continues the enhanced work funded in the current year through use of previous underspend.
- Corporate Fraud – we are required to “match fund” grant that is awarded from CLG/DWP to combat fraud. We have been allocated grant funding of £30k in 2014/15 and £80k in 2015/16 to set up a shared counter-fraud function, with match funding of £40k from TDBC, WSC and SSDC. It is anticipated TDBC will contribute £20k of the £40k match funding.
- Hamilton Gault toilets – this is to reopen these toilets to the public.
- Cleaning Operative – This funding will support measures proposed in the motion to Council as reported in section 9 below. This is a new post to support the cleanliness of the town with a specific focus on the proactive collection of needles, having considered an appropriate level of resources following the trial in December in response to problems related to ‘legal highs’ issues
- Specialist Provision – This funding will support measures proposed in the motion to Council as reported in section 9 below, and provide a grant funding pot to support bids that support those with addictions.
- Education Programme match funding - This funding will support measures proposed in the motion to Council as reported in section 9 below. This budget will enable the Council to contribute to schemes that seek to educate and raise awareness of dangers with legal highs.
- Support for growth – finance resources – The Council has an ambitious growth agenda and has approved the allocation of specialist resources in order to deliver a range of projects, including commercial property expertise, legal advice, etc. It is also important that we have sufficient capacity within the Council’s Finance service to provide the necessary financial expertise, advice, and support to key projects. It is proposed to establish a specialist finance role for two years to support the growth programme, at an estimated cost of £95k for the period, to be funded from Growth and Regeneration (New Homes Bonus) funding.
- TIC Relocation – the proposal to relocate the TIC is included in the draft capital programme for 2015/16. This is to be financed from revenue resources (RCCO), to be funded from an uncommitted balance in the Growth and Regeneration Reserve.
- Council Tax freeze and freeze grant – see section 6 above
- Collection Fund Surplus – the Council Tax collection fund surplus is formally calculated on 15 January each year. The final budget requirement for our share of the surplus is £135k, which is £19k lower than previous initial estimates.
- Detailed estimates – in finalising the detailed budget estimates a number of final adjustments have been required to reflect projected costs for 2015/16. This relates to costs of ongoing services rather than any changes to service levels.



- Business Rates – the final NNDR1 has now been completed (statutory deadline is 31 January each year), and provides an increased estimate of retained funding under Business Rates Retention – see 5.9 above.
- Capacity Funding – the payment of a further £240k grant was confirmed in late January and is reflected in the Planning income and expenditure budget. Any funds not spent at the end of 2015/16 will be carried forward in an earmarked reserve.

## **9 Motions to Council**

### **Unparished Area (September 2014)**

- 9.1 On 30 September there was a motion put to Council by Councillor Lisgo, seconded by Councillor Coles, in respect of services in the unparished area:

*“This Council recognises that there is an ongoing and increasing concern being expressed within our community about the democratic deficit at the heart of our County Town due to its unparished status.*

*This Council therefore resolves to ensure that services provided within the Unparished Area are not reduced and furthermore, services previously deleted such as public conveniences, are reinstated until an appropriate body or bodies, with precepting powers, is in place to properly undertake such responsibilities.”*

- 9.2 The motion was supported by the Council, and further information was needed to support formal decision making in respect of budget implications implied by the motion. To this end, information has been included with the various Initial Savings proposals to identify any potential impact on the unparished area – there are no service reductions identified for 2015/16. In addition, further detail was provided to Corporate Scrutiny Committee on 11 December 2014 regarding the cost of reinstating services. It has been determined that the services that were deleted from the budget in 2014/15 that affects the unparished area are:

- a) Closure of public conveniences
- b) Reduction in frequency of play equipment inspections

- 9.3 The public conveniences that were removed from the General Fund budget are: Priorswood, Wilton Lands – The Sandwedge, Station Road, High St (Disabled) and Hamilton Park. In respect of these facilities:

- the Priorswood toilets remain open, funded by the HRA
- the Wilton lands (Sand wedge café) toilets remain open, maintained by Tone Leisure
- High St Disabled toilets have been converted to alternative use as storage for town centre caretakers’ equipment and the Green Machine.

- 9.4 The toilets at Station Road and Hamilton Park remain closed. The cost of reinstating these two facilities would be £22k and £8k respectively.

- 9.5 The Executive is minded to recommend to Council that the toilets at Hamilton Park are reopened and proposes to keep Station Road toilets closed.
- 9.6 The inspection regime for all council-owned/maintained play equipment was reduced from weekly to monthly inspections from April 2014, reducing annual costs across the borough by £24k. The cost of reverting to a weekly inspection for the parks within the unparished area is estimated to be £12k, covering 53 sets of facilities (as detailed in the Corporate Scrutiny report). The feedback from Corporate Scrutiny in December included a range of comments from supporting reinstatement to satisfaction that the current inspection regime is satisfying the council's responsibilities in this area.
- 9.7 The Executive is minded to propose keeping the existing programme of monthly inspections across the borough and therefore not to reinstate the budget provision. Following consultation with our insurance provider we have confirmed that the monthly inspection regime does not affect our obligations or costs in respect of insured risks related to play equipment.

#### **Motions to Council – Legal Highs (December 2014)**

- 9.8 On 9 December there was a motion put to Council by Councillor Federica Smith, seconded by Councillor Coles, in respect of Legal Highs.

The following table summarises the points raised in the motion and an update on progress together with budget proposals for recommendation.

Motion	Comments	Budget Requirement £k
<p>Stop the over the counter sales of NPS (Legal Highs) in Taunton Deane owned premises by a restrictive covenant. This covenant should forbid the sale/distribution of NPS in premises owned or leased by the Council. We also need to contact all local/national commercial landlords within Taunton Deane to ask them to include a covenant in all new lettings within the area.</p>	<p>Legal comments – It is possible in situations in which new leases are granted to include a covenant prohibiting the sale of “legal highs”. It would not be possible to unilaterally inset the clause into existing leases. By way of reassurance, The Council only lets a very small number of retail premises and the standard lease includes a user clause which would primarily regard the sale of legal highs as being incompatible with general retail purposes.</p> <p>Asset Management comments – Covenants will be included for new lettings specifically prohibiting the sale of “legal highs”.</p> <p>The Council will need to work with private landlords to encourage them to take a similar stance.</p>	<p>Nil</p>
<p>Call on the Council to immediately make use of the new powers available under Anti-Social Behaviour (ASB) legislation which includes ensuring that a community trigger is put in place by the end of December 2014.</p>	<p>Community trigger is for when things are not dealt with in a timely fashion and should be called by a community member(s). It was therefore not appropriate here. However, the new legislation was used to shut down Hush through a Community Protection Order – and, prior to this, there was a voluntary stop at Wicked. The Community and Client Services Manager is not aware of legal highs on sale elsewhere in Taunton.</p>	<p>Nil</p>
<p>Ensure that a multi-agency team with the Police, NHS and other third parties meets on a regular basis to discuss ASB within the town and look to make remedies.</p>	<p>Such meetings are already in place and have been in operation for many years.</p>	<p>Nil</p>

Motion	Comments	Budget Requirement £k
Taunton Deane to fund a new post for a full-time cleaning operative, building on the December trial, with a brief of assisting in the collection of reported needles, cleaning known hotspots on a daily basis and additional cleaning of our public toilets and park areas.	The Executive proposes the inclusion of a full-time post for one year within the 2015/16 budget to meet the recommendation.	25
Taunton Deane to fund specialist help provision to the maximum of £25,000 per annum to support users in looking to break the addiction through Taunton Association for the Homeless, Citizens Advice Bureau, Turning Point and others.	The Executive proposes to recommend a budget of £25,000 in 2015/16, to enable options for the delivery to be identified and provide funding to other bodies subject to business case etc	25
Work with SCC to ensure the introduction of an educational programme for schools, colleges and youth provision providers to ensure impacts and dangers of Legal Highs are addressed.	The Executive proposes to allocate a sum of £5,000 within the 2015/16 budget to provide match funding to support any investment by SCC in delivering an educational programme. Officers are requested to liaise with SCC to progress.	5

9.9 If supported these options would result in £55,000 being added to the budget in 2015/16 (see Table 6 in section 7 above).

### **Motions to Council – Christmas Lights (December 2014)**

9.10 On 9 December there was a motion put to Council by Councillor Horsley, seconded by Councillor Farbahi, in respect of Christmas Lights:

*“Taunton Deane Borough Council has a proud record of supporting its town centre and has always acknowledged the importance of the Christmas period in providing the retailers with the best opportunity of being commercially successful in the calendar year. In recent years it has expanded the customer offer by extending its reach to Somerset Square, Castle Green and further up the High Street with it’s renting of stalls to market holders on those days when it puts on events for the traders such as the Christmas Lights switch on.*

*It further acknowledges the role played by the Events Organisers which has raised money towards the lights and ensuring that all visitors are welcome. It notes that the figures provided by the Economic Development Team and by the Manager of the Orchard Centre also show a year on year increase in numbers in the town centre. Taunton can be also proud that its current level of void sites is down to 4% compared with the national average of 14%.*

*It is disappointing to note however that for the past two years the extent of the Christmas Lights only reach nearly as far as Debenhams to the north on North Street and to well short of Primark on East Street and does not include much of High Street to the south. This means that Bridge Street and Station Road to the north, the eastern part of East Street and the whole of East Reach has no Christmas Lights nor does Corporation Street to the West. These important secondary shopping areas are getting no benefit from the Christmas Lights “project”.*

*Business Rates have not come down in the recession whilst market rents have halved for even the premium sites. This has led to a high volume of appeals against the Rateable Values by many owners in their attempts to reduce their outgoings. The future of Christmas Lights is going to remain a “will we, won’t we” battle every year which only creates uncertainty for the retailers and traders.*

*Taunton Deane Liberal Democrats note that the recent Traders Survey identified that 77% of the traders believe that Christmas Lights should be “safeguarded”. They also believe that with the demise of the Town Centre Company, the responsibility for supporting a fair and longer lasting strategy for making Taunton Sparkle is for the Council to agree to (a) extend the Christmas lights to the secondary areas mentioned above and (b) to agree to provide funding until Christmas 2018.*

*Accordingly it asks the DLO or other such organisation to cost out a programme to cover the extended area for 2015 onwards and to examine whether to hire or purchase. The funding for this should come from any under spend in the previous year.”*

- 9.11 At the time of preparing this report, further work is required to complete the costing of a programme for extended coverage of Christmas Lights. However, to provide an indicative estimate to assist members in considering financial implications as part of the budget process, it is considered that the cost of acquiring, storing, erecting/dismantling and utilities to cover the provision of lights in proposed area would potentially cost in the range £20k - £25k. This does not include the full cost of supporting events. The Assistant Director Business Development is in the process of arranging discussions with key business organisations and this year’s event organiser to develop fully-funded plans for future years.
- 9.12 At present the draft budget does not include an allocation in respect of Christmas Lights on the basis that the motion proposes to review funding potential from any year end underspend.

## **10 HR Implications**

- 10.1 There are no specific HR implications in respect of this report. In addressing the future financial challenge it is likely in future years that some staff will be affected by proposed budget savings, given the scale of the Budget Gap over the medium term. Managers will be supported by the HR Service, and consultation will be undertaken with staff and UNISON as the budget ideas are

developed. HR implications in respect of JMASS restructuring is reported separately.

- 10.2 The Assistant Director Resources provided an update on the Council's MTFP position and budget proposals to the UNISON Change Forum on 6 January 2015.

## **11 Fees and Charges**

- 11.1 Fees and Charges for 2015/16 were approved by Full Council on 9 December 2014, and the impact of these is included in the Draft Budget.
- 11.2 Further to representations to Corporate Scrutiny and the Executive by a member of the public, the Council has committed to continue to review the method applied to calculating fees in respect of taxi licensing. Work has progressed and minor amendments are now considered appropriate to some of the 2015/16 fees previously approved. Details are shown below. The overall impact on the budget is forecast to be a cost of £2,400 and this will be addressed through the licensing earmarked reserve.

<b>Taxi Licensing</b>	<b>Approved 2015/16 Fees</b>	<b>Revised 2015/16 Fees</b>
Hackney Carriage/Private Hire Vehicle Licence	£155.00	£149.00
Hackney Carriage/Private Hire Vehicle Licence - Renewal	£153.00	£148.00
Private Hire Operator Licence	£147.00	£132.00
Private Hire Operator Licence - Renewal	£112.00	£97.00
Application for new drivers licence	£152.00	£147.00
Application for new drivers licence 3 years	£260.00	£243.00
Driver licence renewal – 1 year	£101.00	£95.00
Driver licence renewal – 3 years	£245.00	£228.00

## **12 DLO Trading Account**

- 12.1 The implementation of the new ICT system during 2014/15 will allow for the production of a more detailed analysis of spend and income within the DLO, as well as a more streamlined working pattern enhancing productivity. Consequently expenditure and income budgets have been realigned accordingly and will enable the budgets within each of the DLO services to be more accurately managed. The impact of this has been included within the 2015/16 budget setting process.
- 12.2 During recent months the DLO service has obtained new business which has increased the income expectations in 2015/16; however due to inflation,

changes within the pension contribution budgets and increased charges on capital assets the net surplus remains the same. This ensures that DLO has maintained its contribution towards the General Fund however, recharge rates will be higher due to these unavoidable cost pressures. In addition, the DLO is making an additional contribution to fund its vehicles and equipment reserve to provide flexibility to support new business opportunities.

- 12.3 The General Fund budget includes the trading surplus of £101k providing a contribution to the net income for the Council. Efficiency savings within the DLO have also been passed on to the General Fund and HRA, making DLO services better value for money. Any additional surplus would be transferred to the DLO Trading Account reserve.

<b><i>DLO Trading Account 2015/16*</i></b>	<b>Costs £k</b>	<b>Income £k</b>	<b>Net £k</b>
Grounds	2,973	(3,050)	(77)
Building	5,343	(5,360)	(17)
Nursery	203	(210)	(7)
<b>Grand Totals</b>	<b>8,519</b>	<b>(8,620)</b>	<b>(101)</b>

\* Please note these figures are provisional at this time.

- 12.4 The forecast reserves position for 2015/16 remains positive, and provides some resilience to volatility in trading performance and future investment needs.

<b><i>DLO Trading Account Reserves</i></b>	<b>2014/15 £k</b>	<b>2015/16 £k</b>
Estimated Balance Brought Forward	205	205
Forecast outturn	0	0
<b>Estimated Balance Carried Forward</b>	<b>205</b>	<b>205</b>

### **13 Deane Helpline Trading Account**

- 13.1 The Deane Helpline is a stand-alone trading account service. In 2015/16 the forecast deficit is £80k, a reduction of £6k compared to the original budget for 2014/15. This deficit will need to be funded by the General Fund.
- 13.2 The draft budget is based on a freeze for both private customers and Council Tenants with regards to the weekly charge, however installation fees for private customers will increase from £25 to £35. There will also be a 1.84% increase in charge for Corporate Contracts. This was approved by Full Council on 9 December 2014. The previous price cap for long-standing clients has been removed and all private customers are now paying for the service at the same rate. This is generating an important increase in income.
- 13.3 The income budget is based on a prudent projection of income due for the year, and makes an allowance for income collection risks.
- 13.4 The nature of the service means that staff costs are susceptible to increase in

order to maintain services through unplanned staffing absences. Some provision has been included within the expenditure budget to provide for essential cover arrangements, although the service manager has reviewed staffing rota arrangements to minimise costs in this area.

- 13.5 The summary trading account is as follows. There are no uncommitted reserves brought forward on this account.

<b>Deane Helpline Trading Unit Estimates</b>	<b>2014/15 £k</b>	<b>2015/16 £k</b>
Direct Operating Costs	995	1,018
Recharges and Capital Charges	78	61
Income	(987)	(999)
<b>Estimated Deficit</b>	<b>86</b>	<b>80</b>

#### **14 Minimum Revenue Provision Policy**

- 14.1 Before the start of each financial year, the Council is required to determine the basis on which it will provide for the repayment of borrowing undertaken for the purpose of financing capital expenditure. This annual provision, known as Minimum Revenue Provision (MRP), is designed to ensure that authorities make prudent provision to cover the ongoing costs of their borrowing.
- 14.2 In 2008, the Government became less prescriptive offering Councils a number of options for calculating MRP. For the financial year 2014/15, the Council determined to calculate MRP as follows:-
- for supported borrowing, 4% on outstanding debt;
  - for unsupported borrowing, the debt associated with the asset divided by the estimated useful life of the asset;
  - for capital grants and contributions to third parties, 4% (or 1/25<sup>th</sup>) per year on a straight line basis.
- 14.3 It is proposed the above policy remains for 2015/16.

#### **15 Draft General Fund Budget Summary 2015/16**

- 15.1 The following table compares the draft proposed budget with the original budget for the current year. The table has been completed assuming a Council Tax freeze as per the current draft budget assumptions.



	<b>Original Budget 2014/15 £</b>	<b>Draft Estimate 2015/16 £</b>
Total Spending on TDBC Services	12,496,710	12,047,560
Capital Charges Credit	-2,702,150	-2,513,080
Revenue Contribution to Capital	528,590	648,590
Interest payable	0	0
Parish Precepts	503,460	531,720
Grants to Parishes for CTS	40,940	38,970
Special Expenses	42,330	42,900
Grants to Unparished Area	6,180	6,030
Capital Debt Repayment Provision (MRP)	692,640	562,270
Interest Income	-313,750	-314,000
Transfers to/from Earmarked Reserves	1,910,560	2,142,500
Transfer to General Reserves	-17,200	0
<b>AUTHORITY EXPENDITURE</b>	<b>13,188,310</b>	<b>13,193,460</b>
Less: New Homes Bonus	-2,302,850	-3,178,650
Less: Revenue Support Grant	-2,766,310	-1,916,420
Less: Retained Business Rates	-2,345,800	-2,749,000
Collection Fund Deficit – Business Rates	0	709,660
Less: Council Tax Freeze Grant	0	-62,400
Collection Fund Surplus – Council Tax	-34,630	-134,530
Demand on Collection Fund – Parishes & SER	-545,750	-574,620
<b>Expenditure to be financed by District Council Tax</b>	<b>5,192,970</b>	<b>5,287,500</b>
Divided by Council Tax Base	37,662.97	38,348.55
<b>Council Tax @ Band D</b>	<b>£137.88</b>	<b>£137.88</b>
<b>Cost per week per Band D equivalent</b>	<b>£2.64</b>	<b>£2.64</b>

## **16 Medium Term Financial Plan Summary**

- 16.1 The Council prepares its annual budget within the context of the Medium Term Financial Plan. This provides estimates of the budget requirement and budget gap into future years. The following table provides a summary of the current indicative MTFP based on the current draft budget estimates including savings proposals.

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Net Expenditure on Services	12,067	12,744	13,332	13,934	14,493
Other Operating Costs & Income	(287)	(278)	(268)	(258)	(247)
Parish precepts and Special expenses	574	575	576	577	578
Transfers to/from Earmarked Reserves	2,141	3,358	3,482	3,351	3,180
Transfers to/from General Reserves	0	0	0	0	0
Capital Financing Adjustments	(1,302)	(1,422)	(1,548)	(1,548)	(1,548)
<b>Net Expenditure</b>	<b>13,193</b>	<b>14,977</b>	<b>15,574</b>	<b>16,056</b>	<b>16,456</b>
<i>Financed By:</i>					
New Homes Bonus	(3,179)	(3,768)	(3,892)	(3,761)	(3,590)
Retained Business Rates	(2,749)	(2,869)	(2,972)	(3,035)	(3,122)
Revenue Support Grant	(1,916)	(1,319)	(726)	(327)	(114)
Council Tax Freeze Grant	(62)	0	0	0	0
Demand on Collection Fund - TDBC	(5,288)	(5,433)	(5,583)	(5,736)	(5,894)
Demand on Collection Fund - Parishes & SER	(574)	(575)	(576)	(577)	(578)
Previous Years Collection Fund Deficit Share - NNDR	710	0	0	0	0
Previous Years Collection Fund Surplus Share - Council Tax	(135)	0	0	0	0
<b>Predicted Budget Gap</b>	<b>0</b>	<b>1,013</b>	<b>1,825</b>	<b>2,620</b>	<b>3,158</b>

16.2 The above estimates include the following main **assumptions** related to funding:

- Revenue Support Grant for 2015/16 is as set out in the Provisional Finance Settlement. It is then projected to diminish to nil by 2020/21.
- The updated estimates for Business Rates funding for 2015/16 take into account the cap on the RPI increase to Rates at 1.91%.
- Council Tax is assumed to be frozen in 2015/16 and increased by 1.99% in 2016/17.

16.3 Beyond 2015/16, the MTFP includes anticipated inflationary pressures related to staffing pay awards, price inflation on services and major contracts, as well as the estimated funding position over the next five years.

## 17 **General Reserves**

17.1 The Council considers its reserves position as part of the overall financial framework that underpins the Budget Strategy. This framework includes an acceptable minimum reserves position of £1.5m, or £1.25m if funds are allocated to 'invest to save' initiatives. The current Draft Budget for 2015/16 will maintain reserves above this minimum, but following a number of allocations from reserves agreed during 2014/15 there is limited 'headroom' in the current estimated balance. This will significantly limit the Council's ability to fund 'up front' service and transformation investment from revenue reserves. From a financial strategy perspective it will be sensible to take advantage of any opportunities to increase reserves, to increase flexibility and resilience to the challenges ahead.

- 17.2 Based on the draft MTFP position set out above the General Reserves forecast is summarised as follows:

**General Reserves Forecast**

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Estimated Balance B/F	1,897	1,897	884	-942	-3,562
Predicted Budget Gap	0	-1,013	-1,825	-2,620	-3,158
<b>Estimated Balance C/F</b>	<b>1,897</b>	<b>884</b>	<b>-942</b>	<b>-3,562</b>	<b>-6,721</b>

- 17.3 Clearly the Council will need to ensure action is taken to ensure the projected financial deficit over the medium term as shown in this forecast is avoided and (at least) minimum balances are maintained. This is essential for the ongoing financial resilience and sustainability of the Council. The Budget Proposals and Options presented for consideration provide opportunities to make significant progress towards addressing the financial challenge.

**18 Next Steps**

- 18.1 The Executive's recommended budget is due to be considered for approval by Full Council on 24 February 2015.

**19 Finance Comments**

- 19.1 This is a finance report and there are no additional comments.

**20 Legal Comments**

- 20.1 S.32 of the Local Government Finance Act 1992 sets out in detail how the Council must calculate its budget by estimating gross revenue expenditure, net income, and the Council Tax needed to balance the budget; S.25 of the Local Government Act 2003 requires the Chief Finance Officer (Strategic Director/S151 Officer for this Council) to report on the robustness of the budget-setting estimates and the adequacy of the proposed financial reserves.
- 20.2 Managers have considered legal implications in arriving at the draft proposed budget.

**21 Links to Corporate Aims**

- 21.1 The draft budget proposals have been prepared with consideration to links with the Corporate Aims. Further development of the MTFP will need to reflect the agreed priorities within the new Corporate Business Plan.

