

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 9 March 2016 at 18:15.

Agenda

- 1 Apologies.
- 2 Minutes of the meeting of the Executive held on 4 February 2016 (attached).
- 3 Public Question Time.
- 4 Declaration of Interests
To receive declarations of Disposal Pecuniary Interests or personal or prejudicial interests, in accordance with the Code of Conduct. The usual declarations made at meeting of the Executive are shown in the attachment.
- 5 Housing Revenue Account (HRA) Business Plan Review. Report of the Director - Housing and Communities (attached).

Reporting Officer: James Barrah

- 6 Community Asset Transfer Policy. Report of the Asset Manager (attached). See also Confidential Appendix B at agenda item No. 9.

Reporting Officer: Tim Child

- 7 Corporate Equality Objectives 2016 - 2019. Report of the Housing and Community Project Officer (attached).

Reporting Officer: Christine Gale

- 8 Executive Forward Plan - details of forthcoming items to be considered by the Executive and the opportunity for Members to suggest further items (attached)

The following items are likely to be considered after the exclusion of the press and public because of the likelihood that exempt information would otherwise be disclosed relating to the Clause set out below of Schedule 12A of the Local Government Act 1972.

- 9 Confidential Appendix B - Community Asset Transfer Policy (attached). See also agenda item No. 6.

Paragraph 2 - Information which is likely to reveal the identity of an individual.

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.

Full Council, Executive, Committees and Task and Finish Review agendas, reports and minutes are available on our website: www.tauntondeane.gov.uk



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.

For further information about the meeting, please contact the Corporate Support Unit on 01823 356414 or email r.bryant@tauntondeane.gov.uk

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Executive Members:-

Councillor M Edwards	(Business Development and Asset Management and
Communications (Deputy Leader))	
Councillor J Warmington	(Community Leadership)
Councillor R Parrish	(Corporate Resources)
Councillor P Berry	(Environmental Services & Climate Change)
Councillor T Beale	(Housing Services)
Councillor J Williams - Leader of the Council	(Leader of the Council)
Councillor R Habgood	(Planning Policy and Transportation)
Councillor C Herbert	(Sports, Parks and Leisure)

Executive – 4 February 2016

Present: Councillor Williams (Chairman)
Councillors Beale, Berry, Edwards, Habgood, Mrs Herbert and
Mrs Warmington

Officers: Shirlene Adam (Director – Operations), Chris Hall (Assistant Director –
Operational Delivery), Paul Harding (Corporate Strategy and Performance
Officer), Paul Fitzgerald (Assistant Director – Resources) and Richard
Bryant (Democratic Services Manager)

Also present: Councillors Aldridge, Gaines and Ross
Anne Elder, Chairman of the Standards Advisory Committee

(The meeting commenced at 6.15 pm.)

1. Minutes

The minutes of the meeting of the Executive held on 3 December 2015, copies of which had been circulated, were taken as read and were signed.

2. Declarations of Interest

Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillor Beale declared personal interests as a Board Member and Director of Tone FM and as a Governor of the South West Ambulance NHS Trust. Councillor Edwards declared a personal interest as the Chairman of Governors of Queens College.

3. Somerset Waste Partnership Draft Business Plan 2016-2021

Considered report previously circulated, concerning the Somerset Waste Partnership's (SWP) Draft Business Plan for the period 2016-2021. The draft Plan had been made available to Members.

Whilst the Business Plan had a five year horizon, Councillors were only requested to approve the plan for the financial year 2016/2017.

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.

The plan also set out the draft Annual Budget for the Waste Partnership for 2016/2017, which for Taunton Deane represented a relatively minor increase of £30,000 (1.1%) against a budget of £3,300,000.

Further reported that in recognition that costs needed to be controlled, a number of initiatives had been underway to evaluate the opportunities and impacts of future cost management choices.

Specifically trials had been undertaken in Taunton Deane which would continue to inform the nature of the service going forward for the entire partnership. These trials had made temporary alterations to the material types that were collected at the kerbside and the frequency of collections.

Noted that a separate paper would be brought to Members in due course to consider a new collection model once the Business Case for change had been completed. Therefore the budget presented for 2016/2017, made no assumptions on savings as a result of any new service model.

A number of key actions had been included in the Draft Action Plan and particular attention was drawn to the following which were large scale projects which could produce significant changes to service delivery, the level of recycled materials and therefore positive impacts on the contract costs:-

- Alternative refuse treatment; and
- 'Recycle More' - the new service model.

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 Community Scrutiny Committee on 5 January 2016 and details of comments raised were submitted for the information of the Executive. Overall the Committee was very supportive of the Business Plan.

During the discussion of this item comments were made about the lack of successful prosecutions for 'fly-tipping' and the possibility of speed reduction messages being applied to new 'wheelie bins' as a means of enhancing road safety – something other Councils had done. Councillor Berry who was one of the Council's representatives on the Somerset Waste Board undertook to raise these issues at the next Board meeting.

Resolved that:-

- (1) The Somerset Waste Partnership's Budget for 2016/2017 be approved; and
- (2) The content of the Draft Business Plan 2016-2021 be noted.

4. **Draft Corporate Strategy 2016-2020**

Considered report previously circulated, concerning the preparation and proposed adoption of the draft Corporate Strategy 2016-2020, a copy of which had been circulated to Members of the Executive.

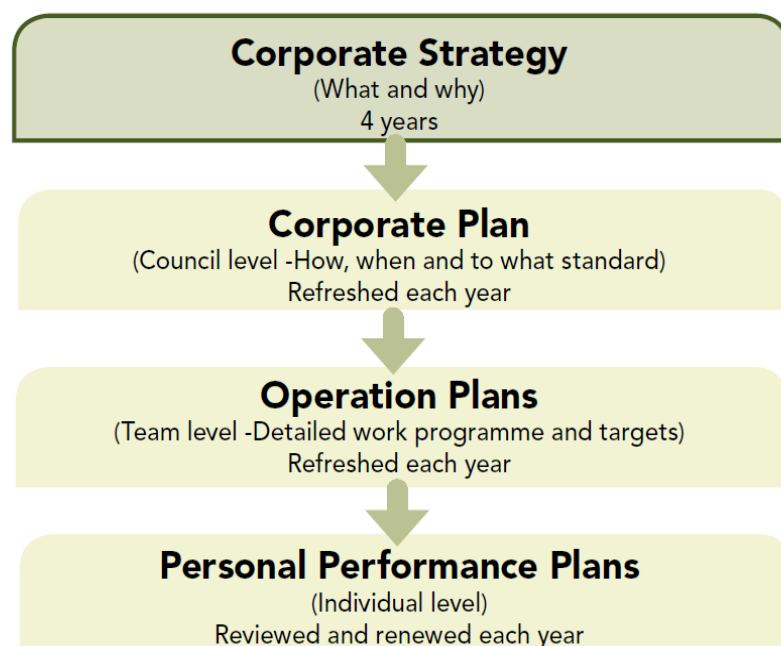
This Strategy - which had been developed with input from Members - provided a clear direction for the organisation to follow; with four key priority areas where the Council would concentrate its efforts and resources between April 2016 and March 2020.

The key elements of the Strategy were:-

- refreshed high-level Corporate Priorities for the Council;
- design principles for the organisation;
- a refreshed vision; and
- clarity on the role and purpose of the Council.

It was felt the Strategy would lead to a more resourceful and responsive organisation that delivered outcomes to our communities in the most efficient and effective way and continued to play a key role in shaping Taunton Deane.

The Corporate Strategy was the key part of the 'Golden Thread' which set corporate objectives from which key actions flowed. This was illustrated in the following diagram:-



The Strategy was the product of a series of Member workshops which took place over the summer. These had been organised along broad geographical lines, based upon electoral wards.

These workshops were informal events which sought to identify and capture:-

- priority ward issues;
- priority district-wide issues (irrespective of which public body currently had responsibility for these issues);
- the role and purpose of the Councils; and
- the vision for the authorities.

From these workshops an initial draft of the Corporate Strategy had been prepared and consulted upon both internally and externally. With regard to the latter, details of the limited number of responses received from members of the public were submitted for information.

Further reported that the draft Strategy had been considered by the Corporate Scrutiny Committee at its meeting on 21 January 2016 where a number of specific comments were made for consideration by the Executive.

These comments had been assessed and it was agreed that the following alterations should be made to the text of the draft Strategy:-

- (1) Our Role and Purpose on page 3 – paragraph d) to be re-worded to read ‘Supporting – our communities, and in particular keeping rural communities alive, as well as the vital work carried out by the voluntary sector’;
- (2) Key Theme 1 on page 6 – the text in the highlighted box to read ‘Taunton Deane is growing and will have an increasing older population. These changes will require greater housing and employment provision as well as services which support the needs of an older population and our most vulnerable residents’. It was also proposed to reword paragraph c) to read ‘Work with others to support the wellbeing of an older population and our most vulnerable residents’;
- (3) Key Theme 3 on page 8 – paragraph d) to be re-worded to read ‘Ensuring our environment remains attractive including through street cleaning and grass cutting’; and
- (4) Key Theme 4 on page 9 – paragraph b) to be re-worded to read ‘Make better use of our land and property assets; investing in, transferring or selling assets where it makes sense to do so’.

It was also agreed that the other Scrutiny suggestions be noted but that no further alterations be made to the draft Strategy.

Resolved that subject to the above amendments being incorporated, Full Council be recommended to adopt the revised draft Corporate Strategy.

5. **Earmarked Reserves Review**

Considered report previously circulated, concerning the review of a number of earmarked reserves held by the Council for various purposes.

The level of earmarked General Fund reserves as at 31 March 2015 was £11,686,000. This was equivalent to 88.6% of the Council's Net Revenue Budget of £13,193,000. During the year transfers had taken place increasing this balance to £12,078,000.

A fundamental review had been undertaken of all General Fund Revenue Earmarked Reserves, with a view to balances being returned to the General Fund.

As a result of this review, there were various earmarked reserves, totalling £92,000, that were no longer required. Details of these reserves were submitted for the information of Members.

This matter had been discussed by the Corporate Scrutiny Committee at its meeting on 21 January 2016 where an alternative use of the Community Rights to Challenge Reserve was discussed particularly with regard to funding voluntary and community sector grants. Whilst it had been agreed to support the transfer of the reserves, the Executive was requested to consider the Voluntary and Community Sector Grants through its Revenue Budget proposals.

Resolved that Full Council be recommended to approve a Budget Return of £92,000 to General Reserves of surplus balances currently held in Earmarked Reserves.

6. **Draft Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Policy 2016/2017**

Considered report previously circulated, which detailed the recommended strategy for managing the Council's cash resources including the approach to borrowing and investments. Approval was also sought for the Treasury Management Strategy Statement and Investment Strategy (TMSS), the Annual Investment Strategy (AIS) and the Minimum Revenue Provision (MRP) Policy.

The draft recommended TMSS (which included full details of the Prudential Indicators), AIS and MRP Policy was submitted for the attention of the Members of the Executive.

It was noted that the Council currently had external borrowing of £92,200,000, which was all attributable to the Housing Revenue Account (HRA). The Bank Base Rate had remained at 0.5% for several years and was currently forecast to remain at this level until the third quarter of 2016.

Also noted that the Council's investment balances fluctuated and currently ranged between £22,000,000 and £52,000,000.

The TMSS and related policies had been prepared taking into account the 2011 revised Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the Code”) and the Department of Communities and Local Government’s Guidance on Local Government Investments (“the Guidance”).

The key principles of the Code were as follows:-

- Ensuring that public bodies put in place the necessary framework to ensure the effective management and control of treasury management activities;
- That the framework clearly stated that responsibility for treasury management lay clearly within the organisation and that the Strategy clearly stated the appetite for risk;
- That value for money and suitable performance measures should be reflected in the framework.