**22 Environmental and Community Safety Implications**

- 22.1 Environmental and community safety implications have been considered in arriving at the draft budget proposals.

**23 Equalities Impact**

- 23.1 Equalities Impact Assessments (EIA) are undertaken when appropriate. None are required for the savings proposals included in this report.

## **24 Risk Management**

- 24.1 The risks associated with the various budget proposals and options have been considered, with assessment details included in the Business Case documents provided with the Corporate Scrutiny Report on 11 December 2014. In addition, the overall assumptions, risks and uncertainties are reported within the S151 Officer's Robustness Statement which accompanies this report.

## **25 Partnership Implications**

- 25.1 The Council operates many key partnerships including but not limited to: Southwest One, Tone Leisure, and Somerset Waste Partnership. Engagement with partners will continue to be an important factor in addressing the funding gaps in the medium term financial plan, to help the council deliver a sustainable and affordable financial position.
- 25.2 In addition, the successful delivery of the Joint Management and Shared Services arrangements for Taunton Deane and West Somerset Councils is one of the key elements to achieving financial sustainability for both Councils. The significant efficiency savings of c£1.6m for Taunton Deane over the next two years has been incorporated into the Council's Budget and MTFP.

## **26 Recommendations**

- 26.1 The Executive recommends to Full Council the approval of the General Fund Revenue Budget for 2015/16 as outlined above. In particular the Executive recommends to Full Council to:
- a) Note the S151 Officer Statement of Robustness in Appendix A, which applies to the whole budget including General Fund, Housing Revenue Account and Capital Budget proposals.
  - b) Approve the General Fund Revenue Budget 2015/16 as summarised in Appendix C, including a Basic Council Tax Requirement budget of £5,287,500 and Special Expenses of £42,900 (noting formal resolution of Council Tax Requirement is included in a separate report).
  - c) Approve the transfer of any unallocated year end under-/overspend in the 2014/15 General Fund Revenue Account Outturn to/from the General Fund reserves.
  - d) Approve the Budget Savings Proposals for 2015/16 as set out in this report and summarised in Appendix B and note that Equalities Impact Assessments are not required for the savings detailed in this report.

- e) Note the General Reserves position and Medium Term Financial Plan projections, and the ongoing financial challenge to address the Budget Gap for future years.
- f) Approve the Minimum Revenue Provision Policy for 2015/16 as set out in section 14 of this report.
- g) Approve the revised Licensing fees as detailed in 11.2.

### **Background Papers**

Corporate Business Plan

HRA 30-Year Business Plan

Corporate Scrutiny 18 September 2014: Medium Term Financial Plan Update & Approach to Budget Setting 2015/16

Corporate Scrutiny 20 November 2014: 2015/16 Budget Progress Update

Council 9 December 2014 – 2015/16 Fees and Charges

Corporate Scrutiny 11 December 2014: 2015/16 Initial Draft Budget Proposals

Corporate Scrutiny 22 January 2015: Medium Term Financial Plan Update & Approach to Budget Setting 2015/16

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## APPENDIX A

### ROBUSTNESS OF BUDGET ESTIMATES AND THE ADEQUACY OF THE COUNCIL'S RESERVES

#### STATEMENT BY S151 OFFICER (CHIEF FINANCE OFFICER)

– Shirlene Adam, Director - Operations

##### 1.0 Introduction

1.1 The purpose of this appendix is to outline and meet the statutory requirements contained in the Local Government Finance Act 2003 which requires the Council's Section 151 Officer to report to Members on:

- The robustness of budget estimates; and
- The adequacy of proposed reserves.

1.2 The conclusion of my review is set out at the end of this appendix. The remainder of this appendix provides detailed evidence of my assessments.

##### 2. ROBUSTNESS OF BUDGET ESTIMATES

2.1 The proposed budget for 2015/16 (and the forecast position for future years) is the financial interpretation of the Council's strategic priorities and, as such, has implications for every citizen of Taunton Deane together with all other stakeholders.

2.2 The proposed budget reflects the Council's agreed Corporate Business Plan and the priorities allocated therein.

2.3 In commenting on the robustness of the budget and level of reserves and balances, the following factors have been taken into consideration and are considered in the remainder of this appendix:

Section 3	Government funding
Section 4	Capital programme funding & HRA changes
Section 5	Inflation and other key assumptions
Section 6	Delivery of savings
Section 7	Risks and opportunities with partnerships
Section 8	Financial standing of the Council (level of borrowing, debt outstanding)
Section 9	Track record in budget management
Section 10	Virement and control procedures
Section 11	Risk management procedures
Section 12	Key risk issues in 2015/16 budget
Section 13	Adequacy of Reserves
Section 14	Conclusions

### **3. Government Funding**

- 3.1 We are now in our third budget setting exercise under the “new” system of funding for local government services (Business Rates Retention Scheme).
- 3.2 Although we are becoming more familiar with the new regime, and more guidance on the accounting arrangements has been issued, the risks flagged to Members previously remain. We have used best endeavours (as all authorities have) to ensure the forecasts are robust and the Finance Manager has set out the detail on this in this report.
- 3.3 The provisional settlement was published, as last year, fairly late in the process (December 2014). This set out the provisional funding position for 2015/16 only. There will no doubt be a Spending Review later this year setting out the Governments intentions re public sector reductions for future years.
- 3.4 The headline cash reduction in Taunton Deane’s government funding is 15.5% for 2015/16. This is a further significant reduction in financial support and means the messages given to Members in earlier MTFP reports are more relevant than ever.
- 3.5 The Government has announced the referendum trigger level for 2015/16 at 2%. Councils increasing tax by 2% or above will be required to hold a local referendum. Parish Councils have not been subject to the referendum limit previously and are not for 2015/16.
- 3.6 Local authorities freezing or lowering their council tax level in 2015/16 will receive a Council Tax Freeze Grant equivalent to a 1% increase in council tax.
- 3.7 The final grant settlement position will hopefully be announced in late January / early February.
- 3.8 The Executive’s draft budget proposes a tax freeze. Although the Council will receive a tax freeze grant, which will be built into future Government Grant settlements, the compound impact of not maximising the tax increases is important to note. From a pure financial planning perspective, faced with the financial challenges ahead, it would be sensible to maximise the income generating potential available. However, tax setting decisions are based on more than simple financial projections and Councillors need to take a wider view and consider the impact on our communities.

### **4. Capital Programme Funding**

- 4.1 The Executive’s draft budget proposals for the capital programme are set out in a separate agenda Item at this meeting.

- 4.2 To support the spending plans, Councils are required to publish and monitor a set of Prudential Indicators. These will be set out in full in the Treasury Management Strategy Statement – which will be shared in March for approval.
- 4.3 The Executive's draft General Fund and HRA capital programmes follow the principles of the Prudential Code.

## 5 Inflation and Other Key Budget Assumptions

- 5.1 I have reviewed the budget proposals and confirm the following key assumptions:-

<b>Area of Budget</b>	<b>How is this addressed within the TDBC budget process?</b>
Inflation assumptions	<p>General – inflation has <u>not</u> been applied to budgets unless there is direct justification ie as a contract condition.</p> <p>Salaries – 2% for 2015/16, then 2% thereafter.</p> <p>Utilities - based upon estimated contract increases</p> <p>Pension Contributions – We will be paying 13.5% plus a lump sum of £990k per annum.)</p> <p>Major Contracts – as per the legal documents supporting the contracts</p>
Income Levels	Income projections are based on <u>realistic</u> assumptions on usage, and the most recent Government guidance on fee levels when appropriate. They also take into account historic trends and current year variations against budget.
Economic assumptions	Investment interest assumptions are based on independent economic forecasts and include the impact of Treasury Management decisions made in earlier years.
Salaries Budgets	<p>As one of the largest areas of spend, the salaries budgets have been reviewed in detail. They have been built up by costing each individual post and cross-checked to the JMASS proposals.</p> <p>The cost sharing arrangement in place to</p>



	ensure both Taunton Deane Borough Council and West Somerset Council are picking up their fair share of costs will be further reviewed and tested during 15/16 to ensure continued robustness.
Growth in service requirements	The MTFP identifies service growth areas eg refuse collection. This is then firmed up by detailed discussions with Managers during the budget process. Growth assumptions for future years in the Council Tax base have been held at 0.75% per year on a prudent estimate of the net effect of local growth, council tax support and other discounts.
Efficiency Initiatives	Where initiatives are sufficiently well developed, they are included in savings plans.
Significant Budget areas which are subject to change during the year	The high risk/high value budgets of the Council are rigorously examined and only prudent increases built into them. In addition when forecasting, the performance in both previous and current years is taken into account.
Member engagement in budget development	Corporate Scrutiny have been updated on the MTFP position 3 times during the budget setting process. The savings proposals were also shared for discussion and, as usual, all Members were issued with a Budget Consultation Pack just before Christmas. All Councillors have had the opportunity to be briefed on the proposals during their Group Meetings in January 15.
Changes in Legislation	Legislative changes are analysed by officers and their effect built into the MTFP and budget.
Sustainability	The proposed budget takes into account the future financial pressures faced by the Council. Effective financial modelling for the medium term is in place, although there is some risk around the speed of reduction in Government funding. I am comfortable that best estimates have been used, but accept we need to update our

	<p>MTFP and Financial Strategy in the summer to reflect any shifts in Government or local policy.</p> <p>Any delay in delivering the savings required will impact on the robustness of our financial plans. This will be monitored closely during the year.</p>
Sensitivity Analysis	<p>The financial planning model allows the Authority to predict the likely outcomes of changes to key data ie inflation, council tax, government funding etc. This is helpful in sharing “what if...” scenarios internally and with partners and members.</p> <p>The Budget Consultation Packs issued to Members also provides data on tax choices – showing the impact on the Council of this important decision.</p>
The impact of the Capital Programme on the Revenue Budget	The MTFP identifies changes to the base budget as a result of the capital programme.

## 6 Delivery of Savings

- 6.1 The savings proposals presented in this budget proposal have been reviewed for robustness, and are realistic and deliverable in terms of the level of saving and the timing. The major element of the savings for 2015/16 are those resulting from the delivery of the JMASS Business Case.
- 6.2 Delivery of the other proposals, when approved, will be the responsibility of the Management Team and progress on this will be monitored during the year. Should there be any risk to the delivery of the identified savings, this will be reported to Members via the budget monitoring regime.

## 7 Partnership Risks & Opportunities

- 7.1 The Council has now almost completed the implementation of the Business Case for Joint Management and Shared Services with West Somerset Council. Robust governance arrangements have ensured the headline targets have been met, and the Joint Partnership Advisory Group (JPAG) have been fully informed and engaged in progress throughout the year. The focus will now be to develop and engage a programme of transformation that can deliver further savings –

essential to this future financial sustainability of Taunton Deane Borough Council.

- 7.2 The Council has several other key partnership arrangements in place to support our ambitions and deliver key services. These are supported by contractual arrangements. There are performance management and governance arrangements in place on each partnership to ensure the Council's interests are protected, and that the expected benefits are fully realised. Risk registers are kept for each key partnership and are regularly reviewed by lead officers.
- 7.3 The most significant arrangement, our Joint Venture with Southwest One is 7 years into a 10 year contract and the Council needs to ensure it has robust plans in place to deal with contract end. Decisions will need to be made over the coming months on the key issues around this.
- 7.4 Southwest One deliver some of the Councils key corporate services (including Financial Services (AP & AR), Customer Services, Procurement and IT Services) - all of which are core to the transformation ambitions of our Council. Ensuring that we have the right arrangements in place for these services to support the delivery of our transformation vision, and not delay or hinder our ambitions is key. This is a priority area for our management team over the coming months and Members will be briefed on progress as this develops.

## **8 Financial Standing of the Council**

- 8.1 The Council fully complies with the Prudential Code.
- 8.2 The Council has an up to date Treasury Management Policy and Strategy in place and is operating within the agreed parameters. The Council currently has £92.198m of outstanding debt (which is within our maximum borrowing level of £166.9m). The Council currently has £32.8m of investments placed in the markets in accordance with our policies.
- 8.3 The Council's Treasury Management Practices are prudent and robust, ensuring the Council is not exposed to unnecessary risk in terms of its investment policies. This does mean lower interest rates, but the first priority must be to protect the capital invested.
- 8.4 The adequacy of the Council's reserves is discussed later in the appendix.

## **9 Track Record in Budget Management**

- 9.1 The Council has an excellent track record in budget management. The most recent years have resulted in the following outturn positions:-

<b>Year</b>	<b>£Variance</b>	<b>%Variance of Approved Budget</b>
2010/11	(£263,000)	(2%)
2011/12	(£535,000)	(4.4%)
2012/13	(£707,000)	(5.4%)
2013/14	(£964,000)	(6.7%)

9.2 In the context of a gross expenditure budget of £89m, the above results are acceptable. I would like to be in a stronger position than we have been in recent years, and hope the new ONE Team arrangements will improve forecasting and allow reporting of variances in a more timely manner – giving Members the maximum flexibility to use resources “in year” to achieve ambitions.

9.3 Members are currently provided with regular in-year updates on key budget variances (Corporate Scrutiny and Executive), but again, I hope we can further improve these for 15/16 onwards.

## **10 Virement & Control Procedures**

10.1 The Financial Regulations contain formal rules governing financial processes and approvals (virements are simply transfers of budget between departments). The Council fundamentally reviewed its Financial Regulations during 2008 to reflect the latest guidance and good practice from CIPFA. They were further reviewed in 2012 and no updates were necessary. The detailed Financial Procedure Rules that sit underneath the Financial Regulations are out of date and are will be rewritten during 2015/16.

10.2 The Financial Regulations are being complied with throughout the organisation. Any deviations from this flagged through audit reports are dealt with appropriately.

## **11 Risk Management**

11.1 I am satisfied that the Council has adequate insurance arrangements in place, and that the cover is structured appropriately to protect the Council.

11.2 The Council operates a self-insurance fund and this is operating effectively. In recent years, we commissioned external advice on the minimum level of reserves that should be set-aside to support self-insurance. Following this we reduced our earmarked reserve from £750k to £500k.

11.3 The Council has a Risk Management Policy in place which defines how risk is managed at different levels in the organisation. It defines roles, responsibilities, processes and procedures to ensure we are managing risk effectively. This matter is reviewed regularly by the Corporate Governance Committee.

- 11.4 Full Equalities Impact Assessments (EIA) Reviews have not been required for the savings proposals included in the budget report.

## **12 Key Risk Issues In 2015/16 Budget**

- 12.1 There are some areas of the proposed budget for 2015/16 that pose a significant financial risk moving forward. They are detailed below for Members attention. The figures in the proposed budget for 2015/16 are based on our best estimates, which I am comfortable are as robust as possible – but they can never be 100% guaranteed. These will require intensive monitoring throughout the year, and swift corrective action taken should they vary from budget. The issues I need to bring to Members attention are:-

- 12.2 **Business Rates Retention Scheme.** I am satisfied that the Council has put in place sound arrangements to monitor the flow of Business Rates income and valuation changes throughout the year. The information coming from our Revenues team is robust, and we need to continue to improve our modelling approach to ensure we are forecasting with as much accuracy as possible. We need to engage services across the Council to work with us on ensuring all chargeable premises are notified and billed, and this will be a focus of improvement during 15/16.

- 12.3 The key risks associated with Business Rates Retention for Taunton Deane are:

- 12.3.1 **Level of Appeals.** These were previously funded by the National Pool but all appeals approved post 1/4/13 (regardless of how far they go back) will be funded 50:50 (Central Govt : Local Govt). The list of outstanding appeals for TDBC totals some £33m and this is clearly a high risk area for us moving forward. We have built good working relationships with the Valuation Office, but this is a huge area of uncertainty that directly impacts on our financial sustainability.

- 12.3.2 **Collection Rates.** The continuing “challenge” of collecting tax from businesses who do not have funds remains. Previously the national pool funded any reduction in collection rates. Again this will now be an issue to be funded locally. Although we haven’t noticed a massive impact during 2014/15, we continue to monitor this closely and work with businesses to ensure they are sighted on all the assistance available.

- 12.3.3 **Reliefs.** All mandatory reliefs were previously funded nationally by the pool. Whilst this has been taken care of in the initial funding calculations, any new mandatory reliefs introduced by the Government would have to be funded 50 : 50 (Central : Local).

- 12.3.4 **Pooling.** The Council has decided to join the new Business Rates Pool covering BANES, North Somerset, Somerset County Council, Mendip, Sedgemoor, and South Somerset.
- 12.3.5 The risks and opportunities this brings were set out in the report to all Members in November 2014. In summary, the pooling option provides an opportunity to create bonus which can be shared between authorities. There is a risk however that the pool could create a loss which may be larger than the 'excess' created by the Government safety net in the status quo option. Robust monitoring arrangements are in place across the pooling area and regular updates will be shared with Members on progress during 2015/16.
- 12.3.6 **Levy / Growth.** The "opportunity" is there for local authorities to benefit financially from growth. In simple terms, for every £1 of additional business rates generated (above the Govt set baseline) then TDBC will keep £0.20.
- 12.3.7 **Accounting Arrangements:** To mitigate the risk on this large income stream the Council created a Business Rates Smoothing Reserve last year. Additional funding of £298k is being transferred to this as part of the 2015/16 budget – which helps provide additional mitigation against fluctuations mid-year (which if not provided for could hit the taxpayer significantly).
- 12.4 **Council Tax Reduction Scheme.** The new scheme (replacing the Council Tax Benefit Scheme) came into place on 1<sup>st</sup> April 2013. Councillors agreed, following consultation, to implement some changes to the scheme for 2015/16. We are working with other authorities in Somerset on the potential to review and simplify the scheme for our communities for future years. The key risks on this item remain as last year – on the level of take-up. To date we are managing this within approved budgets, but it is something that we monitor very closely.
- 12.5 **Housing Benefits / Subsidy.** The administration grant we receive from Government to support this function has been reduced by £65k for 2015/16 (on top of the £61k reduction in 2014/15). Subsidy budgets are always very difficult to estimate due to the fluctuating volume of claims received and the different levels of subsidy payable of types of claimant error. The challenge in 2015/16 continues to be great. The total benefit subsidy budget is approx of £33m – and therefore small fluctuations in this budget can have a big impact on the budget of the Council. Systems are in place to ensure this is monitored on a monthly basis. In addition assumptions on the level of subsidy payable on Local Authority overpayments are at a prudent level.
- 12.6 **Interest Rates** – Interest rates have been at a very low level for a long time. The Executive's draft budget has been based on cautious and prudent assumptions on interest rate movements taken from forecasts issued by our Treasury Management advisors, Arlingclose. The

Treasury Management Strategy for 2015/16 is currently being reviewed by Councillors and sets out a different approach for our investments moving forward. This is to reflect the changing markets and regulations – effectively removing the current government protection on bank investments. We need to respond to this new risk, and ensure our portfolio is spread widely and thinly to protect the public resource.

- 12.7 **Impact of Economic Changes** – the Council’s budgets reflect our best estimates of the impact of current economic conditions. This is an issue we need to continually monitor through the budget monitoring process – particularly on income streams from car parking, land charges, building control and development control, and expenditure on issues such as homelessness.
- 12.8 **Procurement Savings** - The funding of the Southwest One transformation projects has been initially financed by prudential borrowing. The strategy is that this debt will be repaid once the procurement strategy of the Council, in partnership with Southwest One, begins to deliver savings. Recent updates from Southwest One indicate lower levels of savings than originally forecast. Members have agreed to delay the repayment of this borrowing to allow greater time for the procurement savings to materialise. There is still some risk on the level of savings to be delivered, and the timing of their delivery.
- 12.9 **Car Park Fee Income** – as with last year this is a risk area for the Council that will need to be monitored closely during the year.
- 12.10 **Trading Account – Deane Helpline.** The Executive’s draft budget recognises the latest information on the expected financial position of the Deane Helpline (an anticipated trading loss of £80k in 2014/15). As reported to Members in 2011, the service delivered to the public is excellent, and this will continue in 2015/16, but the underlying financial position is not sustainable in the longer term.
- 12.11 **Joint Management & Shared Services** – The budget has been prepared based on the JMASS Business Case approved in 2013, and the latest information on the potential costs and savings across the two Councils, and early views on transformation plans. We continue to develop robust cost sharing mechanisms to ensure costs are shared on a fair and reasonable and evidenced basis.
- 12.12 **Overall Funding & Capacity Risk** – the level of Government revenue grants has reduced again for 2015/16. The organisation has made significant savings over recent years, and as the Council reduces in size this brings risk in terms of capacity (to deliver new savings ideas and to deliver significant service change). Investment in our “transformation” agenda will be key to ensuring this risk is mitigated.
- 12.13 Finally, the Council must continue to monitor the impact of the Welfare Reform agenda on our community and the resultant demand for

service and support. The move towards Universal Credit in 2015/16 will be challenging and will no doubt impact on both the General Fund and HRA.

### **13. ADEQUACY OF RESERVES**

- 13.1 With the existing statutory and regulatory framework, it is my responsibility as s151 Officer to advise the Council about the adequacy of the Council's reserves position.
- 13.2 All reserves are reviewed at least annually and my opinion updated during the budget setting process each year. The annual review considers not only the adequacy but the necessity of the reserves. Reserves are not held without a clear purpose. There has been a report on this during 2014/15 – returning a total of £65k from earmarked reserves to the General Fund Reserve. There will be further scrutiny of key remaining earmarked reserves over the coming months.
- 13.3 The Executives draft budget for 2015/16 does not rely on the use of General Fund Reserves.
- 13.4 My opinion is given in the knowledge that known risks (strategic, operational and financial) are managed and mitigated appropriately in line with the Council's policies and strategies.
- 13.5 The headlines of my findings on each key reserve are set out in the remainder of section 13 below. My conclusions / opinion is set out in section 14 below.

#### **General Fund Reserve**

- 13.6 The predicted General Fund Reserve position is set out in section 14 of the main report. The Executive's proposed budget for 2015/16 does not require the used of any General Fund Reserves. The predicted balance on this reserve, having set the 2015/16 budget is £1.897m. This will increase should the predicted underspend in 2014/15 materialise.
- 13.7 CIPFA make it clear that the level of reserves for each Authority cannot be decided by the application of a standard formula and each authority must assess their own reserve levels based on the specific risks and pressures which they face.
- 13.8 **The Council agreed with my recommendation to increase the minimum level of reserves in 2013/14 (to reflect the new risks re Business Rates Retention and Council Tax Reduction and the impact on collection rates). The General Fund Reserves should**



**be maintained at a minimum of £1.5m (or £1.25m if being replenished via invest to save initiatives). Having reviewed this again I feel this remains appropriate in light of the challenges ahead.**

#### **Housing Revenue Account Reserve**

- 13.9 The Housing Revenue Account balance is forecast to be £2.17m at 31 March 2015. The self-financing regime has been in place for nearly three years now and the 30 Year Business Plan is being delivered. The recent changes to the rent setting calculation mean the overall Business Plan has suffered a potential loss of income of around £5.485m. The 30 year plan will need to be fully reviewed during 2015/16 to ensure priorities and treasury ambitions are still relevant. The minimum level of reserves for the HRA is £300 per property (approx £1.8m). The detailed budget for next year work within this parameter.