The Council’s Finance Officers had worked closely with Arlingclose, the Council’s Treasury Advisor, to consider the requirements of the Code and Guidance and determine the proposed TMSS, AIS and MRP Policy that ensured compliance and provided a set of ‘rules’ for the Council to follow in dealing with investments, borrowing and cash flow management.

Reported that the TMSS for 2016/2017 continued to recognise the increasing risks due to the new regulations in respect of ‘bail in’ for banks. In response to this risk and the wider continuing risks in the financial sector, the TMSS continued to build in greater “diversification” – so that surplus funds were held in a wider range of investments/accounts.

The Strategy looked to reduce exposure to risk and volatility at this time of significant economic uncertainty by:-

- (1) Considering security, liquidity and yield, in that order;
- (2) Considering alternative assessments of credit strength;
- (3) Spreading investments over a range of approved counterparties; and
- (4) Only investing for longer periods to gain higher rates of return where there were acceptable levels of counterparty risk.

Further reported that the historically low interest rate situation had led to significant reductions in investment income in the past years which impacted directly on the Council’s budget.

The Council’s General Fund capital financing requirement (CFR) for 2016/2017 was £6,855,000 which was currently funded through internal borrowing. The Council’s HRA CFR for 2016/2017 was £110,571,000 which was currently funded through external borrowing of £92,198,000 plus internal borrowing of £18,373,000. The Government set a debt cap for the HRA which currently limited borrowing to £115,800,000.

With regard to the MRP Policy, it was recommended that the current approach which charged MRP at 4% per year, be moved to a new approach which proposed calculating MRP based on a weighted average asset life of 45.57 years. This equated to an MRP rate of 2.19% and had enabled the Council to release budget savings of £382,000 in 2015/2016 with continuing annual savings of £234,000 from 2016/2017.

Resolved that Full Council be recommended to approve:-

- (1) The Treasury Management Strategy Statement, Annual Investment Strategy, and revised Minimum Reserve Provision Policy as set out in the Appendix to the report;
- (2) The Prudential Indicators included within the Treasury Management Strategy Statement which included limits for borrowing and investments; and
- (3) The change to the Minimum Revenue Provision Policy to be applied with effect from 1 April 2015.

7. **General Fund Revenue Estimates 2016/2017**

Considered report previously circulated, regarding the Executive's 2016/2017 Draft Budget proposals, prior to submission to Full Council on 23 February 2016 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 21 January 2016 for review and comment. Specific recommendations made by Members related to a request for the proposal to spend £40,000 on a Railway Feasibility Study to be removed from the draft budget and the savings option to reduce the Voluntary and Community Sector Grants by £40,000 be also removed. The Executive had indicated that both proposals would remain in the proposed budget.

It was further commented on by Scrutiny that the Equality Impact Assessments did not appear to be robust and complete. The Executive had examined this comment and was satisfied that they were robust and reflected feedback from stakeholders as to possible implications.

Details of the Provisional "Settlement Funding Assessment" for 2016 and 2016/2017 had been announced by the Department of Communities and Local Government (DCLG) on 17 December 2015.

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

- Settlement Funding cut by 16.2% in 2016/2017 - this comprises Revenue Support Grant (RSG) and Business Rates (BR) Baseline;
- RSG reduced by £738,372 (37.4%) compared to 2015/2016, from £1,973,509 to £1,235,137
- Rural Services Delivery Grant (RSDG) of £5,311 was included within RSG in 2015/2016 – this would be paid as a separate non-ringfenced grant in 2016/2017, and had been increased by £1,542 (29%) to £6,853;
- Council Tax Freeze Grant of £62,060 had been rolled into the RSG baseline at the start of 2016/2017 – and therefore would fall out of the Council’s funding by 2019/2020 when RSG would be nil;
- The Business Rates Baseline had increased by 0.8% from £2,457,951 to £2,478,434;
- New Homes Bonus (provisional) grant had increased by £698,960 (22%) to £3,877,610
- The Government had issued draft principles for referendums relating to Council Tax increases – and for this Council the maximum increase in 2016/2017 before a referendum was needed would be £5.00 on the basic tax rate (for a Band D) which equated to an increase of just over 3.5%; and
- Pending the establishment of the Somerset Rivers Authority (SRA) as a precepting body, Somerset County Council (SCC) and all the Somerset District Councils had an option to set a precept of up to 1.25% for the purposes of funding the SRA (this was separate to the £5 increase limit referred to above).

The provisional settlement also included other important information, details of which were shown below:-

- (1) The Government had confirmed its commitment that Local Government would retain 100% of Business Rates by the end of this Parliament;
- (2) A consultation on New Homes Bonus had been published, setting out options for reducing the number of years paid from six to four, together with other measures to ‘sharpen the incentive’ of the scheme;
- (3) Indicative four year funding information for RSG had shown this would significantly reduce – and for some Councils including Taunton Deane, reduce to nil – by 2019/2020;
- (4) As a consequence of (3) above, the Government was proposing to introduce an increase to the Business Rates Tariff Adjustment in order to ensure that cuts to funding across authorities over the four years were proportional – the indicative cut for Taunton Deane in 2019/2020 was forecast as £127,940;
- (5) The Rural Services Delivery Grant was projected to increase, with the national pot increasing from £15,500,000 in 2015/2016 to £65,000,000 in 2019/2020; and
- (6) The Government had issued draft statutory guidance which would permit local authorities to treat revenue costs “incurred on projects designed to reduce future revenue costs and/or transform service delivery” as capital costs during the periods 2016/2017, 2017/2018 and 2018/2019 – and such costs might be funded

from new capital receipts arising from the sale of assets in each year.

Reported that the Government had also indicated that it was prepared to offer any Council a four-year funding settlement to 2019/2020 if they published an efficiency plan. Although further details from the Government were awaited, the Executive was minded to consider this offer if it was in the Council's interest to do so.

General Fund Revenue Funding

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

Provisional Settlement Funding Assessment headline figures

	2015/16 £k	2016/17 £k	Change £k	
Revenue Support Grant	1,973	1,235	-738	-37.4%
Business Rates Baseline	2,458	2,478	20	0.8%
Total Funding Baseline	4,431	3,713	-718	-16.2%

The report commented in detail on the following sources of General Fund Revenue Funding:-

- Revenue Support Grant;
- Rural Services Delivery Grant;
- Retained Business Rates;
- Retained Business Rates –Contingent Risk;
- Business Rates Pool;
- New Homes Bonus; and
- Housing Benefit and Council Tax Administration Grant.

Funding from Council Tax

The Council Tax Base of 39,072.86 Band D Equivalents had been approved under delegated powers by the Section 151 Officer.

The current annual basic tax rate towards the cost of Taunton Deane Borough Council services, for the average Band D property, was £137.88. The Executive proposal was to recommend a Council Tax increase of £5 in 2016/2017. For an average Band D property this would set a basic Council Tax rate of £142.88 per year (£2.74 per week), an increase of 3.62%.

Using the Council Tax Base for 2016/2017 the draft budget estimate for basic Council Tax income was therefore $39,072.86 \times £142.88 = £5,582,730$ (excluding parish precepts and special expenses). This represented a total increase in budgeted income of £295,232, as shown below:-

	£
Council Tax Income Budget 2015/16	5,287,498
Increase due to change in Tax Base (Band D equivalents)	99,868
Increase due to proposed £5 increase in Tax Rate	195,364
Estimated Balance as at 31 March 2017	<u>5,582,730</u>

Somerset Rivers Authority (SRA) Council Tax Precept

Through the Provisional Settlement the Government had also announced that the SCC and the five District Councils in Somerset could raise additional funding for the SRA by setting a precept based on up to 1.25% of each Council's 2015/2016 basic tax rate – which for Taunton Deane was £1.74 a year for a Band D. This would fund the Somerset Rivers Authority in 2016/2017 pending its establishment as a precepting body. The amount of additional Council Tax this would raise in Taunton Deane was £67,987. Assuming SCC also set a precept for the SRA at 1.25% this would raise a further £501,696 from Taunton Deane residents.

The overall opportunity across Somerset aimed to raise £2,700,000 in funding for the SRA in 2016/2017 to progress key workstreams within the Flood Action Plan including:-

- dredging and river management
- urban water management
- resilient infrastructure
- building local resilience

Reported that the Executive was minded to recommend to Full Council the SRA Council Tax Rate of £1.74 for a Band D in 2016/2017.

An increase in the Council's own basic tax of £5 plus the 1.25% increase to precept for the SRA meant a combined increase of £6.74 (4.89%) a year (13p per week) for a Band D. This would result in a total Band D charge for Taunton Deane of £144.62 on the Council Tax bills in 2016/2017. This was set out in the following table:-

Potential Tax Increase Including SRA Precept	
2015/16 Taunton Deane Basic Tax Rate (Band D)	137.88
SRA Council Tax (Basic Tax £137.88 + Special Expenses £1.12 = £139.00 x 1.25%)	1.74
Taunton Deane Basic Tax Rate increase proposed	5.00
Potential Band D Equivalent	144.62
Potential increase as a percentage	4.89%

Special Expenses / Unparished Area Budget

The previous Medium Term Financial Plan (MTFP) estimates assumed the Special Expenses Rate (SER) would be subject to a 1.99% increase in 2016/2017.

The Executive was however minded to recommend no increase to the Special Expenses Rate in 2016/2017 – keeping the Band D Unparished Area Rate at £2.98 per year as any increase in special expenses on top of the proposed increase to basic tax would require a referendum of local tax payers.

The Special Expenses income raised through Council Tax in 2015/2016 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 Council Tax Support (CTS) Grant of £6,030 in 2015/2016 giving a total budget for

the year of £48,930.

Noted that at the Full Council meeting on 15 December 2015 Members agreed to reduce the grant funding provided to towns and parishes by 1/3rd in 2016/2017, by 1/3rd in 2017/2018 and therefore the current CTS grant was expected to be phased out by 2018/2019.

The proposed budget for 2016/2017 was therefore £47,382, funded as shown below:-

Special Expenses	£43,362
Grant for CTS	£4,020
Total Unparished Area Budget 2016/17	£47,382

Council Tax Support (CTS) Grant and Funding for Parishes

As mentioned above, Members had approved the revision of the Local Council Tax Support Scheme from 1 April 2016 which included the preferred option to reduce funding for CTS to Parish Councils over a three year period. This had resulted in the following total estimated grant funding from Taunton Deane:-

Council Tax Support Grant Funding

	2016/17 £	2017/18 £	2018/19 £
Grants payable to Town and Parish Councils	25,980	12,990	0
Grant allocated to Unparished Area Budget	4,020	2,010	0
Total funding to be passed on for CTS	30,000	15,000	0

Addressing the 2016/2016 Budget Gap

In line with the agreed approach to budget setting, the Executive had considered a number of options to address the Budget Gap. In addition, financial estimates had been reviewed and updated through the budget process and the Budget Gap updated accordingly.

Various changes to the budget gap had been reported through the budget process, both in terms of changes to cost and income estimates through detailed budget work, and as a result of proposed and approved changes by Members. The Draft Budget had closed the budget gap in full through a combination of savings, fees and charges and additional Council Tax income.