#### **Earmarked Reserves**

- 13.10 At 31 March 2015, the Council expects to have in the region of £2.7m in earmarked reserves. The main reserves include the self-insurance fund, asset maintenance, and the DLO trading reserve.

### **14 CONCLUSION**

- 14.1 Although the budget for 2015/16 is balanced with clear savings plans in place, this Council continues to have a serious financial challenge ahead. The difficult economic conditions are forcing more of our community into circumstances where they require more support, and we simply don't have the resources to do this anymore.
- 14.2 My clear message to all Councillors in September 2013 was that we needed to take action. Since then, the Council has taken significant steps towards achieving financial sustainability with the approval and implementation of the Joint Management and Shared Services project with West Somerset Council. The ambition is to go further and transform our organisation and services to deliver further savings. This is a huge task and some early work has been done to share "learning" from other authorities with Members. This will need to be progressed at pace during 2015/16 to ensure we have plans for delivering further savings.
- 14.3 The Executive has presented for approval a budget for 2015/16 which does not rely on reserves. The medium term financial plan shows that we have a gap of £1.013m for 2016/17 and this continues to grow thereafter. Members are fully aware that difficult decisions lie ahead and need to work together to progress this in the best interests of our community.
- 14.4 The Councils level of reserves is at the lower end of the acceptable range. Whilst adequate in terms of our day to day operations, we have

some tough challenges ahead and having sufficient reserves to facilitate that change (which will cost) is important. I would encourage Members to consider boosting the level in reserves to support the changes ahead.

14.5 Based on all the information above, I am pleased to report that I believe the Council's reserves to be adequate, and the Executive's draft budget proposals for 2015/16 to be sufficiently robust.

**Shirlene Adam**  
**Director – Operations (s151 Officer)**  
**January 2015**

TDBC BUDGET SETTING 2015/16 - MTFP SAVINGS OPTIONS (GENERAL FUND)

APPENDIX B

Assistant Director	Portfolio Holder	Service Area	Description of the Service Option	Category	2015/16 £	2016/17 £	2017/18 £	Cumulative Value £	Business Case: Service Impact Explained	Risk Management	Public Impact	Operational Impact	Confidence	Impact on unparished area	Equalities Impact	Partnership Implications	Health and Wellbeing Implications
					<b>122,830</b>	<b>10,000</b>	<b>5,000</b>	<b>137,830</b>									
Richard Sealy	Cllr Stock-Williams	Postage	Savings resulting from the cancellation of the timed delivery service.	Cuts	3,500			<b>3,500</b>	The timed delivery service, in theory, guarantees the delivery of our post first thing in the morning. In practice we get some post first thing, in order to fulfil the contractual obligation, but the majority during the day. Consequently the removal of this service will have little impact in practice. We will put in place arrangements for Revs & Bens to ensure we correctly identify the date of receipt of benefits claims etc.		Low	Low	High	None	N/A	None	None
Chris Hall	Cllr Edwards	Parking Services	Shopmobility business plan - change in service provider leading to a reduction in council costs	Partner/Outsource	20,000	10,000	5,000	<b>35,000</b>	This is a change to the grant payment made by the council for the delivery of the shopmobility business case.		Low	Low	High	The new service delivery model is not expected to result in a reduction in service, but will reduce the level of subsidy needed from the Council.	N/A. Change of provider only.	None	None
Tim Burton	Cllr Edwards	Planning	Based on current income it is safe to increase the projected income for future years	Income increase	27,500			<b>27,500</b>	Demand for pre-application advice together with volumes of planning condition discharges is projected to exceed current budget expectations. This would appear to be the ongoing trend.	Provided that adequate resources are targeted at the work there is little or no risk involved	Low	Low	High	None	N/A	None	None
Simon Lewis	Cllr Adkins	Housing	Use of housing reception indicates that "Pathway to Independence" has led to a drop in demand for advice. Greater proportion now being attributable to HRA services.	Reallocation	6,500			<b>6,500</b>	Reapportion costing of housing advice reception desk from 33:67 to 50:50 on the basis that P2I has led to drop in demand for advice for housing options for under 20 year olds		Low	Low	High	None	N/A	None	None
Simon Lewis	Cllr Hunt	Climate Change	The Climate Change Officer post was approved as a 12 month contract, to be deleted in 15/16, with a further reduction in climate change initiatives budget.	Cuts	42,000			<b>42,000</b>	There was a decision in 14/15 to reduce the Climate Change budget which will take effect in 15/16.		Low	Low	High	None	EIA was provided as part of the 2014/15 budget process.	None	None
Richard Sealy	Cllr Stock-Williams	Internal Audit	Updated audit plan resulting in reduced contract costs	Cuts	23,330			<b>23,330</b>	This is simply reducing the number of audit days bought by TDBC.	The key risk to consider is whether there is sufficient remaining audit days in the annual plan to safely cover off key internal control issues. This will need to be managed more carefully than previously, and robust "control" of the internal audit plan put in place.	Low	Low	High	Not applicable	No impact identified. Full EIA not required.	Internal audit services are provided by the South West Audit Partnership (SWAP). The Plan reduction has been agreed with SWAP.	None

## GENERAL FUND DRAFT BUDGET REQUIREMENT 2015/16

	£'000
<b>Net Expenditure Base Budget 2014/15</b>	<b>13,188</b>
<b>Inflation</b>	481
<b>Other Cost Increases</b>	
Remove 2014/15 one-off items	-170
Demographic growth demand on services	32
Insurance contract increase	56
DLO Staff inflation	65
Pension Deficit repayment increase	144
Crematorium income base reduction	200
Housing Benefit & Council Tax Support Admin Grant	65
Waste management - enforcement/support for events	10
PR Support – Media Officer	20
Additional street cleansing and grass cutting	102
Public Conveniences – Remove needles	25
Public Conveniences – Re-open Hamilton Park	8
Community Development – Support users to break addiction	30
Asset management – additional capacity	30
Finance – Support for growth initiatives/projects – one-off	95
Econ Development - Marketing	25
Econ Development – Town Centre Wi-fi	45
Corporate Fraud – match funding – One-off	20
Decrease in HRA contribution for BTS	176
Licensing Fees & Charges (new charges / price changes)	20
Other minor changes	9
<b>Savings</b>	
JMASS – Staff Savings	-791
JMASS – Non-Staff Savings	-400
Full year effect Climate change savings	-42
Cemeteries & Crematorium Fees & Charges price increase	-40
Parking Fees increase	-140
Garden Waste Sales Trend	-70
Garden Waste Fees & Charges price increase	-14
Deane Helpline Fees & Charges price increase	-15
Rotunda Fees & Charges price increase	-4
Pest Control Fees & Charges price increase	-1
HB Subsidy	-50
Unitary Charge Discount	-80
Planning income demand	-28
Budget Savings Proposals	-47
<b>Other Changes</b>	
Decrease Minimum Revenue Provision (MRP)	-130
Transfer from Business Rates Smoothing Account – Collection Fund Deficit	-710
Transfer to Business Rates Smoothing Account	298
Transfer to Growth & Regeneration Reserve (NHB grant funding)	876
Remove previous year transfer from General Reserve	17
Remove previous year one-off transfers to earmarked reserves	-233
Revenue Funding of Capital Expenditure	120
<b>Net Expenditure Base Budget 2015/16</b>	<b>13,192</b>

<b>Funding, Taxation and New Homes Bonus 2014/15</b>	<b>-13,188</b>
Revenue Support Grant	850
Retained Business Rates	-403
New Homes Bonus Grant increase	-876
Tax Base growth – TDBC Basic Council Tax	-95
Council Tax Freeze Grant	-62
Council Tax collected for Parish Precepts Increase	-28
Collection Fund Deficit - BRR	710
Collection Fund Surplus increase - CT	-100
<b>Funding, Taxation and New Homes Bonus Budget 2015/16</b>	<b>-13,192</b>

**GENERAL FUND REVENUE BUDGET SUMMARY 2015/16  
SUMMARY BY PORTFOLIO**

Heading	Original Budget 2014/15 £	Forward Estimate 2015/16 £
<b>SERVICE PORTFOLIOS</b>		
Community Leadership	1,046,130	574,220
Corporate Resources	1,594,880	1,264,170
Economic Development, Asset Management, Arts & Tourism	1,127,360	1,324,770
Environmental Services	4,313,210	4,422,720
General Services	1,076,740	917,030
Housing Services	2,518,690	2,432,450
Planning, Transportation & Communications	(1,515,340)	(1,657,700)
Sports, Parks & Leisure	2,690,420	2,790,900
Joint Management Team Savings - to be allocated to specific services in a new code structure	(340,000)	0
	<b>12,512,090</b>	<b>12,068,560</b>
<b>TRADING ACCOUNTS</b>		
Deane Helpline	85,620	80,000
DLO	(101,000)	(101,000)
	<b>(15,380)</b>	<b>(21,000)</b>
<b>OTHER OPERATING COSTS &amp; INCOME</b>		
Interest Payable	0	0
Interest Receivable	(313,750)	(314,000)
Special Expenses	48,510	48,930
Parish Precepts	544,400	570,690
	<b>279,160</b>	<b>305,620</b>
<b>TRANSFERS TO/FROM RESERVES</b>		
<b>Revenue Reserves</b>		
Transfers To/From Earmarked Reserves	1,910,560	2,142,500
Transfers To/From General Reserves	(17,200)	0
<b>Capital Reserves</b>		
Capital Financing from GF Revenue (RCCO)	528,590	648,590
Repayment of Capital Debt (MRP)	692,640	562,270
Other Transfer to Capital Adjustment Account	(2,702,150)	(2,513,080)
	<b>412,440</b>	<b>840,280</b>
<b>NET EXPENDITURE BEFORE GRANTS AND TAXATION</b>	<b>13,188,310</b>	<b>13,193,460</b>

Heading	Original Budget 2014/15 £	Forward Estimate 2015/16 £
<b>GOVERNMENT FUNDING &amp; LOCAL TAXATION</b>		
<b><i>Government Funding</i></b>		
Revenue Support Grant	(2,766,310)	(1,916,420)
New Homes Bonus Grant	(2,302,850)	(3,178,650)
Council Tax Freeze Grant	0	(62,400)
<b><i>Council Tax</i></b>		
Demand on Collection Fund	(5,738,720)	(5,862,120)
Collection Fund (Surplus)/Deficit Share	(34,630)	(134,530)
<b><i>Business Rates</i></b>		
Business Rates Retained Funding	(2,345,800)	(2,749,000)
NNDR (Surplus)/Deficit	0	709,660
	<b>(13,188,310)</b>	<b>(13,193,460)</b>
<b>(SURPLUS)/DEFICIT FOR THE YEAR</b>	<b>0</b>	<b>0</b>

## Appendix E

<b>Earmarked Reserves for Revenue Purposes</b>	<b>Balance @ 31.03.2014</b>	<b>Movements 14/15</b>	<b>Predicted Balance @31.03.2015</b>
Climate Change	(59,976.00)		(59,976.00)
Asset Management - Tone Leisure	(329,306.72)	108,880.00	(220,426.72)
Building Control Trading Balance	(17,540.00)	20,000.00	2,460.00
Bursary Account General Provisions	(4,229.34)		(4,229.34)
CEO Initiatives	(104,414.91)	26,100.00	(78,314.91)
Cordwest Invest. Bequest Accounts	(190.06)		(190.06)
Cordwest Revenue Bequest Accounts	(164.00)		(164.00)
Corporate Training	(71,338.09)	3,402.97	(67,935.12)
DLO Trading Account Reserve	(204,744.32)		(204,744.32)
DLO Vehicle Replacement Reserve GF	(240,540.00)	(100,000.00)	(340,540.00)
Elections	(51,460.00)	(13,130.00)	(64,590.00)
FE Colthurst Revenue Bequest Accounts	(390.74)		(390.74)
FE Colthurst Trust Bequest Accounts	(710.07)		(710.07)
General Fund General Carry Forwards	(474,838.33)	474,838.33	0.00
Healthy Workplace	(13,539.33)		(13,539.33)
Housing Enabling	(175,523.80)	6,688.30	(168,835.50)
Self Insurance Fund	(500,000.00)	(75,000.00)	(575,000.00)
Local Plan Enquiry General Provisions (LDF)	(403,875.38)	214,570.00	(189,305.38)
Planning Delivery Grant - Revenue (HPDG)	(152,474.91)	25,000.00	(127,474.91)
Strategic Director SA	(44,100.00)	(2,830.00)	(46,930.00)
Travel Plan	(55,453.80)	(8,950.00)	(64,403.80)
Works of Art and Public Arts Project	(15,000.00)		(15,000.00)
Habitat Regulations Research	(745.00)	745.00	0.00
Asset Management - General Services Non-HRA	(249,521.51)	78,000.00	(171,521.51)
TDBC share of NNDR Surplus/Deficit	(1,265,393.00)		(1,265,393.00)
Housing Loans to Private Sector Mortgagees	(18,841.00)	14,463.00	(4,378.00)
Youth Homelessness Fund	(3,936.40)		(3,936.40)
Corporate and Client Reserve	(211,474.00)	73,420.00	(138,054.00)
Eco Towns Projects Funding	(95,922.15)	(46,000.00)	(141,922.15)
New Homes Bonus	(794,410.00)	(91,030.00)	(885,440.00)
Strategy	(10,000.00)	10,000.00	0.00
CLG Preventing Repossessions Fund	(26,023.93)	24,751.70	(1,272.23)
Court Desk Funding	(18,500.00)	18,500.00	0.00
Housing Benefit Grant	(9,509.01)	5,493.91	(4,015.10)
Growth & Regeneration Service Costs	(222,425.60)	58,780.60	(163,645.00)
Troubled Families	(351,809.61)	230,000.00	(121,809.61)
Stable Payroll Pension	0.00	(25,000.00)	(25,000.00)
Corporate Projects Reserve	(5,746.10)	5,746.10	0.00
Food Inspections	(55,683.15)	11,990.00	(43,693.15)
Youth Fund Youth Project	(10,355.00)	8,400.00	(1,955.00)
Community Rights to Challenge	(21,967.00)		(21,967.00)
Homelessness Grant	(148,765.88)		(148,765.88)
Waste Earmarked Reserve	(31,000.00)	31,000.00	0.00
Debt Recovery	(68,620.00)	3,900.00	(64,720.00)
Legal Civica Hosting Costs EMR	(12,000.00)		(12,000.00)
Neighbourhood Planning Grant EMR	(78,446.20)		(78,446.20)
Designated Public Spaces Order	(10,000.00)		(10,000.00)
JM & SS Project EMR	(1,417,800.00)	767,800.00	(650,000.00)
Business Rates Risk EMR	(80,000.00)		(80,000.00)
Asset Strategy EMR	(90,000.00)	45,000.00	(45,000.00)
Land Charges Self Financing	(10,700.00)		(10,700.00)
Individual Registration	(19,330.29)		(19,330.29)
Customer Access & Accommodation Project EMR	(45,060.00)		(45,060.00)
Monkton Heathfield EMR	(300,000.00)	(82,970.00)	(382,970.00)
Specialised Planning legal	0.00	(115,000.00)	(115,000.00)
Licensing Self Financing	(16,990.00)		(16,990.00)



	(8,620,784.63)	1,707,559.91	(6,913,224.72)
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# Taunton Deane Borough Council

**Executive – 5 February 2015**

## **Housing Revenue Account (HRA) Estimates 2015/16**

### **Report of the Finance Manager**

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

### **IMPORTANT NOTICE FOR MEMBERS**

In order for this item to be debated in the most efficient manner at the Executive meeting, Members are requested to contact the named officers at the end of this report in advance of the meeting with queries regarding points of detail or requests for further supporting information.

#### **1 Executive Summary**

This report presents the Executive's 2015/16 Budget for the Housing Revenue Account (HRA) for recommendation to Full Council for approval on 24 February 2015.

The Budget was previously presented to Members at Corporate Scrutiny on 22 January 2015.

The proposed **average rent for dwellings in 2015/16 is £83.88 per week**. This represents an **increase of £1.82 or 2.2%**, which is in line with the approved Rent Policy within the Business Plan.

The Budget presents a balanced position overall for 2015/16, and includes an increase in funding in the Social Housing Development Fund to support new provision of council dwellings.

#### **2 Background**

2.1 The purpose of this report is for the Executive to consider and finalise its Draft Housing Revenue Account Budget proposals for 2015/16, for recommendation to Full Council on 24 February 2015. The Business Plan considers the links to the overall strategy of the Council.

2.2 This report also includes the proposed rent charges for the year, which is in

line with the Rent Policy within the Business Plan. The proposed increase in rents allows sufficient funds to provide tenancy management services, maintain housing stock in good condition, continue the established programme of stock refurbishment, invest in new housing, and repayment of the housing debt. As set out in the report lower inflation rates mean that the proposed increase is lower than in previous years.

- 2.3 The financial year 2015/16 will be the fourth year of operating the HRA under self financing arrangements. The Council remains on course to repay the settlement debt of £85.2m, taken on in March 2012, by 2030.

### **3 Corporate Scrutiny Comments**

- 3.1 The Draft budget was presented to Corporate Scrutiny on 22 January 2015 for review and comment. The Committee supported the recommendations within the report, and there were no specific comments for the Executive to consider.

### **4 Housing Revenue Account 2015/16**

- 4.1 The Proposed Budget is based on assumptions and estimates on expenditure requirements and income projections, in order to deliver the updated Business Plan. This report sets out the main elements of the budget proposals reflected in the latest Business Plan.
- 4.2 A summary of the overall Draft HRA Budget 2015/16 is included in Appendix A.

### **5 Dwelling Rent Levels for 2015/16**

- 5.1 Dwelling rents for over 5,800 properties provide an annual income of over £24m for the HRA.
- 5.2 Local authorities have both the power and duty to set their own rent. However, in December 2000 Central Government set out a policy for social rents in England to be fair, affordable and less confusing for tenants; local authorities and housing associations were to bring rents into line over several years, using a national formula to set a target rent (also called 'formula rent') based on property values and average manual earnings in each area.
- 5.3 The previous subsidy system required local authorities to raise their 'average weekly rent' to meet the 'target' or 'formula' rent by the convergence date of 2015/16. However, in 2014 the Government amended its guidance in this respect and full convergence cannot now be obtained. 2014/15 is the final year that a convergence factor can be included in the rent calculation, and the ongoing impact of this change is that the Council will lose the potential to increase rent income by approximately £242k per year from 2015/16 onwards. From 2015/16 the Government has also altered the basis for calculation of guideline rent increases from RPI plus ½%, to CPI plus 1%. CPI inflation as at September 2014, which is the measurement used for rent setting, is 1.2%.

5.4 In line with the national rent guidance and the service need identified in the Business Plan, it is **proposed that the average weekly rent for dwellings for 2015/16 should be set at the guideline rent of £83.88, an increase of 2.2% or £1.82 per week.**

5.5 The various rents for 2015/16 calculated from the formulae are:

		2014/15	2015/16	% increase
Average rent	<i>Rent as per Rent Guidelines (with uplift of CPI+1% from 2015/16)</i>	£82.06	£83.88	2.2%
Rent under old rent system (without convergence)	<i>With uplift of RPI+½ %</i>		£84.37	2.8%
Rent under old rent system (with convergence)	<i>With uplift of RPI+½% plus an affordable step towards formula rent</i>		£85.96	4.8%
Proposed average weekly rent			£83.88	2.2%
Total increase over previous year £p			£1.82	
Total increase over previous year %			2.2%	

5.6 Members could choose not to increase rents to the guideline amount. However, each 0.5% rent change costs (or saves) tenants an average of 41p per week (£21.32 per year) and brings in (or reduces) HRA income by around £118,500 per year. The £85.2m Self Financing debt settlement in March 2012 was predicated on the assumption that local authority landlords would reach rent convergence by 2015/16. However, the Government has recently amended its guidance in this respect and full convergence cannot now be obtained – see 4.3 above.

## 6 Other Income

6.1 Around 7.4% of HRA income, or some £2.0m in total, comes from non-dwelling rents (mainly garages but also shops, hostels and community centres), charges for services and facilities, and contributions to HRA costs from leaseholders and others. Although national guidance for dwelling rents links charges with CPI, it is intended to continue to use RPI as the inflation index for non-dwelling rents and other service charges. The proposed changes to specific budget lines, reflecting changes approved by Full Council in December 2014, are:

6.2 **Non Dwelling Rents:** a 2.3% increase, standard inflation (RPI) amount as at September 2014 (last year 3.2%), with garages rented by private tenants and owner occupiers increasing by 5%.

6.3 **Charges for Services and Facilities:** a 2.3% increase (last year 3.2%). Budgets for service charges have been reset in line with the current stock, and budgets added for annual service charges to leaseholders and rechargeable

repairs for current and former tenants. Actual charges to leaseholders will continue to be based on actual costs incurred.

6.4 **Supporting People Income:** a 2.3% increase in charges to individual subscribers to the service (last year 3.2%). Somerset County Council receives 'Supporting People' funding from CLG and uses it to purchase services from a range of providers including TDBC. Reductions in national funding have led to a reduction of 33% for support contracts which were renewed in October 2014.

6.5 **Contributions towards expenditure:** from the General Fund to cover a share of costs in the HRA for work done on estates where people have bought their homes under Right to Buy. (There are approximately 4,000 privately-owned homes on HRA estates, compared to around 5,800 total HRA stock; those private households pay their share of HRA estate-management costs through their council tax and the General Fund.)

## 7 Expenditure

7.1 Below are brief descriptions of the main areas of spending with explanations of any significant changes to the current budgets.

7.2 **Management Expenses:** These include the costs of the teams administering tenancies, collecting rents and arranging or planning maintenance work as well as a share of the Council's other relevant costs. An increase in costs of £144k is expected overall. Key points for 2015/16 are:

- a) The budget includes standard corporate inflation assumptions (5% utilities, 3% insurance and an increase of 2.2% on salaries).
- b) The inclusion of additional management costs as identified in the Joint Management and Shared Services Report.

7.3 **Maintenance:** the cost for 2015/16 is expected to decrease by £993k to £7,272k. This equates to spend of around £1,240 per property, based on the service's best estimate of work that can realistically be carried out. Key points for 2015/16 are:

- a) The Business Plan allowed for a 'transition year' in 2014/15 for additional spending on void properties. It is assumed that costs will reduce in 2015/16 to be in line with industry averages.
- b) Pre-planned maintenance also had additional funding of £308k in 2014/15 which was to cover the cost of works slipped from 2013/14. This is not being taken forward into the 2015/16 base budget.
- c) Some cyclical works such as the installation of smoke detectors has now ceased, reducing the budget in Specialist Works by £70k.
- d) Some of the asbestos works currently funded within Specialist Works will be carried out 'in house' under the new Joint Management and Shared Services structure allowing the budget to be reduced by £40k.
- e) Electrical and Heating works have been reduced in line with current forecasts.

f) General Maintenance has been increased by £179k due to the increased costs in this area.

- 7.4 **Rents, Rates, Taxes and Other Charges:** Rents, rates and charges for HRA properties. This includes insurance costs, cost of utilities in communal areas, council tax payable on void properties, and rents payable on non HRA owned property.
- 7.5 **Provision for bad debts:** the second year of the planned three year rise from 0.5% to 2% had been postponed until Quarter 4 of 2014/15. This is due to universal credit being unlikely to be implemented until this time.
- 7.6 **Depreciation:** cash reserved in the Major Repairs Allowance (MRA), increased in line with expected national accounting rules and used towards £6.75m capital work that maintains housing stock in good condition.
- 7.7 **Debt Management Expenses:** bank charges and the costs of managing cash flow, borrowing and investments.
- 7.8 **Repayment of Borrowing and Interest:** interest and a contribution towards the repayment of the debt currently held in the HRA of £97.6m. The contribution towards the repayment of debt is reducing to £881k for 2015/16 in line with the review of the Business Plan and is scheduled to increase in subsequent years. The interest payable on debt is expected to increase by £129k due to additional borrowing for approved schemes such as Creechbarrow Road and the Social Housing Development Fund Phase 1 sites.
- 7.9 **Interest receivable:** is based on an estimated interest rate on investments.

## 8 **Appropriations**

- 8.1 **Transfers to General Fund:** This is the estimated procurement savings being achieved within the HRA through the Southwest One procurement team and recorded through the Benefits Tracking System (BTS). The savings are currently transferred to the General Fund to contribute to the cost of the Transformation Project. Any ongoing procurement savings will be retained by the HRA in future years once the Project costs have been fully funded.
- 8.2 **Revenue Contribution to Capital (RCCO):** RCCO pays for capital work costing more than the £6.71m MRA noted in paragraph 6.6 above. The Business Plan capital programme is £7.67m for 2015/16 of which the remainder of £0.87m will be funded from RCCO. Further information on the proposed programme is included in Item 7 of this Consultation Pack.
- 8.3 **Social Housing Development Fund:** is the contribution made towards developments such as Creechbarrow Road and is in line with the Business Plan having increased to £1m from 2015/16.

## **9 HRA Reserves**

- 9.1 As set out in the HRA Business Plan the recommended minimum unearmarked reserve balance for the HRA is £1.8m (approx £300 per property). There are no budgeted transfers to or from this balance in 2014/15. The current projected balance in the current financial year is approx £2.17m, providing some flexibility to fund additional one off costs if required.

## **10 Corporate Scrutiny Comments**

- 10.1 To be verbally updated at the meeting.

## **11 Finance Comments**

- 11.1 This is a finance report and there are no additional comments.

## **12 Legal Comments**

- 12.1 Local housing authorities are required by Section 74 of the Local Government and Housing Act 1989 (the "1989 Act") to keep a Housing Revenue Account (HRA) unless the Secretary of State has consented to their not doing so. The account must show income and expenditure coming from the Council's activities as landlord under Part II of the Housing Act 1985. Section 75 of the 1989 Act sets out an obligation for the HRA to show the major elements of housing revenue expenditure – maintenance, administration, and contributions to capital costs – and how these are met by rents, subsidy and other income.
- 12.2 The Local Government and Housing Act 1989 'ringfenced' the HRA: local authorities can only include items in the HRA for which there is statutory provision, and transfers of income and expenditure between the HRA and the General Fund are only allowed in very specific circumstances. In essence, rents cannot be subsidised by transfers from the General Fund, and Council Tax cannot be subsidised by transfers from the HRA.
- 12.3 The reform of council house financing is taking place under authority of Part 7 Chapter 3 of the Localism Act 2011 (November 2011).

## **13 Links to Corporate Aims**

- 13.1 The draft budget proposals for 2015/16 have been prepared in line with the HRA Business Plan. The Housing Revenue Account is directly linked to the Affordable Housing corporate aim.

## **14 Environmental and Community Safety Implications**

- 14.1 Environmental and community safety implications have been considered in arriving at the draft budget proposals.

## **15 Equalities Impact**

- 15.1 A full Equalities Impact Assessment was included with the approved HRA Business Plan, upon which this budget is based.
- 15.2 The proposed rent increase will apply to all tenants and as such no potential discrimination amongst the protected groups has been identified.
- 15.3 To help support tenants on low incomes Housing Services will continue to provide a number of initiatives to enable them to manage their finances and maximise their income:
- Publish clear information on rent which helps tenants to manage their own finances;
  - Signpost tenants to a relevant benefit agency to help ensure they are maximising their income to meet their living costs;
  - Take action to raise the awareness of accessing a range of welfare benefits; and
  - Provide the opportunity to access direct support in checking they are in receipt of the welfare benefits they are entitled to claim.

## **16 Risk Management**

- 16.1 The risks associated with the proposed budget have been considered, with a detailed risk analysis being undertaken through the update of the HRA Business Plan.

## **17 Partnership Implications**

- 17.1 None for the purposes of this report.

## **18 Recommendation**

- 18.1 The Executive recommends to Full Council the approval of the average rent increase of 2.2% for 2015/16 in line with the Council's approved Rent Policy.
- 18.2 The Executive recommends to Full Council the approval of the Housing Revenue Account Budget 2015/16.

## **Background Papers**

Corporate Scrutiny 22 January 2015 – Draft Housing Revenue Account (HRA) Estimates 2015/16

Executive 14 January 2015 – HRA Business Plan Review

Executive 9 December 2014 – Fees and Charges 2015/16



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**PROPOSED HOUSING REVENUE ACCOUNT 2015/16 (continued)**

	2014/15 Budget £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £
<b>HRA FUND BALANCE</b>						
Estimated balance b/f 1 April (rounded)	3,059,343	2,172,043	2,172,043	2,172,043	2,172,043	1,942,043
Transfer to/from reserves	(887,300)	0	0	0	(230,000)	230,000
HRA (surplus) / deficit each year	0	0	0	0	0	0
Estimated balance c/f 31 March (rounded)	<u>2,172,043</u>	<u>2,172,043</u>	<u>2,172,043</u>	<u>2,172,043</u>	<u>1,942,043</u>	<u>2,172,043</u>

**NOTE:**

The £1.8m minimum Fund Balance reserve figure is based on a minimum of approximately £300 per property for maintenance costs.

# Taunton Deane Borough Council

**Executive – 5 February 2015**

## **Capital Programme Budget Estimates 2015/16**

### **Report of the Finance Manager**

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

### **IMPORTANT NOTICE FOR MEMBERS**

In order for this item to be debated in the most efficient manner at the Executive meeting, Members are requested to contact the named officers at the end of this report in advance of the meeting with queries regarding points of detail or requests for further supporting information.

#### **1 Executive Summary**

The purpose of this report is for the Executive to consider and finalise its Draft Budget proposals for the 2015/16 General Fund and Housing Revenue Account Capital Programmes, for recommendation to Full Council on 24 February 2015.

The 2015/16 proposals have been prepared in line with limited General Fund capital resources being available. The Council is however setting aside significant sums from the New Homes Bonus Grant, which provides a funding stream that can be used to support Growth and Regeneration schemes in future.

The draft General Fund capital programme totals £1.012m and the draft HRA capital programme includes proposed investment of £8.67m in the Council's housing stock. This includes major works, including adaptations, on existing dwellings and improvements to related assets, and £1m investment in new stock.

#### **2 Purpose**

- 2.1 The purpose of this report is for the Executive to consider and finalise its Draft General Fund Capital Programme and HRA Capital Programmes, for recommendation to Full Council on 24 February 2015.

### **3 Corporate Scrutiny Comments**

- 3.1 The Draft budget was presented to Corporate Scrutiny on 22 January 2015 for review and comment. The Committee supported the recommendations within the report, and there were no specific comments for the Executive to consider.

### **4 2015/16 Draft General Fund Capital Programme**

- 4.1 In December, Members were provided with the initial draft capital programme ideas as part of the Members Budget Consultation Pack. This set out the bids received from budget holders and were shown against the prioritisation system devised by the Joint Management Team and supported by Members. The prioritisation system was developed in order to ensure that the Council's very limited Capital Resources are channelled at key projects.

- 4.2 Capital bids are assessed using the following approved criteria.

Priority	
1	Business Continuity (corporate / organisational)
2	Statutory Service Investment (to get to statutory minimum / contractual / continuity)
3	Growth (top 5)
4	Transformation
5	Others

- 4.3 The proposed **Draft General Fund Capital Programme for 2015/16 totals £1,012k**. Table 1 details bids submitted by officers for DLO schemes and Table 2 details bids submitted for General Fund Schemes, and these have been prioritised for consideration by Members for the 2015/16 Capital Programme.

**Table 1: Bids Submitted for DLO Schemes**

Project	Cost £k	Priority				
		1	2	3	4	5
<b>Annual DLO RCCO Funded Projects</b>						
DLO Vehicles	180		180			
DLO Plant	23		23			
<b>Total</b>	<b>203</b>		<b>203</b>			

**Table 2: Bids Submitted for General Fund Schemes**

Project	Cost £k	Priority				
		1	2	3	4	5
PC Refresh	60	30	30			

Waste Containers	50		50			
Play Equipment – Grants	20					20
Play Equipment – Replacement	20		20			
Disabled Facilities Grant	388		388			
Car Park Improvements	126		126			
Deane Helpline Equipment replacement	25		25			
Relocation of Tourist Information Centre	120			120		
<b>Total</b>	<b>809</b>	<b>30</b>	<b>639</b>	<b>120</b>	<b>0</b>	<b>20</b>

### ***Capital Schemes Explained***

#### **4.4 DLO Vehicle Replacement - £180,000**

This provides the DLO with a budget for the cost of the rolling programme of vehicle replacement. The costs will be funded from DLO reserves. This is funded from a yearly RCCO from the DLO.

#### **4.5 DLO Plant - £23,000**

This is to replace small capital items of DLO plant and equipment, funded from DLO reserves. This is funded from a yearly RCCO from the DLO.

#### **4.6 PC Refresh - £60,000**

This provides annual refresh of desktops and laptops owned by the Council.

#### **4.7 Waste Containers - £50,000**

This enables the purchase of new and replacement waste and recycling containers (bins, boxes) as part of the ongoing costs of the Somerset Waste Partnership. The bid is up to 2016/17 and is funded from a yearly RCCO from the general fund.

#### **4.8 Play Equipment Grants - £20,000**

It is proposed to combine the historic schemes of grants to clubs and grants to parishes into a single pot of £20,000 and prioritise bids within this cash limit.

#### **4.9 Replacement Play Equipment - £20,000**

This is for the replacement of TDBC - owned play equipment. This is funded from a yearly RCCO from the general fund.

#### **4.10 Grant Funded Disabled Facility Grants – Private Sector - £388,000**

The Council has a statutory duty to provide grants to enable the adaptation of homes to help meet the needs of disabled residents. The grants are means-tested and the County Council and the Clinical Commissioning Group provide a contribution towards the Council's costs via a grant. For 2015/16 the grant available to support capital spending is £388,000.

#### **4.11 Car Park Improvements - £126,000**

This provides an annual budget of £126k to enable the Council to carry out improvements to Orchard car park. This is funded from a yearly RCCO from the general fund.

#### 4.12 **Deane Helpline - £25,000**

To enable the business to run throughout the year, a capital budget is required for replacement and new lifeline machines and pendants. Without this funding clients could be left without the appropriate equipment to support them and it would not be possible to take on new customers.

#### 4.13 **Tourist Information Centre (TIC) Relocation - £120,000**

It is proposed to move the TIC to the Market House following redevelopment. Further details are given in a separate report which will be presented alongside this report. This is to be funded from RCCO from the New Homes Bonus Reserve.

4.14 The Executive is minded to support the proposed Capital Programme to incorporate all of the above bids, totalling £1,012k. This is affordable based on available funding, as shown later in this report.

### **Investment in Growth and Development Schemes**

4.15 In addition to the above schemes which primarily deliver service continuity and improvements, the table below incorporates the highest priority 'Growth' schemes. The table indicates the estimated total costs of each scheme. It is not expected that TDBC would be liable for the full amounts but we would anticipate needing to make a financial contribution towards these. The Council's strategy of setting aside the majority of New Homes Bonus grant could provide funding towards these schemes in future.

**Table 3: Bids Submitted for Growth Schemes**

Project	Cost £k	Priority				
		1	2	3	4	5
<b>Growth Schemes</b>						
Firepool Infrastructure and Planning	3,500			3,500		
Toneway Corridor Improvements (incl Creech Castle)	23,120			23,120		
J25 Improvements	9,240			9,240		
Taunton Strategic Flood Alleviation Work	15,000			15,000		
<b>Total</b>	<b>50,860</b>			<b>50,860</b>		

## **5 Funding the Draft General Fund Capital Programme**

5.1 Funding for capital investment by the Council can come from a variety of sources:

- Capital Receipts
- Grant Funding
- Capital Contributions (e.g. from another Local Authority/s.106 Funding)
- Revenue budgets/reserves (often referred as RCCO – Revenue Contributions to Capital Outlay)
- Borrowing

5.2 Table 4 below summarises the proposed funding of the Draft Capital Programme for 2015/16.

**Table 4: Funding of the 2015/16 Capital Programme**

<b>General Fund</b>	<b>Current Balance 2014/15 £k</b>	<b>Expected Funding 2015/16 £k</b>	<b>Funding Allocated To 2015/16 £k</b>	<b>Unallocated Balance 2015/16 £k</b>
<b>DLO</b>				
DLO RCCO	0	203	(203)	0
<b>General Funding</b>				
Capital Receipts (share of RTB Receipts)	0	128	0	128
Government Grants	0	388	(388)	0
Revenue Contribution to Capital Outlay	0	442	(421)	21
<b>TOTAL Funding</b>	<b>0</b>	<b>1,161</b>	<b>(1,012)</b>	<b>149</b>

5.3 The table shows that the proposed Capital Programme for 2015/16 is fully funded through a combination of revenue contributions (DLO and General) plus grant funding provided via SCC. There will be projected unallocated resources of £149k, pending actual capital receipts arising, which will provide some flexibility to support future priority schemes.

### **Funding Sources Explained**

5.4 **Capital Receipts General:** These come from the sale of the Council's assets. The Council also receives regular receipts from the sale of Council Houses (Right To Buys), and a proportion is retained by the General Fund.

5.5 **Capital Receipts Housing (non-HRA):** These are capital receipts received which are ring-fenced to be spent on affordable housing initiatives. The principle has been supported by Full Council that any future external funding received for affordable housing should be allocated to affordable housing projects and automatically added to the Capital Programme.

5.6 **Grant Funding:** The Council receives capital grant for Disabled Facilities Grant. The grant for 2015/16 is £388k. This grant is now rolled into the Better Care Fund (BCF) and it is the responsibility of the commissioners of the fund – the Clinical Commissioning Group (CCG) and Somerset County Council – to decide how the money is allocated. TDBC has representation on various groups to try and ensure our interests are looked after.

5.7 **Capital Contributions:** This could take the form of capital contributions from



other Authorities or developers in the form of s.106 funding.

5.8 **Revenue Funding (RCCO):** This could either be part of the Council's base budget or funding from reserves.

5.9 **Borrowing:** This would be in the form of taking out a loan either from the markets or through the PWLB which would incur interest costs chargeable to the revenue budget. There is also "internal borrowing" which is treated the same as external borrowing from funding purposes, but uses cash balances rather than taking out a physical loan.

## **6 2015/16 Draft Housing Revenue Account Capital Programme**

6.1 The proposed Draft HRA Capital Programme 2015/16 totals £8.67m. This is part of a 5-Year Capital Expenditure Estimate of some £40.34m for the period 2015/16 to 2019/20.

6.2 This does not include re-profiled from the current financial year, which will be recommended to Members for a Budget Carry Forward as part of the year end Outturn Report in June 2015.

6.3 Members are aware that a significant amount of work has been undertaken in previous years to produce and update a 30-year projection of capital expenditure requirements within the HRA as part of the extensive preparation for the move to HRA Self Financing. This culminated in the approval of a 30-Year Business Plan which is reviewed every year. This includes the capital investment requirements over the long term. The Draft 2015/16 HRA Capital Programme reflects the priorities as set out in the updated Plan.

6.4 Table 5 shows the total Draft high level 5-Year Programme estimated costs. This is in line with the current Business Plan, with a higher budget to year 7 of the Business Plan (2018/19). This is in recognition of the backlog of major works required which have been spread over this period.

**Table 5: Draft HRA Capital Programme Totals 2015/16 to 2019/20**

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	5-Year Total £k
6.5 M Capital Programme	8,665.0	8,715.0	8,869.0	8,928.0	5,158.0	40,335.0

Members are being asked to approve the Capital Maintenance and Improvement Works Programme budget for 2015/16 at £8,665k.

6.6 Table 6 gives a breakdown of proposed Capital Programme for 2015/16. This is provided to highlight the proposed capital investment requirements in the next budget year.

**Table 6: Draft HRA Capital Programme 2015/16**

<b>Project</b>	<b>Total Cost £</b>
Major Works	6,590,000
Improvements	155,000
Related Assets	125,000
Exceptional Extensive Works	260,000
Disabled Facilities Grants and Aids and Adaptations	435,000
IT Systems and Software Improvements	100,000
Social Housing Development Fund	1,000,000
<b>Total Proposed HRA Capital Programme 2015/16</b>	<b>8,665,000</b>

**Major Works**

**Table 7: Major Works**

<b>Project</b>	<b>Total Cost £</b>
Kitchens	635,000
Bathrooms	1,640,000
Roofing	50,000
Windows	50,000
Heating Systems	2,220,000
Doors	460,000
Fire Safety Work	165,000
Fascias and Soffits	460,000
Air Source Heat Pumps	695,000
Door Entry Systems	205,000
Cavity Wall Insulation	10,000
<b>Total Major Works</b>	<b>6,640,000</b>

- 6.7 The budget for major works has been identified through making a number of assumptions as to what will need to be replaced and what work is able to be done in line with the business plan.
- 6.8 The detail used to make up the budget is shown in Table 7. This is subject to change depending on factors such as contractor availability and any changes to the profile of spend will be agreed with the Director for the service.
- 6.9 A description of each of the projects detailed in the table is as follows:

- Kitchens: This is for the replacement of kitchens as and when required.
- Bathrooms: This is for the replacement of bathrooms as and when required.
- Roofs: Roofs are replaced as and when required.
- Windows: This project is to replace the oldest double glazed windows.
- Heating Systems: The replacement and upgrade of boilers and heating systems.
- Doors: This project replaces doors for better energy conservation and security issues.
- Fascias, Soffits and Rainwater Goods: This is for replacement where necessary.
- Fire Safety Works in Communal Areas: This is to fund works identified on the TDBC action plan following the fire in the communal area of a block of flats. The action plan was accepted by the Fire Service.
- Door Entry Systems: This is for the installation of door entry systems in all blocks of flats.
- Cavity Wall Insulation: The upgrade of cavity wall insulation in dwellings.

### ***Improvements***

***Table 8: Improvements***

<b>Project</b>	<b>Total Cost £</b>
Sustainable Energy Fund	100,000
Environmental Improvements	50,000
Tenants Improvements Allowance	5,000
<b>Total Improvements</b>	<b>155,000</b>

- 6.10 This line in the capital programme also contains a number of areas of improvement spend identified through the HRA business plan. The detail of this budget is expected to be as shown in Table 8 above but changes can be approved by the Director.

### ***Related Assets***

***Table 9: Related Assets***

<b>Project</b>	<b>Total Cost £</b>
Meeting Hall Improvements	30,000
Garages	30,000
Sewage Treatment Plants	20,000
Unadopted Areas	45,000
<b>Total Related Assets</b>	<b>125,000</b>

- 6.11 This line in the capital programme is for work to non-dwelling assets such as garages and sewage treatment works. The detail of this budget is expected to

be as shown in Table 9 above but changes can be approved by the Director.

***Exceptional/Extensive Works***

- 6.12 This project is for works such as asbestos removal and subsidence works to the Council's non-traditional properties. Survey work will be routinely undertaken every 5 years.

***Disabled Facilities and Aids and Adaptations***

- 6.13 This is an annual recurring budget for small and large scale home aids and adaptations in tenants' homes where there are accessibility and mobility issues. This budget is demand led by requests from tenants or through recommendations by occupational therapists or other healthcare professionals. Applications are made through the Somerset West Private Sector Housing Partnership.

***IT Systems and software improvements***

- 6.14 There are four business critical software applications used to run the HRA which are Academy, Codeman, Abritas and SAP. As part of the DLO transformation the DLO have replaced their system which involves changes to Academy and the existing interfaces between SAP. The Codeman system also needs replacing. There is a three year programme of work to complete the changes required with 2015/16 being the last year of funding.

***Social Housing Development Fund***

- 6.15 The budget for the Social Housing Development Fund increases to £1m for 2015/16. This will be linked with other funding such as capital receipts from dwellings sold under Right to Buy for new development/redevelopment of housing.

**7 Funding the Draft HRA Capital Programme**

- 7.1 A summary of the estimated funding available before the funding of the 2015/16 capital programme is shown in the table below:

***Table 10: Funding Estimates***

<b>Funding</b>	<b>Current Balance 2014/15 £k</b>	<b>Expected Funding 2015/16 £k</b>	<b>Total Funding 2015/16 £k</b>
Major Repairs Reserve	46	6,746	6,792
Revenue Contribution to Capital Outlay	0	873	873
Social Housing Development Fund		1,000	1,000
<b>TOTAL Funding</b>	<b>46</b>	<b>8,619</b>	<b>8,665</b>

**8 Corporate Scrutiny Comments**

- 8.1 This will be verbally updated at the meeting.

**9 Finance Comments**

8.1 This is a finance report and there are no additional comments

## **10 Legal Comments**

10.1 Managers have considered legal implications in arriving at the draft proposed budget for 2015/16.

## **11 Links to Corporate Aims**

11.1 The draft budget proposals for 2015/16 have been prepared with consideration to links with the Corporate Aims.

## **12 Environmental and Community Safety Implications**

12.1 Environmental and community safety implications have been considered in arriving at the draft budget proposals for 2015/16.

## **13 Equalities Impact**

13.1 Equalities impacts have been considered for budget proposals, and a full Equalities Impact Assessment is included in Appendix A where required.

## **14 Risk Management**

14.1 The risks associated with the proposed budget have been considered by services when preparing capital bids.

## **15 Partnership Implications**

15.1 The private sector housing capital budget is managed on behalf of TDBC by the Somerset West Private Sector Housing Partnership (SWPSHP).

## **14 Recommendations**

14.1 The Executive recommends approval by Full Council of the General Fund Capital Programme Budget of £1.012m for 2015/16.