The following table summarised the changes to draft budget estimates since November 2015 and included the changes proposed in order to set a balanced budget for 2016/2017:-

2016/17 Budget Gap Position

	£k	Gap £k
2016/17 Budget Gap Estimate 17 November 2015		1,339
Council Tax Collection Fund surplus	-131	

	£k	Gap £k
Transfer of HRA Procurement Savings no longer required	148	
Reduction in MRP re removal of HRA Procurement Savings	-148	
Proposed MRP method change to asset life weighted average	-234	
Car Parking income increase in demand	-100	
One off transfer from EMR re 'P4A'	-100	
Taunton Deane Partnership not paying contribution to TDBC	5	
Remove JMASS non staff savings for savings to be achieved from Terms and Conditions and Transformation	112	
Support Service changes	-25	
Benefits Service – Costs previously funded by New Burdens Grant	59	
Car Parking fees and charges report (approved Full Council Dec 2015)	-860	
Car Park Maintenance, pay on exit and variable message signing, project costs, CCTV (approved Full Council Dec 2015)	411	
Other Fees and Charges (approved Full Council Dec 2015)	-129	
Provisional Settlement – Lower NHB allocation than estimated	75	
Reduction in Transfer to NHB reserve	-75	
Provisional Settlement RSG reduction	46	
Provisional Settlement – Rural Services Delivery Grant removed from RSG	5	
Provisional Settlement – Rural Services Delivery Grant	-7	
CTS Grant reduction – Parishes £13k, Unparished Area £2k (approved Full Council Dec 2015)	-15	
Budget Gap Per Members Budget Pack in December		376
RCCO Budget Not Required	-46	
New Rail Station Feasibility Study	40	
Updated estimate in respect of Street Cleaning Costs	-12	
Support Services – Budget correction	144	
Waste Partnership updated budget requirement	-75	
2016/17 Budget Gap Estimate 21 January 2015		427
Council Tax proposed increase at £5, not 1.99%	-88	
Council tax income - Special Expenses at 0% increase	1	
Unparished Area Fund based on 0% tax rate change, not 1.99%	-1	
Savings Options as set out in Appendix B	-135	
Business Rates Retention 2016/17	-318	
Business Rates Deficit on the Collection Fund	192	
Transfer From Business Rates Retention Smoothing Reserve	-192	
Increase Business Rates Smoothing Reserve in 2016/17	114	
SRA One-off contribution in 2016/17	68	
1.25% Council Tax increase to fund SRA contribution	-68	
Final Housing Benefit and Council Tax Support Admin Grant	TBC	
Budget Gap / (-) Surplus Latest Estimate		0

Noted that a detailed explanation of all the proposals listed above were included in the report.

DLO Trading Account

The implementation of the new ICT system would 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. The impact of this had been included within the 2016/2017 budget setting process.

The General Fund budget included the usual trading surplus of £101,000 providing a contribution to the net income for the Council. Any additional surplus would be transferred to the DLO Trading Account reserve.

The forecast reserves position for 2016/2017 remained positive and provided some resilience to volatility in trading performance and future investment needs

Deane Helpline Trading Account

The draft budget was based on a freeze for both private customers and Council Tenants with regard to the weekly charge. Installation fees for private customers would also be frozen.

The Deane Helpline was a stand-alone trading account service. In 2016/2017 the estimated deficit was estimated to be £107,000. This deficit would need to be funded by the General Fund.

Minimum Revenue Provision (MRP) Policy

The MRP methodology had been reviewed for 2016/2017 to ensure that the Council's approach was appropriate for Taunton Deane's financial stability and was robust and prudent for future capital expenditure.

A number of options had been considered and the approach recommended was that of the Equal Instalment Method whereby the MRP was linked to weighted asset life. This had meant for Taunton Deane that the repayments of capital borrowing through MRP had been extended to a 45.57 year period.

This was seen to be a prudent approach which, if approved, would result in an annual budget saving of £234,000.

Draft General Fund Budget Summary 2016/2017

The following table compared the proposed budget with the original budget for the current year. The table has been completed assuming a £5 increase as per the current budget assumptions.

	Original Budget 2015/16 £	Draft Budget 2016/17 £
Total Spending on TDBC Services	12,152,560	12,444,583
Somerset Rivers Authority Contribution	0	67,987
Capital Charges Credit	(2,513,080)	(2,513,080)
Revenue Contribution to Capital	648,590	482,500
Interest payable	0	0
Parish Precepts	531,720	531,720
Grants to Parishes for CTS	38,970	25,980
Special Expenses	42,900	43,360
Grants to Unparished Area	6,030	4,020
Capital Debt Repayment Provision (MRP)	562,270	180,060
Interest Income	(314,000)	(314,000)
Transfers to/from Earmarked Reserves	2,142,500	3,290,793
Transfer to/from General Reserves	(105,000)	0
AUTHORITY EXPENDITURE	13,193,460	14,243,923
Less: New Homes Bonus	(3,178,650)	(3,877,610)
Less: Revenue Support Grant	(1,916,420)	(1,241,990)
Less: Retained Business Rates	(2,749,000)	(2,959,304)
Less: Council Tax Freeze Grant	(62,400)	0
(Surplus)/Deficit on Collection Fund - BRR	709,660	191,668
(Surplus)/Deficit on Collection Fund - CTax	(134,530)	(130,890)
Demand on Collection Fund – Parishes & SER	(574,620)	(575,080)
Expenditure to be financed by District Council Tax	5,287,500	5,582,730
Council Tax Raised to fund SRA Contribution	0	67,987
Total Council Tax Raised by TDBC	5,287,500	5,650,717
Divided by Council Tax Base	38,348.55	39,072.86
Council Tax @ Band D – Taunton Deane Services	£137.88	£142.88
Council Tax @ Band D – Somerset Rivers Authority	0	£1.74
Council Tax @ Band D – TDBC including SRA	£137.88	£144.62
Cost per week per Band D equivalent	£2.64	£2.78

Medium Term Financial Plan (MTFP) 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:-