14.2 The Executive recommend approval by Full Council of the HRA Capital Programme of £8.67m for 2015/16.

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**Equalities Impact Assessment – Disabled Facilities Grants****EQUALITY IMPACT ASSESSMENTS 2015/16****• Private Sector Housing Capital Budget) Equality Impact Assessment – Private Sector Housing 2015/16 Capital Bids**

<b>Responsible person</b>	<i>Christian Trevelyan</i>	<b>Job Title: Partnership Manager – Somerset West Private Sector Housing Partnership</b>
<b>Why are you completing the Equality Impact Assessment? (Please mark as appropriate)</b>	Proposed new policy or service	
	Change to Policy or Service	
	Budget/Financial decision – MTFP	√
	Part of timetable	
<b>What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)</b>	<b>The Council is being asked to provide financial support for disabled facilities grants in 2015/16.</b>	
<b>Section One – Scope of the assessment</b>		
What are the main purposes/aims of the policy?	<i>The strategic objectives of private sector housing work are to: improve the health and wellbeing of vulnerable people; reduce fuel poverty; bring empty properties back into use; increase the supply and affordability of good quality private rented accommodation; reduce the number of households with preventable ill health and housing inequalities; improve housing conditions; deal with inadequate energy efficiency and carbon emissions ratings; and ensure local people have sufficient choices of housing to meet their needs, at a standard and price they can afford, where they want to live.</i>	
Which protected groups are targeted by the policy?	<i>The 2015/16 private sector housing capital budget is designed to support and meet the needs of a wide customer base, and is targeted at all the protected groups including: Age; Disability. Gender Reassignment; Pregnancy and Maternity; Race; Religion or belief; Sex; Sexual Orientation; Marriage and civil partnership.</i>	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	<p>Evidence and Data used for assessment</p> <ul style="list-style-type: none"> <li>• Private Sector housing staff performance data</li> <li>• Joint Strategic Needs Assessment 2013/14</li> <li>• Older Persons Evidence 2012 ongoing</li> <li>• Housing Market Assessment 2009</li> <li>• ONS data 2014.</li> </ul> <p>The Joint Strategic Needs Assessment (JSNA) was updated for Somerset in 2014. The JSNA sets out the needs</p>	

of disabled persons and an aging population. Data suggests that there are approximately 111,660 people aged over 65 resident in Somerset. This is 21% of the County's population. 29.1% are in the West Somerset area and 20% in Taunton Deane, larger than the regional and national average for both districts. 47.3% of residents living in Minehead are over 65 and 34.6% of the population in Taunton are aged over 65. The number of older people in the Housing Market Area is expected to increase by 41.1% in the next 20 years in Taunton and by 36% in West Somerset. The Sustainable Community Strategy underlines the housing and support needs of Taunton's older population. It states that Taunton Deane has a higher than average dependency ratio due to there being proportionately more pensioners, and fewer 15 - 44 year olds. The dependency ratio is a measure of the proportion of a population who are too young or too old to work. A rising dependency ratio is a concern in Taunton Deane and West Somerset both facing an ageing population, since it becomes difficult for pension and social security systems to provide for a significantly older, non-working population. In West Somerset the ratio of older people to younger persons is proportionally higher than the national average.

Estimates suggest that, by 2030, the number of people over 65 with mobility problems and a limiting long term illness will also increase by over 40% across the County. More than a quarter of these older households in 2010 reported a 'support need', most commonly for a physical disability. For households who would prefer to stay in their homes, 40% of those who needed adaptations did not have them. It is important to promote the service as inequalities are generated in pockets of rural outposts. The most commonly required adaptations are a downstairs toilet and handrails. Many older person households with support needs required further adaptations such as a low level shower and stair lift. This all points to a need to support adaptations funding in 2015/16 through the Better Care Fund, in response to these changing demographics and demands

**Section two – Conclusion drawn** about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality

***All Groups:***

If resources are limited for private sector housing activities we should be aware this will mean some groups or communities could be disadvantaged: not being able to respond to requests for adaptations will long term result in a marked deterioration of people's health, an increase in hospital admissions, and bed-blocking. An inability to tackle one of the key determinants of health and wellbeing, namely improving people's health. Inability to adapt people's homes will increase applications from the older population for social housing and potentially towards expensive accommodation based supported housing services. This is at a time when relevant partner organisations are also facing extensive cuts and may not be able to provide the more costly housing support that would otherwise have been met through a simple low cost low level intervention such as a disabled adaptation.



The 2015/16 capital budget proposals, namely, disabled facilities grants, are designed to achieve positive outcomes for more vulnerable people in this sector who rely on us to help them improve their living conditions, and bring their homes up to an adapted standard which allows the resident to access facilities in and around their home. If we do not do this it will leave us with a legacy of people with deteriorating health conditions for the future which will have the potential to outstrip the health budgets. This will also have major and costly implications by increasing the demand for social housing.

People who apply for housing, if they are unable to remain in their current homes, may be forced to seek homelessness assistance from the Council. If found vulnerable under the terms of the Homelessness Act, the Council will have a duty to house applicants if the property in which they live is not suitable.

The previous Home Finder Lettings Review has seen that priority awarded to those with medical conditions has increased, resulting in more people being able to qualify for a 'gold band' status, alongside other vulnerable applicants who are unable to remain in their homes. The Localism Act 2011 also allows the council to house vulnerable people (such as homeless applicants) into the private rented sector with one offer of accommodation. If adequate funding is not provided to improve private sector housing standards to meet at least decent homes levels, legal challenges to the council on homelessness housing suitability grounds will almost certainly increase. Cuts elsewhere to housing support funding will also significantly affect vulnerable adults via reductions in floating support services. Combined with housing and benefit changes, financial hardship in this sector is likely to increase the number of vulnerable applicants applying to the council for housing assistance and advice.

User groups have been consulted such as tenants in social housing and through customer surveys and agencies who access the service on behalf of their clients. The anticipated main impacts on specific groups are:

**Age:**

A further reduction in 2015/16 capital funding to help vulnerable private sector housing residents will have an adverse impact on the independence, health and well-being of older people which will, in turn, increase their need for care and support services. Improvements to private sector housing properties to facilitate independent living, energy efficiency, better housing conditions, and housing functionality, will allow older people to live more meaningful lives in their own homes for longer – and thus for housing standards in this sector to move closer to those in the social housing sector, leading to a more balanced housing market.

Understanding older people's position in the housing market is important: around 75% of older people in both districts live in private sector housing and more than 25% of these reported a "support need," most commonly for a physical disability, yet 40% of older person households did not already have an existing adaptation in their home. Health and social care policy encourages older people to remain living at home, but their living costs are under extreme pressure from fuel and food price inflation, and declining pension values in real terms.

A further reduction in 2014/15 capital funding will also be to the detriment of vulnerable younger people especially young children who have more complex needs.

**Disability:**

Disabled households benefit greatly in increased mobility and independence from disabled facilities grants. Reducing the capital budget will increase customer waiting times for adaptations and therefore cause unnecessary discomfort and distress to disabled people, when we should be doing our utmost to deal with the disadvantages faced by this group. This would be a missed opportunity for promoting equality and more equal outcomes for disabled people as those in the Council stock would still see well maintained DFG budgets which result in tenants in the Taunton Deane stock receiving a better service. The work of the County Council Independent Living Teams in assessing needs earlier and putting in place early measures has resulted in a reduction in demand for DFGs, however there is a fear that these measures provide temporary alleviation and simply delay the need for more permanent measures paid for from disabled facilities grants. It is therefore too early to properly assess the benefits of the work of the Independent Living Teams.

In 2013/14 the Council awarded 41 DFGs in West Somerset with a spend in excess of £220k. In the current year (2014/15) the estimated completions will be 32 by year end with a reduced budget of £184k. In Taunton Deane the Council approved 85 DFG applications for all tenures and in 2015/16, it is estimated that the Council will approve 70 DFGs for all tenures with a spend of £600k.

We estimate that West Somerset Council receives between 30 and 40 and in Taunton Deane 60 – 70 DFG recommendations a year from Somerset County Council Occupational therapists. This takes into account historical data and the trends toward an aging population. The future budget required to address this annual demand is estimated at £280k for West Somerset and £700k for Taunton Deane including the fee payable to Aster Home Living. (This is regardless of tenure) Without a reasonable contribution toward the DFG budget from the Better Care Fund we estimate around 20 applicants would need to go on a waiting list for Taunton Deane and 30 for West Somerset. This waiting list would increase by this number annually. The current legislation around DFGs requires the District Council to provide a DFG where the need has been identified by an Occupational Therapist. There is no requirement about the length of time before an application process is commenced by the Local Authority, however once started then it has to be completed within 12 months unless there are mitigating factors that complicate the process. In practice unreasonable delays can be challenged through an ombudsman and there is case history of councils being challenged about unreasonable delays and losing under the Human Right Act. If the Council found that unacceptable waiting lists were accruing then it could revisit the capital allocation to DFGs in future years.

**Race:**

It is important to be culturally sensitive when providing private sector housing services, and statutory and/or enforcement interventions are not always the not appropriate in achieving equitable equality outcomes, particularly for households living in this sector for whom English is not their

first language. For example, our statutory responsibility to inspect houses occupied by multiple households could inadvertently discriminate against minority ethnic groups in private rented sector housing where Black and Minority Ethnic (BME) households have a much higher proportionate presence than in other housing sector and tenures in the two districts.

**Sex:**

No obvious direct impact identified although it is recognised that women generally have longer life expectancy than men and may therefore be a group which benefit most from the interventions outlined above and any reduction in funding for these interventions could disproportionately impact more female than males.

**I have concluded that there is/should be:**

No major change - no adverse equality impact identified	
Adjust the policy	Actions will be identified that will help mitigate the impacts identified above.
Continue with the policy	
Stop and remove the policy	

Reasons and documentation to support conclusions  
 Actions will be put in place to limit the actions as far as possible.

**Section four – Implementation** – timescale for implementation

Private Sector Housing Service Plan 2015/16. This will involve quarterly monitoring of: performance against budget; key service measures; and service outcomes.

**Section Five – Sign off**

Responsible officer: Christian Trevelyan Date: 27 <sup>th</sup> January 2015	Management Team Date
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**Section six – Publication and monitoring**

Published on

Next review date	Date logged on Covalent
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### Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Actions table					
Service area	Strategy	Date	2013/14		
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions
Reduction and/or loss of 2015/16 private sector housing capital funding support	Identify alternative sources of funding and any “invest to save” projects that can increase external income, produce cashable savings, and pay back any investments	Partnership Manager	June 2015 and ongoing from then	Somerset West Private Sector Housing Board quarterly reports	Extra money released that can be used to support and influence key private sector housing priorities beyond 2015/16 Services maintained for vulnerable private sector residents in future Effective, lower cost private sector housing interventions in quantitative terms (property conditions and living standards) and qualitative terms (how satisfied residents are in this sector).
Significance of age, disability, race and sex equality groups in private sector housing activities	Raise awareness of characteristics of all these protected groups in relation to local housing market. Close monitoring of waiting lists for DFGs and impact and ensure councillors are kept apprised of any impact	Joint Housing Group	September 2013	Scrutiny and information reports, staff briefings and housing briefings	Easily understood and accessible data and information on protected groups and specific characteristics in private housing
Ensure consistency, accessibility and equality of all advice and assistance given by council staff to	Induction process for all new staff (including any temporary/agency staff); clear written procedures; effective staff supervision; and regularly reviewing all customer	Partnership Manager	April 2015 and ongoing from then	Quarterly Housing Partnership Board reports	Private sector housing residents receive the same level and quality of advice and assistance, irrespective of who they are, where they live, and who they deal with

<b>Identified issue drawn from your conclusions</b>	<b>Actions needed</b>	<b>Who is responsible?</b>	<b>By when?</b>	<b>How will this be monitored?</b>	<b>Expected outcomes from carrying out actions</b>
private sector housing residents	satisfaction returns and comments				
The strategic need for the council to intervene in and influence the local housing market and thus ensure better private sector housing conditions, costs, and choices for local people in need	Critically assessing affordability, choices of housing, the varied housing needs of local residents, and housing conditions, in the context of changing housing market conditions, public funding, and national housing policy	Joint Housing Group	April 2015 and ongoing from then	Executive, Scrutiny and Partnership Board reports	A greater understanding and shaping of the local housing market .
Ensure effective communications, monitoring and equality protocols with relevant partner organisations	Regular meetings with relevant partner organisations; a common understanding of priorities and pressures; initiatives to utilise complimentary work skills and experience; joint awareness and information exchange sessions	Partnership Manager	June 2015 and ongoing from then	Partnership Board	More effective joint working and focus on priorities, better use of limited resources and consensual, co-operative approach to challenges in private sector housing
The specific needs of older home owners in the local housing market	Evaluation of housing needs and choices for older people beyond the traditional adaptations and small repairs at home approach	Strategic Housing Officer's Group	August 2015	Executive, Scrutiny and Partnership Board reports	Explore measures and potential housing options for older home owners who are equity rich but struggling with limited income and poorer quality of life

# Taunton Deane Borough Council

## Executive – 5 February 2015

### Council Tax Setting 2015/16 (Revised)

#### Report of the Finance Manager

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

#### 1 Executive Summary

The Executive is to consider and recommend to Full Council the level of Council Tax for 2015/16.
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#### 2 Purpose

- 2.1 The purpose of this report is for the Executive to recommend to Full Council the calculation and setting of the Council Tax for 2015/16.

#### 3 Background

- 3.1 Under changes to the Local Government Finance Act 1992 introduced through the Localism Act 2011, billing authorities are required to calculate a Council Tax Requirement for the year.

#### 4 Precept Levels

- 4.1 Members should note that as the major precepting authorities' tax levels are not expected to be advised by the date of this Executive meeting, details for the final total Council Tax determination will need to be advised directly to the Full Council meeting on 24 February 2015.

- 4.2 Should these authorities precepts be undecided by the time of the TDBC Full Council Meeting on 24 February 2015 this Council will need to reconsider the Council Tax position at a special meeting in early March 2015.

#### Town and Parish Councils

- 4.3 The 2015/16 Town and Parish Council Precepts (including special expenses) that have been received to date are detailed in Appendix C and total £574,623. The increase in the average Band D Council Tax for Town and Parish Councils is 3.41% and results in an average Band D Council Tax figure of £14.98 (£14.49 for 2014/15).

#### Police and Crime Commissioner

- 4.4 The PCC is due to approve its tax requirement on 12 February 2015. It is estimated that the precept will be £6,702,560 which results in a Band D

Council Tax of £174.78, an increase of 1.99%. It should be noted that these figures are still provisional and could be subject to change. The Precept will be adjusted by a Collection Fund contribution of £151,312.

### **Somerset County Council**

- 4.5 The County Council is due to approve its tax requirement on 18 February 2015. It is estimated that the precept will be £39,395,457 which results in a Band D Council Tax of £1,027.30 (the same as 2014/15). Again it should be noted that these figures are still provisional and could be subject to change. The Precept will be adjusted by a Collection Fund contribution of £907,040.

### **Devon and Somerset Fire and Rescue Authority**

- 4.6 At the time of writing this report, the Precept for Devon and Somerset Fire and Rescue Authority is unavailable. Therefore only **provisional** amounts, assuming a 0% increase, have been included within this report pending approval. The Authority is due to approve its tax requirement on 20 February 2015. It is estimated the precept will be £2,948,620, which results in a Band D Council Tax of £76.89. The Precept will be adjusted by a Collection Fund contribution of £66,565.

## **5 Collection Fund Surpluses and Deficits**

- 5.1 The estimated balance on the Council Tax Collection Fund is forecast on 15th January each year. Any surplus or deficit is shared between the County Council, the Police and Crime Commissioner, the Fire Authority and ourselves, in shares relative to our precept levels.
- 5.2 The estimated balance on the Council Tax Collection Fund is a surplus of £1,259,450. Taunton Deane's share of this amounts to £134,533, and this is reflected in the General Fund revenue estimates.

## **6 HR Implications**

- 6.1 None for the purpose of this report.

## **7 Finance Comments**

- 7.1 This is a finance report and there are no additional comments.

## **8 Legal Comments**

- 8.1 The requirement to set the annual determination is set out in the Local Government Finance Act 1992, as amended by the Localism Act 2011, and this report complies with those requirement.

## **9 Links to Corporate Aims, Environmental and Community Safety Implications, Equalities Impact, Risk Management, Partnership Implications**

- 9.1 None for the purpose of this report.

## 10 Recommendations

- 10.1 The Executive recommends to Full Council the formal Council Tax Resolution in the Appendix A.
- 10.2 The Executive notes that if the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be:

	2014/15	2015/16	Increase
	£	£	%
Taunton Deane Borough Council	137.88	137.88*	0.00
Somerset County Council	1,027.30	1,027.30*	0.00
Police and Crime Commissioner	171.37	174.78*	1.99
Devon & Somerset Fire Authority	76.89	76.89*	0.00
<b>Sub-Total</b>	<b>1,413.44</b>	<b>1,416.85*</b>	<b>0.24</b>
Town and Parish Council (average)	14.49	14.98*	3.41
<b>Total</b>	<b>1,427.93</b>	<b>1,431.83*</b>	<b>0.27</b>

\* Provisional figures

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## APPENDIX A

### Council Tax Resolution 2015/16 (Revised)

As per section 10.1 in the main report, the Council is recommended to resolve as follows:

1. That it be noted that on 15 January 2015 the Council calculated the Council Tax Base for 2015/16:
  - (a) for the whole Council area as 38,348.55 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and,
  - (b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix C.
2. Calculate the Council Tax requirement for the Council's own purposes for 2015/16 (excluding Parish precepts) is £5,287,500.
3. That the following amounts be calculated for the year 2015/16 in accordance with Sections 31 to 36 of the Act:
  - (a) £90,777,603 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils. (*Gross Expenditure including amount required for working balance*)
  - (b) £84,915,480 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (*Gross Income including reserves to be used to meet Gross Expenditure*)
  - (c) £5,862,123 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act). (*Total Demand on Collection Fund.*)
  - (d) £152.86 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). (*Council Tax at Band D for Borough Including Parish Precepts and Special Expenses*)
  - (e) £574,623 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C). (*Parish Precepts and Special Expenses*).

## APPENDIX A

- (f) £137.88 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. (*Council Tax at Band D for Borough Excluding Parish Precepts and Special Expenses*)
4. To note that Somerset County Council, Avon and Somerset Police and Crime Commissioner, and Devon and Somerset Fire and Rescue Authority will issue precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area.
  5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate provisional amounts shown in the table in Appendix B as the amounts of Council Tax for 2015/16 for each part of its area and for each categories of dwellings (subject to final adjustments to be reported to Full Council).
  6. Determine that the Council's basic amount of Council Tax for 2015/16 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

APPENDIX B

Valuation Bands								
Council Tax Schedule 2015/16	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Taunton Deane Borough Council *	91.92	107.24	122.56	137.88	168.52	199.16	229.80	275.76
Somerset County Council *	684.87	799.01	913.16	1,027.30	1,255.59	1,483.88	1,712.17	2,054.60
Police and Crime Commissioner *	116.52	135.94	155.36	174.78	213.62	252.46	291.30	349.56
Devon & Somerset Fire & Rescue Authority *	51.26	59.80	68.35	76.89	93.98	111.06	128.15	153.78
Parish / Town only (a) *	9.99	11.65	13.32	14.98	18.31	21.64	24.97	29.97
Parish / Town & District (b) *	101.91	118.89	135.88	152.86	186.83	220.80	254.77	305.73
<b>Total (c)</b>	<b>954.56</b>	<b>1,113.65</b>	<b>1,272.74</b>	<b>1,431.83</b>	<b>1,750.02</b>	<b>2,068.20</b>	<b>2,386.39</b>	<b>2,863.67</b>
<b>Parish: **</b>								
Ash Priors	944.57	1,101.99	1,259.42	1,416.85	1,731.71	2,046.56	2,361.42	2,833.70
Ashbrittle	958.51	1,118.26	1,278.02	1,437.77	1,757.27	2,076.78	2,396.28	2,875.54
Bathealton	948.41	1,106.48	1,264.55	1,422.61	1,738.75	2,054.89	2,371.02	2,845.23
Bishops Hull	957.31	1,116.87	1,276.42	1,435.97	1,755.08	2,074.18	2,393.29	2,871.94
Bishops Lydeard/Cothelstone	967.00	1,128.16	1,289.33	1,450.50	1,772.83	2,095.16	2,417.50	2,900.99
Bradford on Tone	959.21	1,119.08	1,278.95	1,438.82	1,758.55	2,078.29	2,398.03	2,877.63
Burrowbridge	960.91	1,121.07	1,281.22	1,441.37	1,761.67	2,081.98	2,402.28	2,882.74
Cheddon Fitzpaine	959.68	1,119.63	1,279.58	1,439.52	1,759.42	2,079.31	2,399.21	2,879.05
Chipstable	956.88	1,116.36	1,275.84	1,435.32	1,754.28	2,073.24	2,392.21	2,870.65
Churchstanton	961.49	1,121.73	1,281.98	1,442.23	1,762.73	2,083.22	2,403.72	2,884.46
Combe Florey	958.48	1,118.23	1,277.98	1,437.73	1,757.22	2,076.72	2,396.21	2,875.45
Comeytrove	952.46	1,111.20	1,269.95	1,428.69	1,746.18	2,063.66	2,381.15	2,857.38
Corfe	954.91	1,114.06	1,273.21	1,432.36	1,750.67	2,068.97	2,387.27	2,864.73
Cotford St Luke	959.24	1,119.11	1,278.99	1,438.86	1,758.61	2,078.35	2,398.10	2,877.72
Creech St Michael	964.83	1,125.63	1,286.44	1,447.24	1,768.85	2,090.46	2,412.07	2,894.49
Durston	951.44	1,110.01	1,268.58	1,427.15	1,744.30	2,061.44	2,378.59	2,854.31
Fitzhead	961.65	1,121.93	1,282.20	1,442.48	1,763.03	2,083.58	2,404.13	2,884.96
Halse	953.89	1,112.87	1,271.85	1,430.84	1,748.80	2,066.76	2,384.73	2,861.67
Hatch Beauchamp	954.94	1,114.09	1,273.25	1,432.41	1,750.72	2,069.03	2,387.34	2,864.81
Kingston St Mary	953.13	1,111.99	1,270.84	1,429.70	1,747.41	2,065.12	2,382.83	2,859.40
Langford Budville	957.69	1,117.30	1,276.92	1,436.53	1,755.76	2,074.99	2,394.22	2,873.07
Lydeard St Lawrence/Tolland	957.41	1,116.98	1,276.54	1,436.11	1,755.25	2,074.38	2,393.52	2,872.22