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £
Forecast Net Expenditure	10,280,063	10,633,062	11,439,334	11,962,163	12,381,794
SRA Contribution	67,987	0	0	0	0
Earmarked Reserves	3,290,793	3,007,050	2,260,100	1,900,480	1,717,700
General Reserves	0	0	0	0	0
Unparished CTRS Grant	4,020	2,010	0	0	0
Unparished Precept (SER)	43,360	44,230	45,110	45,980	46,850
Parish CTRS Grant	25,980	12,990	0	0	0
TDBC NET EXPENDITURE	13,712,203	13,699,342	13,744,544	13,908,623	14,146,344
Parish precepts	531,720	531,720	531,720	531,720	531,720
TOTAL NET BUDGET	14,243,923	14,231,062	14,276,264	14,440,343	14,678,064
Retained Business Rates	-2,959,304	-2,977,089	-3,119,534	-3,060,691	-3,130,802
Collection Fund Surplus – BR	191,668	0	0	0	0
Revenue Support Grant	-1,235,137	-644,801	-279,788	0	0
Rural Services Delivery Grant	-6,853	-11,992	-17,132	-22,271	-22,271
New Homes Bonus	-3,877,610	-3,416,310	-2,669,360	-2,309,740	-2,126,960
Council Tax – TDBC	-5,582,730	-5,750,630	-5,923,320	-6,101,310	-6,284,720
Council Tax – To Fund SRA	-67,987	0	0	0	0
Council Tax – Special Expenses	-43,360	-44,230	-45,110	-45,980	-46,850
Collection Fund Bal – CTax	-130,890	0	0	0	0
TDBC NET FUNDING	-13,712,203	-12,845,052	-12,054,244	-11,539,992	-11,611,603
Council Tax – Parishes	-531,720	-531,720	-531,720	-531,720	-531,720
TOTAL FUNDING	-14,243,923	-13,376,772	-12,585,964	-12,071,712	-12,143,323
Budget Gap – In Year	0	854,290	836,009	678,331	166,110
Budget Gap – Cumulative	0	854,290	1,690,300	2,368,631	2,534,742

The above estimates included the following main **assumptions** related to funding:-

- The Revenue Support Grant for 2016/2017 was as set out in the Provisional Finance Settlement. It was then projected to diminish to nil by 2019/2020;
- The updated estimates for Business Rates funding for 2016/2017 took into account the cap on the Retail Price Index increase to Rates at 0.80%, and the anticipated tariff adjustment in 2019/2020;
- The updated estimates for New Homes Bonus funding assumed that the number of years allocation would drop. Therefore in 2017/2018 Taunton Deane would only receive five years allocation and in 2018/2019 and subsequent years the Council would only receive a four year allocation; and
- Council Tax was assumed to increase by £5 in 2016/2017 then 1.99% in each subsequent year.

Beyond 2016/2017, 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 which had recently been reviewed by the Section 151 Officer. It was proposed to increase the minimum reserves to £1,600,000 to reflect the risks facing the Council more robustly and to protect services to the community.

Noted that the current General Fund Reserves balance was £1,740,000. This was only £140,000 above the new recommended minimum balance.

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

General Reserves Forecast

	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
Estimated Balance B/F	1,740	1,740	886	-804	-3,172
Predicted Budget Gap	0	-854	-1,690	-2,368	-2,535
Estimated Balance C/F	1,740	886	-804	-3,172	-5,707

Clearly the Council would need to ensure action was taken to ensure the projected financial deficit over the medium term was avoided and minimum balances were maintained. This is 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 2016/2017 budget to be robust.

Noted that a number of Equalities Impact Assessments had been prepared and were attached as appendices to the report.

Resolved that Full Council be recommended to agree the General Fund Revenue Budget for 2016/2017 and that:-

- (a) The forecast Medium Term Financial Plan and Reserves position and the Section 151 Officer's Robustness Statement be noted;
- (b) The General Fund Revenue Budget 2016/2017, including a Basic Council Tax Requirement budget of £5,582,700 and Special Expenses of £43,632 be approved;
- (c) A Council Tax increase of 3.62%, increasing the Band D basic tax rate by £5 to £142.88 per year be approved;
- (d) A further 2016/2017 one-off Council Tax increase of 1.25% in respect of funding for the Somerset Rivers Authority, adding £1.74 to a Band D tax charge per year;
- (e) The transfer of any unallocated year end under/overspend in the 2015/2016 General Fund Revenue Account Outturn to/from the General Fund Reserves be approved;

- (f) The minimum reserves level at £1,600,000 be approved; and
- (g) The decision as to whether to accept the Government's offer of a four year funding settlement, provided it was in the Council's interests to do so, be delegated to The Leader of the Council, the Executive Councillor for Corporate Resources and the Section 151 Officer.

8. **Housing Revenue Account Estimates 2016/2017**

Considered report previously circulated, which set out in detail the proposed Housing Revenue Account (HRA) Estimates for 2016/2017.

2016/2017 would be the fifth year of operating the HRA under self-financing arrangements. The Council had taken on debt of £85,200,000 in March 2012 to enable the Council to operate self-financing arrangements.

A fundamental review of the HRA Business Plan had been scheduled for 2015/2016 and to support this, funding had been made available from 2014/2015 underspends. Changes in national policy announced in 2015 – particularly the Welfare Reform and Work Bill and the Housing and Planning Bill – had greatly affected the long term financial position of the HRA Business Plan, making this review essential.

Dwelling rents for more than 5,800 properties provided annual income of over £24,000,000 for the HRA.

The Welfare Reform and Work Bill had set out a 1% annual reduction in all social rents from 1 April 2016 for four years. This would negate the 10 year national rent policy for social housing that was implemented in April 2015, and would greatly reduce the income expectations for the HRA as shown in the table below:-

Reduction in Dwelling Rent Income Compared to the Business Plan

	Reduction in Rent Income Compared to Business Plan				
	2016/17	2017/18	2018/19	2019/20	2020/21
Impact of lower inflation (-0.1%)	439,900	459,000	472,400	487,000	501,800
Additional impact of change in social housing rent policy:-					
If rent policy returned to CPI + 1% from 2020/2021 to end of 10 year Rent Policy	461,100	1,465,500	2,480,000	3,510,100	3,609,200
If rent policy returned to CPI only from 2020/2021	461,100	1,465,500	2,480,000	3,510,100	3,845,600

When forecast over the length of the Business Plan, this reduction in rent represented a significant reduction in income to the HRA as shown below:-

Cumulative Reduction in Dwelling Rent Income Compared to the Business Plan

	Cumulative Totals		
	5 Years (to 2020/2021)	To end of current 30 Year Business Plan 26 Years (to 2041/2042)	Full 30 Years (to 2045/2046)
If rent policy returned to CPI + 1% from 2020/2021 to end of 10 year Rent Policy	13,886,000	124,124,200	150,455,400
If rent policy returned to CPI only from 2020/2021	14,122,400	154,054,000	187,811,300

Local Authorities had previously had the power and duty to set their own rents, however the Welfare Reform and Work Bill no longer allowed for rents to be above a 1% reduction.

In line with the national rent guidance it was proposed that the average weekly rent for dwellings for 2016/2017 should be set at the guideline rent of £83.06, a decrease of 1.0% or £0.84 per week.

Reported that taking into account the number of dwellings lost through Right to Buy, the expected increase to income when the Creechbarrow Road dwellings were handed over and the level of rent lost through void properties, the expectation in dwelling rent income was likely to reduce by £840,000, as shown in the table below:-

	£k	£k
Rental Income As Per Business Plan		25,470.9
Impact of lower inflation	(439.9)	
Change in rent policy to -1.0%	(461.1)	
Change in dwelling numbers	(97.0)	
Change in budgeted void level	158.0	
		(840.0)
Updated Rental Income		24,630.9

Around 8.1% of HRA income – or £2,150,000 – 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 0.8%.

Noted that a separate review of Sheltered Housing had been undertaken and service charges had been set at a flat rate of £10.93 for 2016/2017. Following the decision that tenants in receipt of Housing Benefit with a Piper Lifeline would be subsidised by the HRA, a reduction in income of £151,800 was expected.

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.

Also noted that following the installation of photovoltaic panels on a number of

Council-owned dwellings, Feed in Tariff income of £160,000 was expected in the next financial year.

The HRA expenditure budgets, which included Management Expenses, Maintenance, Special Services, Provision for bad debts, Depreciation, Debt Management Expenses, Repayment of Borrowing and Interest, Interest receivable and the Social Housing Development Fund were submitted and details of significant changes were reported.

Also reported on appropriations, in the form of Transfers to General Fund and Revenue Contributions to Capital.

Further reported that in December 2015 the estimated budget gap for 2016/2017 was £386,000. The following table provided a summary of the main changes to the draft budget estimates for the HRA Revenue Account, including the proposals to deliver a balanced budget in 2016/2017.

Budget Area	Reference Paragraph	£k
Balanced Budget for 2016/17 in Business Plan		0
Dwelling rents	3	998
Piper Lifeline (as agreed at Full Council 15/12/2015)	4.4	152
Specialist works	5.3	67
Pre-Planned Maintenance	5.3	(300)
Responsive heating	5.3	(100)
Self-Insurance Fund	5.3	(50)
Interest payable	5.8	(213)
Procurement Savings	6.1	(177)
Shared Services Costs	5.2	(67)
Housing Service improvement projects	5.2	150
Other minor changes		(74)
Budget Gap as Reported in the December Consultation Pack		386
Reduction in dwelling void loss assumptions	3.10	(158)
General maintenance	5.3	158
Updated Budget Gap		386
Proposals for achieving a balanced budget in 2016/17		
RCCO - Related Assets 2016/17		(125)
Use of earmarked reserves from reduced RCCO for Related Assets in 2015/16		(24)
Provision for bad debt		(192)
Creechbarrow Hub running costs		(35)
Transfer Removal Grants		(10)
Balanced Budget for 2016/17		0

Noted that a detailed explanation of all the proposals listed above were included in the report.

The Draft Housing Revenue Account Budget was presented to the Corporate Scrutiny Committee on 21 January 2016 for review and comment. No specific amendments to the Draft Budget were formally recommended by the Committee.

Resolved that:-

- (1) Full Council be recommended to:-
 - (a) Approve the average rent decrease of 1% for 2016/2017 in line with the Council's approved Rent Policy; and
 - (b) Agree the Draft Housing Revenue Account Budget for 2016/2017;
- (2) A briefing note be prepared and issued to all Councillors explaining the impact of the new policy change on rent levels for supported housing; and
- (3) It be noted that the Executive would present its final position on Housing Revenue Account budgets and rent levels to Full Council on 23 February 2016.

9. Capital Programme Budget Estimates 2016/2017

Considered report previously circulated, concerning the proposed General Fund and Housing Revenue Account (HRA) Capital Programmes for 2016/2017.

2015/2016 Draft General Fund Capital Programme

In December, Members were provided with the initial draft capital programme bids which had been received from budget holders, and these had been reviewed by Executive Councillors for the draft budget. The current capital strategy included the following basis for prioritising schemes:-

- 1) Business Continuity (corporate/organisational/health and safety);
- 2) Statutory Service Investment (to get statutory minimum/contractual/continuity);
- 3) Growth / Transformation;
- 4) Invest to Save; and
- 5) Other.

The current Capital Programme in 2015/2016 included approved projects totalling £3,833,612.

The proposed draft General Fund Capital Programme for 2016/2017 totalled £1,054,000. The following tables detailed bids submitted for both Deane DLO schemes and other General Fund Schemes.

Bids Submitted for Deane DLO Schemes

Scheme	Priority	Cost £k	Possible Funding Options				
			RCCO £k	DLO Reserve £k	Capital Reserve £	Capital Grants £k	Total Funding £k
DLO Vehicle Replacement	2	180	180				180
DLO Plant Renewal and Replacement	2	23	23				23
Ride on Mowers	2	60		60			60
Total		263	203	60			263

Bids Submitted for General Fund Schemes

Scheme	Priority	Cost £k	Possible Funding Options				
			RCCO £k	NHB Reserve £k	Capital Reserve £	Capital Grants £k	Total Funding £k
Grants to Halls and Sports Clubs	5	10	10				10
Play Equipment Replacement	2	55	55				55
PC Refresh	1	35	35				35
Waste Containers	2	93	50		43		93
Orchard Centre Car Park Improvements	2	126	126				126
Members IT Equipment	2	4	4				4
Parish Play Area Grant Scheme	5	10			10		10
Cremator Brick Work	2	20			20		20
Cemetery IT System	2	50			50		50
Disabled Facilities Grants	2	388				388	388
Total		791	280	0	123	388	791
Combined Total		1,054	483	60	123	388	1,054

A detailed explanation for all of the proposals listed above were included in the report.