**APPENDIX B**

<b>Valuation Bands</b>								
<b>Council Tax Schedule 2015/16</b>	<b>Band A £</b>	<b>Band B £</b>	<b>Band C £</b>	<b>Band D £</b>	<b>Band E £</b>	<b>Band F £</b>	<b>Band G £</b>	<b>Band H £</b>
Milverton	960.81	1,120.95	1,281.08	1,441.22	1,761.49	2,081.76	2,402.03	2,882.43
Neroche	957.05	1,116.55	1,276.06	1,435.57	1,754.58	2,073.60	2,392.62	2,871.14
North Curry	960.11	1,120.12	1,280.14	1,440.16	1,760.19	2,080.23	2,400.27	2,880.32
Norton Fitzwarren	962.38	1,122.78	1,283.17	1,443.57	1,764.36	2,085.15	2,405.95	2,887.14
Nynehead	957.44	1,117.01	1,276.58	1,436.16	1,755.30	2,074.45	2,393.59	2,872.31
Oake	954.91	1,114.06	1,273.21	1,432.36	1,750.66	2,068.97	2,387.27	2,864.72
Otterford	944.57	1,101.99	1,259.42	1,416.85	1,731.71	2,046.56	2,361.42	2,833.70
Pitminster	956.75	1,116.20	1,275.66	1,435.12	1,754.04	2,072.95	2,391.87	2,870.24
Ruishton/Thornfalcon	960.73	1,120.85	1,280.97	1,441.09	1,761.33	2,081.57	2,401.81	2,882.18
Sampford Arundel	970.43	1,132.17	1,293.91	1,455.65	1,779.12	2,102.60	2,426.08	2,911.29
Staplegrove	952.60	1,111.36	1,270.13	1,428.90	1,746.43	2,063.96	2,381.49	2,857.79
Stawley	956.03	1,115.37	1,274.71	1,434.05	1,752.72	2,071.40	2,390.08	2,868.09
Stoke St Gregory	962.56	1,122.98	1,283.41	1,443.84	1,764.69	2,085.54	2,406.40	2,887.68
Stoke St Mary	955.38	1,114.61	1,273.85	1,433.08	1,751.54	2,070.00	2,388.46	2,866.15
Taunton	946.55	1,104.31	1,262.07	1,419.83	1,735.35	2,050.87	2,366.38	2,839.66
Trull	959.17	1,119.03	1,278.89	1,438.75	1,758.47	2,078.19	2,397.92	2,877.50
Wellington	962.83	1,123.31	1,283.78	1,444.25	1,765.19	2,086.14	2,407.08	2,888.50
Wellington Without	957.89	1,117.54	1,277.19	1,436.84	1,756.14	2,075.43	2,394.73	2,873.68
West Bagborough	959.39	1,119.29	1,279.19	1,439.09	1,758.88	2,078.68	2,398.48	2,878.17
West Buckland	956.46	1,115.87	1,275.28	1,434.69	1,753.50	2,072.32	2,391.14	2,869.37
West Hatch	956.31	1,115.69	1,275.08	1,434.46	1,753.23	2,072.00	2,390.77	2,868.93
West Monkton	959.39	1,119.28	1,279.18	1,439.08	1,758.87	2,078.67	2,398.46	2,878.16
Wiveliscombe	961.04	1,121.21	1,281.38	1,441.56	1,761.90	2,082.25	2,402.59	2,883.11

(\* provisional figures)

(\*\* this may be subject to penny rounding adjustments and will be confirmed in the final Tax Report to Full Council on the 24 February 2015)

## APPENDIX C

### TOWN AND PARISH COUNCIL PRECEPTS

Parish/Town Council	2014/15			2015/16			Council Tax Increase
	Tax Base	Precept Levied	Council Tax Band D	Tax Base	Precept Levied	Council Tax Band D	
	£	£	£	£	£	£	
Ash Priors	77.15	-	-	80.62	-	-	0.00%
Ashbrittle	91.49	1,800	19.67	91.07	1,905	20.92	6.32%
Bathealton	85.52	500	5.85	86.75	500	5.76	-1.42%
Bishops Hull	1,066.11	21,000	19.70	1,098.26	21,000	19.12	-2.93%
Bishops Lydeard/Cothelstone	1,051.08	32,321	30.75	1,075.15	36,176	33.65	9.42%
Bradford on Tone	285.36	5,500	19.27	284.52	6,250	21.97	13.97%
Burrowbridge	200.22	4,900	24.47	203.92	5,000	24.52	0.19%
Cheddon Fitzpaine	612.72	13,900	22.69	611.88	13,874	22.67	-0.05%
Chipstable	130.11	2,223	17.09	127.21	2,350	18.47	8.12%
Churchstanton	348.93	8,681	24.88	353.59	8,974	25.38	2.01%
Combe Florey	120.42	2,250	18.68	119.75	2,500	20.88	11.73%
Comeytrowe	1,955.60	23,154	11.84	1,955.48	23,153	11.84	0.00%
Corfe	132.54	1,500	11.32	128.91	2,000	15.51	37.09%
Cotford St Luke	764.65	16,065	21.01	755.37	16,626	22.01	4.76%
Creech St Michael	952.22	26,948	28.30	957.82	29,111	30.39	7.40%
Durston	58.89	600	10.19	58.23	600	10.30	1.13%
Fitzhead	116.15	2,844	24.49	116.86	2,995	25.63	4.67%
Halse	139.93	2,000	14.29	143.01	2,000	13.99	-2.15%
Hatch Beauchamp	252.87	4,000	15.82	257.15	4,000	15.56	-1.66%
Kingston St Mary	425.85	5,508	12.93	428.70	5,508	12.85	-0.66%
Langford Budville	228.27	4,500	19.71	228.61	4,500	19.68	-0.15%
Lydeard St Lawrence/Tolland	204.14	3,938	19.29	207.41	3,995	19.26	-0.15%
Milverton	569.28	14,000	24.59	574.56	14,000	24.37	-0.92%
Neroche	245.73	4,484	18.25	237.51	4,446	18.72	2.58%
North Curry	692.49	15,342	22.15	706.54	16,469	23.31	5.21%

Parish/Town Council	2014/15			2015/16			Council Tax Increase
	Tax Base	Precept Levied	Council Tax Band D	Tax Base	Precept Levied	Council Tax Band D	
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Norton Fitzwarren	904.74	25,122	27.77	946.60	25,292	26.72	-3.78%
Nynehead	162.35	4,250	26.18	165.76	3,200	19.31	-26.25%
Oake	320.09	5,000	15.62	322.36	5,000	15.51	-0.70%
Otterford	168.69	-	-	166.18	-	-	0.00%
Pitminster	451.84	8,899	19.70	459.77	8,400	18.27	-7.24%
Ruishton/Thornfalcon	576.15	14,000	24.30	577.61	14,000	24.24	-0.25%
Sampford Arundel	124.91	4,800	38.43	123.72	4,800	38.80	0.96%
Staplegrove	743.74	11,800	15.87	788.65	9,500	12.05	-24.08%
Stawley	133.37	2,400	18.00	139.56	2,400	17.20	-4.44%
Stoke St Gregory	352.08	9,000	25.56	355.72	9,600	26.99	5.58%
Stoke St Mary	198.81	3,236	16.28	199.43	3,236	16.23	-0.31%
Taunton	14,206.18	42,292	2.98	14,395.62	42,900	2.98	0.00%
Trull	994.65	18,000	18.10	1,004.56	22,000	21.90	21.02%
Wellington	4,355.37	108,666	24.95	4,482.33	122,816	27.40	9.82%
Wellington Without	292.04	5,640	19.31	300.18	6,000	19.99	3.50%
West Bagborough	163.53	2,500	15.29	157.40	3,500	22.24	45.45%
West Buckland	419.36	7,483	17.84	416.48	7,428	17.84	-0.05%
West Hatch	135.80	2,330	17.16	132.29	2,330	17.61	2.65%
West Monkton	1,105.07	27,379	24.78	1,276.68	28,379	22.23	-10.28%
Wiveliscombe	1,046.48	25,000	23.89	1,048.77	25,910	24.71	3.41%
<b>Totals</b>	<b>37,662.97</b>	<b>545,755</b>	<b>14.49</b>	<b>38,348.55</b>	<b>574,623</b>	<b>14.98</b>	<b>3.41%</b>

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Ash Priors	77.15	-	-	80.62	-	-	0.00%
Ashbrittle	91.49	1,800	19.67	91.07	1,905	20.92	6.32%
Bathealton	85.52	500	5.85	86.75	500	5.76	-1.42%
Bishops Hull	1,066.11	21,000	19.70	1,098.26	21,000	19.12	-2.93%
Bishops Lydeard/Cothelstone	1,051.08	32,321	30.75	1,075.15	36,176	33.65	9.42%
Bradford on Tone	285.36	5,500	19.27	284.52	6,250	21.97	13.97%
Burrowbridge	200.22	4,900	24.47	203.92	5,000	24.52	0.19%
Cheddon Fitzpaine	612.72	13,900	22.69	611.88	13,874	22.67	-0.05%
Chipstable	130.11	2,223	17.09	127.21	2,350	18.47	8.12%
Churchstanton	348.93	8,681	24.88	353.59	8,974	25.38	2.01%
Combe Florey	120.42	2,250	18.68	119.75	2,500	20.88	11.73%
Comeytrowe	1,955.60	23,154	11.84	1,955.48	23,153	11.84	0.00%
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**05/02/2015, Report:Capital Programme 2015/2016**

Reporting Officers:Steve Plenty

**05/02/2015, Report:General Fund Revenue Budget 2015/2016**

Reporting Officers:Steve Plenty

**05/02/2015, Report:Housing Revenue Account Estimates 2015/2016**

Reporting Officers:Steve Plenty

**05/02/2015, Report:Relocation of TIC to the Market House – request for funding**

Reporting Officers:Ian Timms

**05/02/2015, Report:Somerset Waste Board Business Plan**

Reporting Officers:Chris Hall

**05/02/2015, Report:Support and Funding for the Arts and Creative Industries - CICCIC**

Reporting Officers:Ian Timms

**11/02/2015, Report:Creation of the Somerset Building Control Partnership**

Reporting Officers:Chris Hall

**11/03/2015, Report:Discretionary Reduction in Council Tax Liability Policy and Discretionary Housing Payment Policy**

Reporting Officers:Dean Emery

**11/03/2015, Report:Establishment of the Somerset Growth Board**

Reporting Officers:Dan Webb

**11/03/2015, Report:Creation of the Somerset Building Control Partnership**

Reporting Officers:Chris Hall

**11/03/2015, Report:Funding request from Creative Innovation Centre Community Interest Company (CICCIC)**

Reporting Officers:Ian Timms

**22/04/2015, Report:Universal Credit and Local Support**

Reporting Officers:Mark Antonelli

**10/06/2015, Report:Deane DLO Relocation**

Reporting Officers:Chris Hall

Contains exempt information requiring private consideration: Yes

Exempt reason:Some of the information contained in the report is likely to be of a confidential nature.

**08/07/2015, Report:Q4 Performance Report**

Reporting Officers:Paul Harding

**08/07/2015, Report:Proposed Compulsory Purchase Action - Land at Monkton Heathfield**

Reporting Officers:Julie Moore  
Contains exempt information requiring private consideration: Yes  
Exempt reason:The report is likely to contain confidential information.

**08/07/2015, Report:Financial Outturn Report**

Reporting Officers:Paul Fitzgerald

**09/09/2015, Report:Write Off Report**

Reporting Officers:Steve Read

**09/09/2015, Report:Firepool Land Assembly - Confidential**

Reporting Officers:Tom Gillham

Contains exempt information requiring private consideration: Yes

Exempt reason:The report will contain confidential information relating to land-holdings and other related material.

**09/09/2015, Report:Citizens Advice Bureau Constructions Skills**

Reporting Officers:Matt Parr

**09/09/2015, Report:Proposed Apprentice Post in Housing and Communities**

Reporting Officers:Martin Price

**03/12/2015, Report:Council Tax Support Scheme 2016/17**

Reporting Officers:Heather Tiso

**03/12/2015, Report:Proposed Sheltered Housing Service Model Report**

Reporting Officers:Gary Kingman,Stephen Boland

**03/12/2015, Report:Fees and Charges 2016/2017**

Reporting Officers:Steve Plenty

**03/12/2015, Report:Local Development Orders – Progress Report**

Reporting Officers:Tim Burton

**03/12/2015, Report:Q2 Financial Monitoring 2015/2016**

Reporting Officers:Steve Plenty

**03/12/2015, Report:New Homes Bonus Report**

Reporting Officers:Dan Webb

**04/02/2016, Report:Treasury Management Strategy Statement, Annual Investment Strategy and MRP Policy 2016/17**

Reporting Officers:Paul Fitzgerald

**04/02/2016, Report:Earmarked Reserves Review**

Reporting Officers:Steve Plenty

**04/02/2016, Report:Capital Programme 2016/2017**

Reporting Officers:Steve Plenty

**04/02/2016, Report:General Fund Revenue Budget 2016/2017**

Reporting Officers:Steve Plenty

**04/02/2016, Report:Housing Revenue Account Budget 2016/2017**

Reporting Officers:Steve Plenty

**04/02/2016, Report:Corporate Strategy 2016/2020**

Reporting Officers:Paul Harding

**04/02/2016, Report:Somerset Waste Partnership Business Plan**

Reporting Officers:Chris Hall

**09/03/2016, Report:Community Asset Transfer Policy – Taunton Deane Borough Council and West Somerset Council**

Reporting Officers:Tim Child

Contains exempt information requiring private consideration: Yes

Exempt reason:Yes. The report may contain some commercially sensitive information.

**09/03/2016, Report:Q3 Performance Report**

Reporting Officers:Paul Harding

**09/03/2016, Report:Corporate Equality Objectives**

Reporting Officers:Christine Gale

**09/03/2016, Report:Q3 - Financial Performance report**

Reporting Officers:Steve Plenty

**09/03/2016, Report:Housing Revenue Account Business Plan Review**

Reporting Officers:James Barrah

**24/03/2016, Report:Creedwell Orchard, Milverton Option Agreement – Proposed Extension of the Trigger Date**

Reporting Officers:Adrian Priest

Contains exempt information requiring private consideration: Yes

Exempt reason:The report may contain a confidential appendix.

**21/04/2016, Report:Empty Homes Strategy and review of Empty Property Coordinator**

Reporting Officers:Mark Leeman

**21/04/2016, Report:Superfast Broadband Phase 2 report**

Reporting Officers:Ian Timms

**09/06/2016, Report:Car park variable message signage and pay on foot – Request for budget allocation**

Reporting Officers:Ian Timms

**09/06/2016, Report:TDBC revised Corporate Debt Policy**

Reporting Officers:Dean Emery

**07/07/2016, Report:Housing Revenue Account Business Plan Review**

Reporting Officers:James Barrah

**07/07/2016, Report:Q4 - Financial Outturn report**

Reporting Officers:Steve Plenty

**07/07/2016, Report:Q4 Performance Report**

Reporting Officers:Paul Harding

**04/08/2016, Report:Housing Company**

Reporting Officers:James Barrah

**04/08/2016, Report:Report on Grants Policy**

Reporting Officers:Christian Trevelyan,Mark Leeman

**08/09/2016, Report:Review of Deane Helpline**

Reporting Officers:Chris Hall

Contains exempt information requiring private consideration: Yes

Exempt reason:The report may contain some commercially sensitive information.

**08/09/2016, Report:Update on Coal Orchard Consultation**

Reporting Officers:Ian Timms

**09/11/2016, Report:Review of Council Tax Support Scheme**

Reporting Officers:Heather Tiso

**09/11/2016, Report:Deane Lottery**

Reporting Officers:Angela Summers



## **Executive – 5 February 2015**

**Present:** Councillor Williams (Chairman)  
Councillors Mrs Adkins, Edwards, Mrs Herbert, Mrs Stock-Williams and Mrs Warmington

**Officers:** Penny James (Joint Chief Executive), Shirlene Adam (Director – Operations), Ian Timms (Assistant Director – Business Development), Chris Hall (Assistant Director – Operational Delivery), Paul Fitzgerald (Assistant Director – Resources), Jo Nacey (Finance Manager), Andrew Hopkins (Marketing and Tourist Information Lead), Scott Weetch (Community and Client Services Manager) and Richard Bryant (Democratic Services Manager)

**Also present:** Councillors Coles and Morrell  
Mr Steve Read, Somerset Waste Partnership

(The meeting commenced at 6.15 pm.)

### **8. Apologies**

Councillors Cavill and Hunt.

### **9. Minutes**

The minutes of the meeting of the Executive held on 14 January 2015, copies of which had been circulated, were taken as read and were signed.

### **10. Public Question Time**

Mr Alan Debenham asked why the Somerset Waste Partnership (SWP) still retained the system where residents could opt to use black refuse sacks instead of a 'wheelie bin'? The use of black sacks, in his view, led to a reduction in re-cycling. Mr Debenham also asked for clarity on the recycling of plastics.

In response, Steve Read from the SWP confirmed that although residents were encouraged to have a wheelie bin, there were certain properties in Taunton Deane – for example flats and houses in multiple occupation – where the use of black bags was the only realistic option. As far as plastic recycling was concerned, this currently was limited to all types of plastic bottles, with tops removed.

Councillor Coles thanked Mr Read for the assistance SWP had provided in dealing with a waste disposal issue within his Ward.

### **11. Declarations of Interest**

Councillor Mrs Herbert declared a personal interest as an employee of the

Department of Work and Pensions. Councillor Hunt declared a personal interest as a Member of Somerset County Council.

## 12. **Somerset Waste Partnership Draft Business Plan 2015-2020**

Considered report previously circulated, concerning the Somerset Waste Partnership's (SWP) Draft Business Plan for the period 2015-2020. The draft Plan had been made available to Members.

The Draft Business Plan and associated Action Plan were the means by which the partnership described its business, evaluated changes to the operating environment, identified strategic risks and set out its priorities. The plan had a five year horizon with particular focus on the next 12 months. It was the primary means to seek approval for and to secure the necessary resources to implement its proposals from the partner authorities.

Three overarching themes had been included within the plan:-

- Alternative Waste Treatment;
- Addressing the Impact of Waste; and
- The Future Shape of the Collection Service / New Service Model.

The plan also set out the draft Annual Budget for the SWP for 2015/2016.

Individual partners had previously been asked to give an indication of any savings targets so that options to achieve these and associated risks could be assessed. All partners had a need to control costs in this area and a number of initiatives were underway to evaluate the opportunities and impacts of future cost management choices.

Specifically trials had been underway in Taunton Deane which would give results that could be used across the partnership. These trials had made temporary alterations to the material types that were collected at the kerbside and the frequency of collections. The trial was completed in December 2014 and the data from this was being analysed now.

Comments on the Business Plan were requested by mid-February, to enable the Somerset Waste Board (SWB) to adopt both the Plan and its budget at its meeting later in the month.

The Draft Plan has been brought together against the background of the continuing difficult economic situation but with a continuing desire from partners to deliver the following key priority areas:-

1. Waste minimisation, high diversion and high capture;
2. Improved services for customers;
3. Contract monitoring and review;
4. Alternatives to landfill and optimising material processing;
5. Investigating Recycling Centre options;

6. Investigating collection service options; and
7. Organisational efficiency.

The Draft Business Plan had been considered by the Corporate Scrutiny Committee on 22 January 2014 and details of comments raised were submitted for the information of the Executive.

**Resolved** that:-

- (1) The Somerset Waste Partnership's Budget for 2015/2016 be approved; and
- (2) The content of the Draft Business Plan 2015-2020 be noted.

13. **Movement of the Tourist Information Centre (TIC) to part of The Market House, Taunton – Request for funding**

The TIC was currently located in Paul Street adjacent to Taunton Library. It had been situated in that location since 1996.

The Taunton Rethink document, adopted in early 2014, had made reference to the relocation of the TIC possibly to Coal Orchard site in conjunction with a regenerated Brewhouse Theatre or to a site in North Street.

As neither of these options were currently available, the possible use of part of The Market House in Fore Street, Taunton had been considered. This building was very large with distinct areas which could be let in individual sections to maximise the income generated by the Council and widened the use of the building.

Its position would also create a very visible presence in this key central part of Taunton which was also perceived as increasing the commercial opportunities for the TIC.

The proposed location of the TIC in the western end of The Market House would complement the letting of the ground floor and basement areas to a good quality restaurant chain. This was in part due to the quality of the proposed design incorporating a new glazed area within the arches of the Market House which created a new entrance to the this area of the building.

Reported that previous tenants at The Market House had suffered from poor physical access to the premises particularly for those individuals who had a disability or required level access. Consideration had been given to this access issue and following consultation with Somerset County Highways and Building Control it was hoped to provide a ramped access.

The final benefit of this proposed move was the reduction of costs associated with the current lease at the Library. The rental cost at the Library together with the annual management charge represented a cost of over £20,000 per annum. Whilst the final rental cost for The Market House was not yet settled, overall savings should be in the region of £10,000.

The Corporate Scrutiny Committee considered this matter at its meeting on 22 January 2015 where Members were broadly supportive of the proposals. Details of a number of specific issues that were raised were reported.

Further reported that JP Gainsford had been instructed to provide an initial design, provide indicative costings, secure necessary access permissions and project manage any agreed build.

The indicative costing for the work was £120,000 although this represented a maximum cost and included appropriate contingency which linked to the age of the building.

If the necessary budgetary allocations were made, it was aimed to complete the works by 30 June 2015. This would enable the TIC to play a key role in the Taunton Live Festival which is planned for 18-25 July 2015.

**Resolved** that:-

- (1) The principle of moving the Tourist Information Centre to The Market House be agreed; and
- (2) Full Council be recommended to agree the inclusion of a capital budget of £120,000 within the General Fund Capital Programme, to be funded from the Growth and Regeneration (New Homes Bonus) Reserve.

Prior to the presentation of the following report, the Chairman invited Mr Alan Debenham to address the Executive.

Mr Debenham felt there had been a 'massacre of local services' over the past few years and, with the Government proposing to withdraw the Revenue Support Grant, things were only going to become worse. Why had there not been any resistance to this? Did the Councillors actually care? Why had the local Councils not joined together to protest about the cuts? Why was there to be no increase in Council Tax next year?

In response the Chairman stated that all Councillors did care about the delivery of services. However, the country had had to face a very serious recession where difficult decisions had been made. The Council simply could not ignore the Government. If it chose to do this, the Government would simply take over the running of Taunton Deane. Many Councils were working together with the Local Government Association to make representations to Ministers about the lack of funding. With regard to the proposed Council Tax Freeze, Councillor Williams said that the Council was not going to take money from residents if it was not needed.

#### 14. **General Fund Revenue Estimates 2015/2016**

Considered report previously circulated, regarding the Executive's 2015/2016 Draft Budget proposals, prior to submission to Full Council on 24 February 2015 for approval.

Each year the Council set an annual budget which detailed the resources needed to meet operational requirements. The annual budget was prepared within the context of priorities identified by Members which were embedded in the Council's Corporate Business Plan.

It had been well reported that the Council faced significant and continuing financial challenges, with annual reductions in Government funding for Local Council services as the Government sought to reduce the national deficit.

The Executive's Budget proposals had been presented to the Corporate Scrutiny Committee on 22 January 2015 for review and comment. Specific recommendations made by Members related to a request for further information in relation to public toilets and the process surrounding community asset transfers and arrangements with Town and Parish Councils and asking for the previous decision to remove the funding for the fixed-term Climate Change Officer role to be re-considered.

The responses of the Executive to these recommendations were reported.

Details of the Provisional "Settlement Funding Assessment" for 2015 and 2015/2016 had been announced by the Department of Communities and Local Government (DCLG) on 18 December 2014.

The funding settlement for the past three years (to 2015/2016) had seen the Council's main general funding reduce by £1,605,000 in cash terms (26.8%). 2013/2014 saw the introduction of changes to the main method of general funding, with core funding now received via the Revenue Support Grant (RSG) plus Retained Business Rates (BR). A number of previously separate grants had been 'rolled in' to the funding base including the Council Tax Freeze Grants, Homelessness Prevention Grant and Council Tax Support Funding.

The "headlines" from the Provisional Settlement Funding Assessment (SFA) were:-

- The net Settlement Funding had been cut by 15.5% in 2015/2016, further to the 13.4% reduction in 2014/2015. This comprised combined funding targets for RSG and BR Baseline.
- RSG had been reduced by £850,000 (30.7%) compared to 2014/2015, from £2,766,000 to £1,916,000.
- BR Baseline had been increased by 1.9%, from £2,412,000 to £2,458,000.
- New Homes Bonus (provisional) grant had been increased by £876,000, to £3,178,000.
- A Council Tax Freeze Grant of £62,000 was available for 2015/2016 tax setting. This grant, if taken, would be rolled into the base for RSG in future and therefore be included in future settlements beyond 2015/2016 (subject to future Spending Reviews).

Noted that the following table summarised the updated funding baseline:-

**Provisional Settlement Funding Assessment headline figures**

	2013/14	2014/15	Change		2015/16	Change	
	£k	£k	£k	%	£k	£k	%
Updated RSG Baseline	3,613	2,766	-847	-23.4%	1,916	-850	-30.7%
Business Rates Baseline	2,366	2,412	46	1.9%	2,458	46	1.9%
Total Funding Baseline	5,979	5,178	-801	-13.4%	4,374	-804	-15.5%

Reported that the budget forecast for Retained BR income had increased by £403,000 in 2015/2016. However, the local forecast of BR funding, was above the BR Baseline. There was a risk in terms of the gap between the Council's budget and safety net, and it was therefore proposed to set aside £298,000 as a contingency within the BR Smoothing Reserve. The balance of the increased funding (£105,000) would be used to support the budget plans for 2015/2016.

Noted that confirmation had recently been received from the Secretary of State for Communities and Local Government that the application to form a Pool of Authorities for Non-Domestic Rates with BANES; Mendip; North Somerset; Sedgemoor; Somerset County; and South Somerset Councils had been successful. This arrangement would come into effect from 1 April 2015 and would be reviewed on an annual basis. The figures above were based on our individual retention forecast. It was anticipated that once the implications had been worked through, the pool would provide a positive impact for the budget in 2016/2017.

Reported that the New Homes Bonus (NHB) Grant had been in place since 2011/2012. It was non-ringfenced which meant the Council was free to decide how to use it.

The Government had very recently announced the Provisional NHB Grant allocation of £3,178,000 for 2015/2016. The total grant was an increase of £876,000 compared to the grant for 2014/2015.

The current budget for 2015/2016 assumed that £392,000 of this grant would be used as 'mainstream funding' to support the annual budget. This would allow the Council to continue to support functions such as Regeneration and Economic Development, which would ensure that the benefits of growth were maximised for Taunton Deane and its communities.

The strategic principle set out in the Budget Approach was that all unallocated NHB would be set aside for investment in growth and regeneration. On this basis the current draft budget for 2015/2016 and the Medium Term Financial Plan (MTFP) forecasts assumed that the balance of the grant (after deducting £392,000) was to be allocated to support investment in growth and regeneration projects.

Further reported that the Housing Benefit and Council Tax Administration Grant was separate to the general funding provided through RSG and BR. The national budgets that provided the source of this grant had been split – with a proportion being transferred to the Department for Works and Pensions (DWP) for Housing Benefit element, with the balance retained by DCLG for Council Tax Support administration. The combined Provisional Grant allocation for 2015/2016 was

£565,000 which was £65,000 (10%) less than the grant for 2014/2015.

### ***Council Tax for 2015/2016***

The Council Tax Base of 38,348.55 Band D Equivalents had been approved under delegated powers by the Section 151 Officer.

Although the Localism Act had abolished Central Government power to cap tax increases, the Local Government Secretary had the power to set a threshold for “excessive” tax rises. Last year, the Government had indicated its intention to set a limit of 2% and this was the current assumption for financial planning purposes.

However, the Executive was minded to implement a Council Tax Freeze in 2015/2016. The proposed tax rate charged would remain unchanged at £137.88 per year (£2.64 per week) based on a Band D Property.

Using the Council Tax Base for 2015/2016 the draft budget estimate for Council Tax income would therefore be  $38,348.55 \times £137.88 = £5,287,498$  (excluding parish precepts). This represented a total increase in budgeted income of £94,528.

### ***Council Tax Freeze Grant***

The details of a potential Council Tax Freeze Grant for 2015/2016 had been announced in the Provisional Funding Assessment. It was anticipated that a Freeze would attract a grant worth approximately £62,000. This was broadly equivalent to a 1% tax increase which would be included in the spending review baseline for future years.

The current budget estimates and MTFP forecasts had assumed that Council Tax would be frozen in 2015/2016 but increased by 1.99% in 2016/2017.

It was important that Members considered and understood the implications of a Tax Freeze on the continuing funding base. By way of comparison, a table was submitted which provided Members with an indication of the impact of tax setting for the next three years, with a scenario based on the 2015/2016 tax base, which showed that a tax freeze compared to a possible 1.99% tax increase each year was likely to reduce the funding base by approximately £220,000 per year from 2017/2018.

### ***Special Expenses / Unparished Area Budget***

In line with the budget approach in previous years, and the inherent link with the calculations for Council Tax Freeze grant eligibility and referendum thresholds, the Executive proposed that the Special Expenses Rate (SER) would remain the same in 2015/2016. The Special Expenses income raised through Council Tax in 2014/2015 was £42,900 which was a Band D Equivalent charge per year of £2.98 for the Unparished Area of Taunton. In addition, the Unparished Area Budget had received a notional Council Tax Support (CTS) Grant of £6,690 in 2014/2015 giving a total budget for the year of £49,020.

The proposed Unparished Area Budget for 2015/2016 was £48,930. The slight

reduction compared to 2014/2015 was due to reduced demand and therefore reduced cost of CTS within the Unparished Area.

### **Council Tax Support (CTS) Grant and Funding for Parishes**

The Government had included funding for the Council's share of the cost of CTS within the baselines for RSG and retained BR in 2014/2015. As this funding was included in the baseline it was not transparent as to how much funding would be received for CTS in 2015/2016.

Members had previously approved the continuation of the current CTS Scheme from 1 April 2015. Included within the approvals was the preferred option to pass on funding for CTS to Parish Councils and the Unparished Area. This had resulted in the following total estimated grant funding from Taunton Deane in 2015/2016:-

	£
Grants payable to Town and Parish Councils	38,970
Notional grant allocated to Unparished Area Budget	6,030
Total funding to be passed on for CTS	<u>45,000</u>

### **The 2015/2016 Budget Gap**

In September 2014 it had been reported that a small gap of £22,000 in the budget existed for 2015/2016. The gap had been kept to a minimum by the implementation of the Joint Management and Shared Service Business Case, which had identified significant savings for both Taunton Deane and West Somerset Councils.

Reported that at the Corporate Scrutiny Committee on 11 December 2014, the estimated Budget Gap for 2015/2016 was showing a 'work in progress' surplus of £362,000. A further projection following the Provisional Settlement was a surplus of £379,000.

### **Draft Budget Proposals 2015/2016**

The Draft Budget had been prepared to deliver, as a minimum, a balanced budget for 2015/2016. This was in the context of the over-arching objective in the Corporate Business Plan to achieve financial sustainability. It was assumed that the new Council would address budget priorities beyond 2015/2016 and develop and agree the next Budget Strategy.

The Executive had worked with the Management Team to prepare options in line with three-year savings targets set last year, weighted in line with priorities indicated by Members through the preparation of the Corporate Business Plan. Whilst a primary focus had been to identify proposals that delivered the priorities and ambitions of the Corporate Business Plan and minimised the impact of budget reductions, it was inevitable that some proposals would affect frontline services in future although minimal impact was expected for 2015/2016.

Following work to develop the Draft Budget further, a number of proposals had been put forward which the Executive was minded to support to invest in services that would improve the area and support growth and regeneration. These were shown in



the following table:-

**Summary Total of Budget Proposals and Options**

<b>Budget Gap Reconciliation</b>	£k	£k
Budget Gap working balance Per Consultation Pack		-379
Proposals:		
Waste management – enforcement and support for events	10	-369
Asset management – additional capacity to support commercial arrangements	30	-339
Marketing	25	-314
Town centre wifi – set up (one-off)	30	-284
Town centre wifi – ongoing costs	15	-269
PR support – Asst Media Officer 3 days/wk	20	-249
Street cleansing – additional caretaker and cleaning	42	-207
Grass cutting	50	-157
Weed spraying	10	-147
Corporate Fraud – match funding	20	-127
<i>Budget impact of Motions to Council: (See section 8)</i>		
Reopen Hamilton Park public conveniences	8	-119
Full-time cleaning operative to remove needles etc	25	-94
Specialist provision to support users in looking to break the addiction	25	-69
Match funding for education programme re dangers of Legal Highs	5	-64
Support for growth – finance resources	95	31
Reduction in transfer to New Homes Bonus Reserve	-95	-64
RCCO – Revenue funding for TIC relocation	120	56
Transfer from Growth and Regeneration reserve	-120	-64
Council Tax - initial estimate at 1.99% - Removed	105	41
Council Tax Freeze grant – assume one-off	-62	-21
Collection Fund Surplus – final estimate adjustment	19	-2
Completion of detailed estimates	77	75
Business Rates – Final NNDR1 Adjustment	-75	0
Capacity Funding Grant	-240	-240
Planning spend re Capacity grant	240	0
Reduction in transfer to BRR based on final NNDR1	-42	-42
Revision of estimated Levy payment to Government	42	0
<b>Budget Gap for 2015/16</b>		<b>0</b>

Noted that a detailed explanation of all the proposals listed above were included in the report. This took into account Motions that had been agreed at previous Full Council meetings in connection with services in the Unparished Area of Taunton,

Legal Highs and Christmas Lights.

With regard to the latter, at present the draft budget did not include an allocation in respect of Christmas Lights on the basis that the motion proposed to review funding potential from any year end underspend.

### **Fees and Charges**

Fees and Charges for 2015/2016 had been approved by Full Council on 9 December 2014, and the impact of these had been included in the Draft Budget.

Further to representations received in connection with Taxi Licensing fees, the Council had committed to continue to review the method applied to calculating these fees. Work had progressed and minor amendments were now considered appropriate to some of the 2015/2016 fees previously approved, as shown below. The overall impact on the budget was forecast to be a cost of £2,400 and this would be addressed through the licensing earmarked reserve.

<b>Taxi Licensing</b>	<b>Approved 2015/16 Fees</b>	<b>Revised 2015/16 Fees</b>
Hackney Carriage/Private Hire Vehicle Licence	£155.00	£149.00
Hackney Carriage/Private Hire Vehicle Licence - Renewal	£153.00	£148.00
Private Hire Operator Licence	£147.00	£132.00
Private Hire Operator Licence - Renewal	£112.00	£97.00
Application for new drivers licence	£152.00	£147.00
Application for new drivers licence 3 years	£260.00	£243.00
Driver licence renewal – 1 year	£101.00	£95.00
Driver licence renewal – 3 years	£245.00	£228.00

### **DLO Trading Account**

During recent months the DLO service has obtained new business which had increased the income expectations in 2015/2016. However due to inflation, changes within the pension contribution budgets and increased charges on capital assets the net surplus remained the same.

The General Fund budget included the trading surplus of £101,000 so that the DLO was contributing to the net income for the Council. Efficiency savings within the DLO had also been passed on to the General Fund and HRA, making DLO services better value for money. Any additional surplus would be transferred to the DLO Trading Account reserve.

The forecast reserves position for 2015/2016 remained positive and provided some resilience to volatility in trading performance and future investment needs

## **Deane Helpline Trading Account**

The Deane Helpline was a stand-alone trading account service. In 2015/2016 the estimated deficit was £80,000, a reduction of £6,000 compared to the original budget for 2014/2015. This deficit would need to be funded by the General Fund.

The draft budget was based on a freeze for both private customers and Council Tenants with regard to the weekly charge, however installation fees for private customers would increase from £25 to £35. There would also be a 1.84% increase in charge for Corporate Contracts.

The previous price cap for long-standing clients had been removed and all private customers were now paying for the service at the same rate. This was generating an important increase in income.

## **Minimum Revenue Provision Policy**

Before the start of each financial year, the Council was required to determine the basis on which it would provide for the repayment of borrowing undertaken for the purpose of financing capital expenditure. This annual provision, known as Minimum Revenue Provision (MRP), was designed to ensure that authorities made prudent provision to cover the continuing costs of their borrowing.

In 2008, the Government became less prescriptive offering Councils a number of options for calculating MRP. For the current financial year, the Council had determined to calculate MRP as follows:-

- for supported borrowing, 4% on outstanding debt;
- for unsupported borrowing, the debt associated with asset divided by the estimated useful life of the asset; and
- for capital grants and contributions to third parties, 4% (or 1/25<sup>th</sup>) per year on a straight line basis.

It was proposed the above policy remained in place for 2015/2016.

## **Draft General Fund Budget Summary 2015/2016**

The following table compared the proposed budget with the original budget for the current year. The table has been completed assuming a Council Tax Freeze as per the current budget assumptions.

	<b>Original Budget 2014/15 £</b>	<b>Draft Estimate 2015/16 £</b>
Total Spending on TDBC Services	12,496,710	12,047,560
Capital Charges Credit	-2,702,150	-2,513,080
Revenue Contribution to Capital	528,590	648,590
Interest payable	0	0
Parish Precepts	503,460	531,720
Grants to Parishes for CTS	40,940	38,970
Special Expenses	42,330	42,900
Grants to Unparished Area	6,180	6,030
Capital Debt Repayment Provision (MRP)	692,640	562,270
Interest Income	-313,750	-314,000
Transfers to/from Earmarked Reserves	1,910,560	2,142,500
Transfer to General Reserves	-17,200	0
<b>AUTHORITY EXPENDITURE</b>	<b>13,188,310</b>	<b>13,193,460</b>
Less: New Homes Bonus	-2,302,850	-3,178,650
Less: Revenue Support Grant	-2,766,310	-1,916,420
Less: Retained Business Rates	-2,345,800	-2,749,000
Collection Fund Deficit – Business Rates	0	709,660
Less: Council Tax Freeze Grant	0	-62,400
Collection Fund Surplus – Council Tax	-34,630	-134,530
Demand on Collection Fund – Parishes & SER	-545,750	-574,620
<b>Expenditure to be financed by District Council Tax</b>	<b>5,192,970</b>	<b>5,287,500</b>
Divided by Council Tax Base	37,662.97	38,348.55
<b>Council Tax @ Band D</b>	<b>£137.88</b>	<b>£137.88</b>
<b>Cost per week per Band D equivalent</b>	<b>£2.64</b>	<b>£2.64</b>

### Medium Term Financial Plan Summary

The Council prepared its annual budget within the context of the MTFP. This provided estimates of the budget requirement and budget gap into future years. The following table provided a summary of the current indicative MTFP based on the current draft budget estimates including savings proposals:-

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Net Expenditure on Services	12,067	12,744	13,332	13,934	14,493
Other Operating Costs & Income	(287)	(278)	(268)	(258)	(247)
Parish precepts and Special expenses	574	575	576	577	578
Transfers to/from Earmarked Reserves	2,141	3,358	3,482	3,351	3,180
Transfers to/from General Reserves	0	0	0	0	0
Capital Financing Adjustments	(1,302)	(1,422)	(1,548)	(1,548)	(1,548)
<b>Net Expenditure</b>	<b>13,193</b>	<b>14,977</b>	<b>15,574</b>	<b>16,056</b>	<b>16,456</b>
<i>Financed By:</i>					
New Homes Bonus	(3,179)	(3,768)	(3,892)	(3,761)	(3,590)
Retained Business Rates	(2,749)	(2,869)	(2,972)	(3,035)	(3,122)
Revenue Support Grant	(1,916)	(1,319)	(726)	(327)	(114)
Council Tax Freeze Grant	(62)	0	0	0	0
Demand on Collection Fund - TDBC	(5,288)	(5,433)	(5,583)	(5,736)	(5,894)
Demand on Collection Fund - Parishes & SER	(574)	(575)	(576)	(577)	(578)
Previous Years Collection Fund Deficit Share - NDR	710	0	0	0	0
Previous Years Collection Fund Surplus Share - Council Tax	(135)	0	0	0	0
<b>Predicted Budget Gap</b>	<b>0</b>	<b>1,013</b>	<b>1,825</b>	<b>2,620</b>	<b>3,158</b>

The above estimates included the following main assumptions related to funding:-

- The RSG for 2015/2016 was as set out in the Provisional Finance Settlement. It was then projected to diminish to nil by 2020/2021.
- The updated estimates for BR funding for 2015/2016 took into account the cap on the RPI increase to Rates at 1.91%.
- Council Tax was assumed to be frozen in 2015/2016 and increased by 1.99% in 2016/2017.

Beyond 2015/2016, the MTFP included anticipated inflationary pressures related to staffing pay awards, price inflation on services and major contracts, as well as the estimated funding position over the next five years.

### General Reserves

Further reported that the reserves position was part of the overall financial framework that underpinned the Budget Strategy. This framework included an acceptable minimum reserves position of £1,500,000, or £1,250,000 if funds were allocated to 'invest to save' initiatives.

The current Budget for 2015/2016 would maintain reserves above this minimum, but following a number of allocations from reserves agreed during 2014/2015 there was limited 'headroom' in the current estimated balance. This would significantly limit the Council's ability to fund 'up front' service and transformation investment from revenue reserves. From a financial strategy perspective it would be sensible to take advantage of any opportunities to increase reserves, to increase flexibility and resilience to the challenges ahead.

Based on the MTFP position set out above the General Reserves forecast was summarised as follows:-

### General Reserves Forecast

	2015/16 £k	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k
Estimated Balance B/F	1,897	1,897	884	-942	-3,562
Predicted Budget Gap	0	-1,013	-1,825	-2,620	-3,158
<b>Estimated Balance C/F</b>	<b>1,897</b>	<b>884</b>	<b>-942</b>	<b>-3,562</b>	<b>-6,721</b>

Clearly the Council would need to ensure action was taken to ensure the projected financial deficit over the medium term was avoided and (at least) minimum balances were maintained. This was essential for the continuing financial resilience and sustainability of the Council. The Budget Proposals and Options presented for consideration provided opportunities to make significant progress towards addressing the financial challenge.

The Council's Section 151 Officer also had a duty in accordance with The Local Government Act 2003 to comment, as part of the budget setting process, on the robustness of the budget plans. In her response, Shirlene Adam had stated that she believed the Council's reserves to be adequate and the budget estimates used in preparing the 2015/2016 budget to be robust.

Noted that Equalities Impact Assessments were undertaken when appropriate. None were required for the savings proposals included in the report.

**Resolved** that Full Council be recommended to agree the General Fund Revenue Budget for 2015/2016 and that:-

- (a) The Section 151 Officer's Statement of Robustness, which applied to the whole budget including General Fund, Housing Revenue Account and Capital Budget proposals be noted;
- (b) The General Fund Revenue Budget 2015/2016, including a Basic Council Tax Requirement budget of £5,287,500 and Special Expenses of £42,900 be approved;
- (c) The transfer of any unallocated year end under/overspend in the 2014/2015 General Fund Revenue Account Outturn to/from the General Fund Reserves be approved;
- (d) The Budget Savings Proposals for 2015/2016 as set out in the report be approved and that it be noted that Equalities Impact Assessments were not required for the savings detailed in the report;
- (e) The General Reserves position and Medium Term Financial Plan projections, and the continuing financial challenge to address the Budget Gap for future years be noted;

- (f) The Minimum Revenue Provision Policy for 2015/2016 as set out in the report be approved; and
- (g) The revised Taxi Licensing Fees, set out above, be also approved.

## 15. **Housing Revenue Account Estimates 2015/2016**

Considered report previously circulated, which set out in detail the proposed Housing Revenue Account (HRA) Estimates for 2015/2016.

2015/2016 would be the fourth year of operating the HRA under self-financing arrangements. The Council remained on course to repay the settlement debt of £85,200,000 by 2030.

The Proposed Budget was based on assumptions and estimates on expenditure requirements and income projections, in order to deliver the updated Business Plan.

Dwelling rents for more than 5,800 properties provided annual income of over £24,000,000 for the HRA.

Local authorities had both the power and duty to set their own rent. However, in December 2000 Central Government had set out a policy for social rents in England to be fair, affordable and less confusing for tenants. Local Authorities and Housing Associations had been requested to bring rents into line over several years, using a national formula to set a target rent (also called 'formula rent') based on property values and average manual earnings in each area.

The previous subsidy system required Local Authorities to raise their 'average weekly rent' to meet the 'target' or 'formula' rent by the convergence date of 2015/2016. However, the Government had recently amended its guidance in this respect and full convergence could not now be obtained.

2014/2015 was the final year that a convergence factor could be included in the rent calculation, and the continuing impact of this change was that the Council would lose the potential to increase rent income by approximately £242,000 per year from 2015/2016 onwards.

From 2015/2016 the Government had altered the basis for calculation of guideline rent increases, from RPI plus ½%, to CPI plus 1%. CPI inflation as at September 2014 was 1.2%

In line with the national rent guidance and the service need identified in the Business Plan, it was proposed that the average weekly rent for dwellings for 2015/2016 should be set at the guideline rent of £83.88, an increase of 2.2% or £1.82 per week.

Reported that Members could choose not to increase rents to the guideline amount. However, each 0.5% rent change would cost (or save) tenants an average of 41p per week (£21.32 per year) and would bring in (or reduce) HRA income by around £118,500 per year.

Around 7.4% of HRA income came from non-dwelling rents, charges for services and facilities and contributions to HRA costs from leaseholders and others. It was proposed to increase these budget lines generally by 2.3% although garages rented by private tenants and owner occupiers were proposed to increase by 5%.

The General Fund would be contributing a share towards the costs in the HRA for work done on estates where people had bought their homes under Right to Buy. This had been rebased in line with a recommendation in the audit report.

The HRA expenditure budgets, which included Management Expenses, Maintenance, Rents, Rates, Taxes and Other Charges, Provision for bad debts, Depreciation, Debt Management Expenses, Repayment of Borrowing and Interest and Interest receivable were submitted and details of significant changes were reported.

Also reported on appropriations, in the form of Transfers to General Fund, Revenue Contributions to Capital and Social Housing Development Fund.

Further reported that as set out in the HRA Business Plan the recommended minimum unearmarked reserve balance for the HRA was £1,800,000 (approx £300 per property). There were no budgeted transfers to or from this balance in 2014/2015. The current projected balance in the current financial year was approximately £2,170,000, and this would provide some flexibility to fund additional one off costs, if required.

Further reported that the Draft Housing Revenue Account Budget was presented to the Corporate Scrutiny Committee on 22 January 2015 for review and comment. No specific amendments to the Draft Budget were formally recommended by the Committee.

Noted that a full Equalities Impact Assessment had been included with the approved HRA Business Plan, upon which the Draft Housing Revenue Account Budget was based.

**Resolved** that Full Council be recommended to:-

- (1) Approve the average rent increase of 2.2% for 2015/2016 in line with the Council's approved Rent Policy; and
- (2) Agree the Draft Housing Revenue Account Budget for 2015/2016.

## 16. **Capital Programme Budget Estimates 2015/2016**

Considered report previously circulated, concerning the proposed General Fund and Housing Revenue Account (HRA) Capital Programmes for 2015/2016.

### **2015/2016 Draft General Fund Capital Programme**

In December 2014, Councillors were provided with the initial draft Capital Programme ideas as part of the Members' Budget Consultation Pack. This set out



the bids received from budget holders and were shown against the prioritisation system previously devised by the Joint Management Team and supported by Members. The prioritisation system was developed in order to ensure that the Council's very limited Capital Resources were channelled at key projects.

Capital bids are assessed using the following approved criteria:-

Priority	
1	Business Continuity (corporate / organisational)
2	Statutory Service Investment (to get to statutory minimum / contractual / continuity)
3	Growth (top 5)
4	Transformation
5	Others

The proposed Draft General Fund Capital Programme for 2015/2016 totalled £1,012,000. Table 1 detailed bids submitted for Deane DLO schemes and Table 2 detailed bids submitted for General Fund Schemes, and these have been prioritised for consideration by Members for the 2015/2016 Capital Programme.

#### ***Bids Submitted for Deane DLO Schemes***

Project	Cost £k	Priority				
		1	2	3	4	5
<b>Annual DLO RCCO Funded Projects</b>						
DLO Vehicles	180		180			
DLO Plant	23		23			
<b>Total</b>	<b>203</b>		<b>203</b>			

#### ***Bids Submitted for General Fund Schemes***

Project	Cost £k	Priority				
		1	2	3	4	5
PC Refresh	60	30	30			
Waste Containers	50		50			
Play Equipment – Grants	20					20
Play Equipment – Replacement	20		20			
Disabled Facilities Grant	388		388			
Car Park Improvements	126		126			
Deane Helpline Equipment replacement	25		25			
Relocation of Tourist Information Centre	120			120		
<b>Total</b>	<b>809</b>	<b>30</b>	<b>639</b>	<b>120</b>	<b>0</b>	<b>20</b>

A detailed explanation for all of the proposals listed above were included in the report.

In addition to the above schemes which primarily delivered service continuity and improvements, the following table incorporated the highest priority 'Growth' schemes and their estimated total costs. It was not expected that the Council would be liable for the full amounts but it was anticipated that Taunton Deane would need to make a financial contribution towards these. The Council's strategy of setting aside the majority of the New Homes Bonus Grant could provide funding towards these schemes in future.

**Bids Submitted for Growth Schemes**

Project	Cost £k	Priority				
		1	2	3	4	5
<b>Growth Schemes</b>						
Firepool Infrastructure and Planning	3,500			3,500		
Toneway Corridor Improvements (including Creech Castle)	23,120			23,120		
J25 Improvements	9,240			9,240		
Taunton Strategic Flood Alleviation Work	15,000			15,000		
<b>Total</b>	<b>50,860</b>			<b>50,860</b>		

Funding for capital investment by the Council could come from a variety of sources including:-

- Capital Receipts;
- Grant Funding;
- Capital Contributions (for example from another Local Authority or Section 106 Agreement funding);
- Revenue budgets/reserves (often referred as RCCO – Revenue Contributions to Capital Outlay); and
- Borrowing.

The table below summarised the proposed funding of the proposed Capital Programme for 2015/2016:-

**Funding of the 2015/2016 Capital Programme**

	Current Balance 2014/15 £k	Expected Funding 2015/16 £k	Funding Allocated To 2015/16 £k	Unallocated Balance 2015/16 £k
<b>General Fund</b>				
<b>DLO</b>				
DLO RCCO	0	203	(203)	0
<b>General Funding</b>				
Capital Receipts (share of RTB Receipts)	0	128	0	128
Government Grants	0	388	(388)	0
Revenue Contribution to Capital Outlay	0	442	(421)	21

<b>TOTAL Funding</b>	<b>0</b>	<b>1,161</b>	<b>(1,012)</b>	<b>149</b>
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The table showed that the proposed Capital Programme for 2015/2016 was fully funded through a combination of revenue contributions (DLO and General) plus grant funding provided via Somerset County Council. There would be projected unallocated resources of £149,000, pending actual capital receipts arising, which would provide some flexibility to support future priority schemes.

A detailed explanation as to where the sources of the above funding originated was supplied for the information of Members.

### **2015/2016 Draft Housing Revenue Account Capital Programme**

The proposed Draft HRA Capital Programme 2015/2016 totalled £8,670,000. This was part of a Five-Year Capital Expenditure Estimate of some £40,340,000 for the period 2015/2016 to 2019/2020. The Programme reflected the priorities set out in the 30-Year Business Plan which was reviewed every year.

The following table showed the total draft high level Five-Year Programme estimated costs. This was in line with the current Business Plan, with a higher budget to Year 7 of the Business Plan (2018/2019). This was in recognition of the backlog of major works required which had been spread over this period.

#### ***Draft HRA Capital Programme Totals 2015/2016 to 2019/2020***

	<b>2015/16 £k</b>	<b>2016/17 £k</b>	<b>2017/18 £k</b>	<b>2018/19 £k</b>	<b>2019/20 £k</b>	<b>5-Year Total £k</b>
Capital Programme	8,665	8,715	8,869	8,928	5,158	40,335

A breakdown of proposed Capital Programme for 2015/2016 was shown below. This was provided to highlight the proposed capital investment requirements in the next budget year.

#### ***Draft HRA Capital Programme 2015/2016***

<b>Project</b>	<b>Total Cost £</b>
Major Works	6,590,000
Improvements	155,000
Related Assets	125,000
Exceptional Extensive Works	260,000
Disabled Facilities Grants and Aids and Adaptations	435,000
IT Systems and Software Improvements	100,000
Social Housing Development Fund	1,000,000
<b>Total Proposed HRA Capital Programme 2015/16</b>	<b>8,665,000</b>

A detailed description for all of the proposals listed above were included in the

report.

A summary of the estimated funding available before the funding of the 2015/2016 Capital Programme was shown in the table below:-

***Funding Estimates***

<b>Funding</b>	<b>Current Balance 2014/15 £k</b>	<b>Expected Funding 2015/16 £k</b>	<b>Total Funding 2015/16 £k</b>
Major Repairs Reserve	46	6,746	6,792
Revenue Contribution to Capital Outlay	0	873	873
Social Housing Development Fund		1,000	1,000
<b>TOTAL Funding</b>	<b>46</b>	<b>8,619</b>	<b>8,665</b>

Further reported that the Draft General Fund and HRA Capital Programmes were presented to the Corporate Scrutiny Committee on 22 January 2015 for review and comment. No specific amendments to the Draft Budget were formally recommended by the Committee.

Noted that Equalities Impact Assessments had been undertaken on proposed budget items where appropriate. Copies of the assessments were submitted to enable them to be taken fully into account by Members in confirming the recommended budget proposals for 2015/2016.

**Resolved** that Full Council be recommended to approve:-

- (i) The General Fund Capital Programme Budget of £1,012,000 for 2015/2016; and
- (ii) The Housing Revenue Account Capital Programme of £8,670,000 for 2015/2016.

**17. Council Tax Setting 2015/2016**

Considered report previously circulated, which made recommendations on the level of Council Tax for 2015/2016.

The Localism Act 2011 had made significant changes to the Local Government Finance Act 1992, and now required the billing authority to calculate a Council Tax requirement for the year.

Submitted details of the Town and Parish Council Precepts that had been received for 2015/2016 which totalled £574,623.

The increase in the average Band D Council Tax for Town and Parish Councils was 3.41% which resulted in an average Band D Council Tax figure of £14.98 (£14.49 for 2014/2015).

Reported that the Precept for the Police and Crime Commissioner (PCC) was due to approve its tax requirement on 12 February 2015. It was estimated the precept would be £6,702,560 which would result in a Band D Council Tax of £174.78, an increase of 1.99%. The Precept would be adjusted by a Collection Fund contribution of £151,312.

Somerset County Council was due to approve its tax requirement on 18 February 2015. It was estimated that the precept would be £39,395,457 which would result in a Band D Council Tax of £1,027.30 (the same as 2014/15). As these figures were still provisional, they could be subject to change. The Precept would be adjusted by a Collection Fund contribution of £907,040.

Noted that the Precept for Devon and Somerset Fire and Rescue Authority was currently unavailable. Therefore only provisional amounts, assuming a 0% increase, had been included within the report pending approval. The Authority was due to approve its tax requirement on 20 February 2015. It was estimated the precept would be £2,948,620, which resulted in a Band D Council Tax of £76.89. The Precept would be adjusted by a Collection Fund contribution of £66,565.

The estimated balance on the Council Tax Collection Fund was forecast on 15 January each year. Any surplus or deficit was shared between the County Council, the Police and Crime Commissioner, the Fire Authority and the Council, in shares relative to the precept levels.

The estimated balance on the Council Tax Collection Fund was a surplus of £1,259,450. Taunton Deane's share of this amounted to £134,533, and this had been reflected in the General Fund Revenue Estimates.

**Resolved** that Full Council be recommended to:-

(a) Approve the following formal Council Tax Resolution to reflect the proposed Council Tax Freeze in 2015/2016:-

(1) That it be noted that on 15 January 2015 the Council calculated the Council Tax Base for 2015/2016:-

(i) for the whole Council area as 38,348.55 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"); and,

(ii) for dwellings in those parts of its area to which a Parish precept related as in the attached Appendix B to these Minutes;

(2) That the Council Tax requirement for the Council's own purposes for 2015/2016 (excluding Parish precepts) be calculated as £5,287,500;

(3) That the following amounts be calculated for the year 2015/2016 in accordance with Sections 31 to 36 of the Act:-

- (i) £90,777,603 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils. (*Gross Expenditure including amount required for working balance*)
- (ii) £84,915,480 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (*Gross Income including reserves to be used to meet Gross Expenditure*)
- (iii) £5,862,123 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act). (*Total Demand on Collection Fund.*)
- (iv) £152.86 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). (*Council Tax at Band D for Borough Including Parish Precepts and Special Expenses*)
- (v) £545,623 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as in the attached Appendix B to these Minutes). (*Parish Precepts and Special Expenses*).
- (vi) £137.88 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates. (*Council Tax at Band D for Borough Excluding Parish Precepts and Special Expenses*);

(4) To note that Somerset County Council, Avon and Somerset Police and Crime Commissioner and Devon and Somerset Fire Authority would issue precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area;

- (b) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate provisional amounts shown in the table in Appendix A to these Minutes as the amounts of Council Tax for 2015/2016 for each part of its area and for each category of dwellings;
- (c) Determine that the Council's basic amount of Council Tax for 2015/2016 was not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992; and
- (d) Note that if the above formal Council Tax Resolution was approved the total Band D Council Tax would be as follows:-

	2014/2015	2015/2016	Increase
	£	£	%
Taunton Deane Borough Council	137.88	137.88*	0.00%
Somerset County Council	1,027.30	1,027.30*	0.00%
Police and Crime Commissioner	171.37	174.78*	1.99%
Devon and Somerset Fire Authority	76.89	76.89*	0.00%
<b>Sub-Total</b>	<b>1,413.44</b>	<b>1,416.85*</b>	<b>0.24%</b>
Town and Parish Council (average)	14.49	14.98	3.41%
<b>Total</b>	<b>1,427.93</b>	<b>1,431.83*</b>	<b>0.27%</b>

\* provisional figures

#### 18. **Executive Forward Plan**

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

**Resolved** that the Forward Plan be noted.

(The meeting ended at 8.20 p.m.)

**APPENDIX  
A**

<b>Valuation Bands</b>								
<b>Council Tax Schedule 2015/16</b>	<b>Band A £</b>	<b>Band B £</b>	<b>Band C £</b>	<b>Band D £</b>	<b>Band E £</b>	<b>Band F £</b>	<b>Band G £</b>	<b>Band H £</b>
Taunton Deane Borough Council *	91.92	107.24	122.56	137.88	168.52	199.16	229.80	275.76
Somerset County Council *	684.87	799.01	913.16	1,027.30	1,255.59	1,483.88	1,712.17	2,054.60
Police and Crime Commissioner *	116.52	135.94	155.36	174.78	213.62	252.46	291.30	349.56
Devon & Somerset Fire & Rescue Authority *	51.26	59.80	68.35	76.89	93.98	111.06	128.15	153.78
Parish / Town only (a) *	9.99	11.65	13.32	14.98	18.31	21.64	24.97	29.97
Parish / Town & District (b) *	101.91	118.89	135.88	152.86	186.83	220.80	254.77	305.73
<b>Total (c)</b>	<b>954.56</b>	<b>1,113.65</b>	<b>1,272.74</b>	<b>1,431.83</b>	<b>1,750.02</b>	<b>2,068.20</b>	<b>2,386.39</b>	<b>2,863.67</b>
<b><u>Parish: **</u></b>								
Ash Priors	944.57	1,101.99	1,259.42	1,416.85	1,731.71	2,046.56	2,361.42	2,833.70
Ashbrittle	958.51	1,118.26	1,278.02	1,437.77	1,757.27	2,076.78	2,396.28	2,875.54
Bathealton	948.41	1,106.48	1,264.55	1,422.61	1,738.75	2,054.89	2,371.02	2,845.23
Bishops Hull	957.31	1,116.87	1,276.42	1,435.97	1,755.08	2,074.18	2,393.29	2,871.94
Bishops Lydeard/Cothelstone	967.00	1,128.16	1,289.33	1,450.50	1,772.83	2,095.16	2,417.50	2,900.99



Bradford on Tone	959.21	1,119.08	1,278.95	1,438.82	1,758.55	2,078.29	2,398.03	2,877.63
Burrowbridge	960.91	1,121.07	1,281.22	1,441.37	1,761.67	2,081.98	2,402.28	2,882.74
Cheddon Fitzpaine	959.68	1,119.63	1,279.58	1,439.52	1,759.42	2,079.31	2,399.21	2,879.05
Chipstable	956.88	1,116.36	1,275.84	1,435.32	1,754.28	2,073.24	2,392.21	2,870.65
Churchstanton	961.49	1,121.73	1,281.98	1,442.23	1,762.73	2,083.22	2,403.72	2,884.46
Combe Florey	958.48	1,118.23	1,277.98	1,437.73	1,757.22	2,076.72	2,396.21	2,875.45
Comeytrowe	952.46	1,111.20	1,269.95	1,428.69	1,746.18	2,063.66	2,381.15	2,857.38
Corfe	954.91	1,114.06	1,273.21	1,432.36	1,750.67	2,068.97	2,387.27	2,864.73
Cotford St Luke	959.24	1,119.11	1,278.99	1,438.86	1,758.61	2,078.35	2,398.10	2,877.72
Creech St Michael	964.83	1,125.63	1,286.44	1,447.24	1,768.85	2,090.46	2,412.07	2,894.49
Durston	951.44	1,110.01	1,268.58	1,427.15	1,744.30	2,061.44	2,378.59	2,854.31
Fitzhead	961.65	1,121.93	1,282.20	1,442.48	1,763.03	2,083.58	2,404.13	2,884.96
Halse	953.89	1,112.87	1,271.85	1,430.84	1,748.80	2,066.76	2,384.73	2,861.67
Hatch Beauchamp	954.94	1,114.09	1,273.25	1,432.41	1,750.72	2,069.03	2,387.34	2,864.81
Kingston St Mary	953.13	1,111.99	1,270.84	1,429.70	1,747.41	2,065.12	2,382.83	2,859.40
Langford Budville	957.69	1,117.30	1,276.92	1,436.53	1,755.76	2,074.99	2,394.22	2,873.07
Lydeard St Lawrence/Tolland	957.41	1,116.98	1,276.54	1,436.11	1,755.25	2,074.38	2,393.52	2,872.22

Milverton	960.81	1,120.95	1,281.08	1,441.22	1,761.49	2,081.76	2,402.03	2,882.43
Neroche	957.05	1,116.55	1,276.06	1,435.57	1,754.58	2,073.60	2,392.62	2,871.14
North Curry	960.11	1,120.12	1,280.14	1,440.16	1,760.19	2,080.23	2,400.27	2,880.32
Norton Fitzwarren	962.38	1,122.78	1,283.17	1,443.57	1,764.36	2,085.15	2,405.95	2,887.14
Nynehead	957.44	1,117.01	1,276.58	1,436.16	1,755.30	2,074.45	2,393.59	2,872.31
Oake	954.91	1,114.06	1,273.21	1,432.36	1,750.66	2,068.97	2,387.27	2,864.72
Otterford	944.57	1,101.99	1,259.42	1,416.85	1,731.71	2,046.56	2,361.42	2,833.70
Pitminster	956.75	1,116.20	1,275.66	1,435.12	1,754.04	2,072.95	2,391.87	2,870.24
Ruishton/Thornfalcon	960.73	1,120.85	1,280.97	1,441.09	1,761.33	2,081.57	2,401.81	2,882.18
Sampford Arundel	970.43	1,132.17	1,293.91	1,455.65	1,779.12	2,102.60	2,426.08	2,911.29
Staplegrove	952.60	1,111.36	1,270.13	1,428.90	1,746.43	2,063.96	2,381.49	2,857.79
Stawley	956.03	1,115.37	1,274.71	1,434.05	1,752.72	2,071.40	2,390.08	2,868.09
Stoke St Gregory	962.56	1,122.98	1,283.41	1,443.84	1,764.69	2,085.54	2,406.40	2,887.68
Stoke St Mary	955.38	1,114.61	1,273.85	1,433.08	1,751.54	2,070.00	2,388.46	2,866.15
Taunton	946.55	1,104.31	1,262.07	1,419.83	1,735.35	2,050.87	2,366.38	2,839.66
Trull	959.17	1,119.03	1,278.89	1,438.75	1,758.47	2,078.19	2,397.92	2,877.50
Wellington	962.83	1,123.31	1,283.78	1,444.25	1,765.19	2,086.14	2,407.08	2,888.50
Wellington Without	957.89	1,117.54	1,277.19	1,436.84	1,756.14	2,075.43	2,394.73	2,873.68

West Bagborough	959.39	1,119.29	1,279.19	1,439.09	1,758.88	2,078.68	2,398.48	2,878.17
West Buckland	956.46	1,115.87	1,275.28	1,434.69	1,753.50	2,072.32	2,391.14	2,869.37
West Hatch	956.31	1,115.69	1,275.08	1,434.46	1,753.23	2,072.00	2,390.77	2,868.93
West Monkton	959.39	1,119.28	1,279.18	1,439.08	1,758.87	2,078.67	2,398.46	2,878.16
Wiveliscombe	961.04	1,121.21	1,281.38	1,441.56	1,761.90	2,082.25	2,402.59	2,883.11

(\* provisional figures)

(\*\* this may be subject to penny rounding adjustments and will be confirmed in the final Tax Report to Full Council on the 24 February 2015)

**APPENDIX  
B**

**TOWN AND PARISH COUNCIL PRECEPTS**

Parish/Town Council	2014/15			2015/16			Council Tax Increase
	Tax Base	Precept Levied	Council Tax Band D	Tax Base	Precept Levied	Council Tax Band D	
	£	£	£	£	£	£	
Ash Priors	77.15	-	-	80.62	-	-	0.00%
Ashbrittle	91.49	1,800	19.67	91.07	1,905	20.92	6.32%
Bathealton	85.52	500	5.85	86.75	500	5.76	-1.42%
Bishops Hull	1,066.11	21,000	19.70	1,098.26	21,000	19.12	-2.93%
Bishops Lydeard/Cothelstone	1,051.08	32,321	30.75	1,075.15	36,176	33.65	9.42%
Bradford on Tone	285.36	5,500	19.27	284.52	6,250	21.97	13.97%
Burrowbridge	200.22	4,900	24.47	203.92	5,000	24.52	0.19%
Cheddon Fitzpaine	612.72	13,900	22.69	611.88	13,874	22.67	-0.05%
Chipstable	130.11	2,223	17.09	127.21	2,350	18.47	8.12%
Churchstanton	348.93	8,681	24.88	353.59	8,974	25.38	2.01%
Combe Florey	120.42	2,250	18.68	119.75	2,500	20.88	11.73%
Comeytrowe	1,955.60	23,154	11.84	1,955.48	23,153	11.84	0.00%

Corfe	132.54	1,500	11.32	128.91	2,000	15.51	37.09%
Cotford St Luke	764.65	16,065	21.01	755.37	16,626	22.01	4.76%
Creech St Michael	952.22	26,948	28.30	957.82	29,111	30.39	7.40%
Durston	58.89	600	10.19	58.23	600	10.30	1.13%
Fitzhead	116.15	2,844	24.49	116.86	2,995	25.63	4.67%
Halse	139.93	2,000	14.29	143.01	2,000	13.99	-2.15%
Hatch Beauchamp	252.87	4,000	15.82	257.15	4,000	15.56	-1.66%
Kingston St Mary	425.85	5,508	12.93	428.70	5,508	12.85	-0.66%
Langford Budville	228.27	4,500	19.71	228.61	4,500	19.68	-0.15%
Lydeard St Lawrence/Tolland	204.14	3,938	19.29	207.41	3,995	19.26	-0.15%
Milverton	569.28	14,000	24.59	574.56	14,000	24.37	-0.92%
Neroche	245.73	4,484	18.25	237.51	4,446	18.72	2.58%
North Curry	692.49	15,342	22.15	706.54	16,469	23.31	5.21%
Norton Fitzwarren	904.74	25,122	27.77	946.60	25,292	26.72	-3.78%
Nynehead	162.35	4,250	26.18	165.76	3,200	19.31	-26.25%
Oake	320.09	5,000	15.62	322.36	5,000	15.51	-0.70%
Otterford	168.69	-	-	166.18	-	-	0.00%

Pitminster	451.84	8,899	19.70	459.77	8,400	18.27	-7.24%
Ruishton/Thornfalcon	576.15	14,000	24.30	577.61	14,000	24.24	-0.25%
Sampford Arundel	124.91	4,800	38.43	123.72	4,800	38.80	0.96%
Staplegrove	743.74	11,800	15.87	788.65	9,500	12.05	-24.08%
Stawley	133.37	2,400	18.00	139.56	2,400	17.20	-4.44%
Stoke St Gregory	352.08	9,000	25.56	355.72	9,600	26.99	5.58%
Stoke St Mary	198.81	3,236	16.28	199.43	3,236	16.23	-0.31%
Taunton	14,206.18	42,292	2.98	14,395.62	42,900	2.98	0.00%
Trull	994.65	18,000	18.10	1,004.56	22,000	21.90	21.02%
Wellington	4,355.37	108,666	24.95	4,482.33	122,816	27.40	9.82%
Wellington Without	292.04	5,640	19.31	300.18	6,000	19.99	3.50%
West Bagborough	163.53	2,500	15.29	157.40	3,500	22.24	45.45%
West Buckland	419.36	7,483	17.84	416.48	7,428	17.84	-0.05%
West Hatch	135.80	2,330	17.16	132.29	2,330	17.61	2.65%
West Monkton	1,105.07	27,379	24.78	1,276.68	28,379	22.23	-10.28%
Wiveliscombe	1,046.48	25,000	23.89	1,048.77	25,910	24.71	3.41%
Totals	37,662.97	545,755	14.49	38,348.55	574,623	14.98	3.41%