These tables summarised the proposed funding of the Draft Capital Programme for 2016/2017 and they showed that the proposed Capital Programme for 2016/2017 was fully funded through a combination of revenue contributions (DLO and General), capital reserves plus grant funding provided via Somerset County Council. As a result it was proposed to support the Capital Programme to incorporate all of the bids.

Noted that 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.

A detailed explanation as to where the sources of the above funding originated was supplied for the information of Members.

Capital Programme for Growth and Regeneration 2016/2017

In addition to the above schemes which primarily delivered service continuity and improvements, Growth and Regeneration remained a top priority for the Council. This commitment had been reflected over recent years, by the allocation of New Homes Bonus (NHB) funding for these purposes.

Reported that at Full Council before Christmas, Members had also supported investment in principle of £16,600,000 from projected NHB receipts towards a number of growth spend categories reflecting the priorities established in the Taunton Growth Prospectus and aligned with the relevant plans and priorities of key partners.

Some £16,000,000 of the proposed spend was expected to be recognised as capital expenditure (with revenue costs of £500,000 for marketing, promotion and inward investment and £100,000 for the preparation of Local Development Orders) and as such was included in the proposed Growth Capital Programme shown in the table below:-

Proposed NHB Allocation and Indicative Spend Profile

Growth project / category	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	Total NHB allocation £
Taunton Strategic Flood Alleviation			1,000,000	1,000,000	1,000,000	3,000,000
Major transport schemes	400,000	800,000	1,000,000	300,000		2,500,000
Town Centre regeneration	500,000	750,000	750,000	500,000		2,500,000
Employment site enabling and innovation to promote Growth		2,000,000	2,000,000			4,000,000
Urban Extensions		1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
TOTAL CAPITAL COSTS	900,000	4,550,000	5,750,000	2,800,000	2,000,000	16,000,000

Further reported that the Autumn Statement and subsequent Provisional Settlement announcements had suggested that Government consultation on a revision of the NHB grant funding would effectively reduce the grant by a 1/3rd in the future. The anticipated reduction in available future NHB funding had been updated within the Medium Term Financial Plan.

Any reduced NHB would therefore result in insufficient funds to cover all of the proposed £16,600,000 spend within the anticipated timeframe. The Council had

acknowledged this funding risk when it approved the investment and had accepted that plans would need to be reviewed when updated funding information was confirmed.

It was nevertheless proposed to include £900,000 within the approved Capital Programme for 2016/2017. Future years' investment would remain indicative and subject to annual review.

2016/2017 Draft Housing Revenue Account (HRA) Capital Programme

The Draft HRA Capital Programme 2016/2017 totalled £8,589,000. This was provided to deliver the prioritised capital investment requirements included in the current Business Plan for the next budget year. The current five-year HRA Capital Programme was shown below, which included forecast capital expenditure requirements for the period 2016/2017 to 2020/2021, as identified in the Business Plan. Noted that the programme would be subject to change pending the outcome of the recently approved stock survey.

Draft HRA Capital Programme 2016/2017

Project	Total Cost £
Major Works	6,739,000
Improvements	155,000
Related Assets	0
Exceptional Extensive Works	260,000
Disabled Facilities Grants and Aids and Adaptations	435,000
Social Housing Development Fund	1,000,000
Total Proposed HRA Capital Programme 2016/17	8,589,000

It was proposed that the HRA Capital Programme for 2016/2017 shown above would be funded from the Major Repairs Reserve (from depreciation) and revenue contribution (RCCO) from the base budget.

A detailed description for all of the proposals listed within the project headings in the above table were included in the report.

The draft five-year capital programme was shown in the table below:-

Draft Five-Year Capital Programme

	2016/17 £k	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k	5-Year Total £k
Capital Programme	8,589	8,873	9,015	9,159	9,289	44,925

The Capital Programme Budget Estimates 2016/2017 were presented to the Corporate Scrutiny Committee on 21 January 2016 for review and comment. No specific amendments to the Budget were formally recommended by the Committee.

Resolved that Full Council be recommended to approve:-

- (a) The General Fund Capital Programme Budget of £1,054,000 for 2016/2017, plus £900,000 in respect of the Growth and Infrastructure Capital Budget in 2016/2017; and
- (b) The Housing Revenue Account Capital Programme of £8,589,000 for 2016/2017.

10. **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 8.16 p.m.)

Usual Declarations of Interest by Councillors

Executive

- **Employee of the Department of Work and Pensions – Councillor Mrs Herbert.**
- **Councillor Beale declared personal interests as a Board Member and Director of Tone FM and as a Governor of the South West Ambulance NHS Trust.**
- **Councillor Edwards declared a personal interest as the Chairman of Governors of Queens College.**
- **District Council’s representative on the Somerset Pensions Committee – Councillor Richard Parrish.**

Taunton Deane Borough Council

Executive – 9 March 2016

HRA Business Plan Review

This matter is the responsibility of Executive Councillor Terry Beale

Report Author: James Barrah Director - Housing and Communities

1 Executive Summary

- 1.1 This report updates the Executive on the progress of the Housing Revenue Account (HRA) Business Plan Review.
- 1.2 It includes a discussion paper, outlining key points for discussion.

2 Recommendations

- 2.1 It is recommended that the Executive discuss and comment on the discussion points raised.

3 Background

- 3.1 The Business Plan contains the aims and objectives for the HRA and was first put in place in 2012. Annual reviews have since been reported to Members and tenants.
- 3.2 Since 2012 there have been a number of significant changes, both internal to the Council, and external. A comprehensive review is now needed to ensure that the HRA continues to meet the needs of tenants within the financial constraints.
- 3.3 The Business Plan Review includes:
 - Refreshing and reviewing the baseline financial position, including a health check of the stock investment data.
 - Undertaking sensitivity and stress testing of the business plan to support the modelling of future decision making in areas such as rent policy, major works programme, housing development pipeline and regeneration projects, changes in Government policy and demographic changes ahead.
 - Reviewing the Business Plan priorities and objectives.

- Updating the Business Plan document, financial modelling and debt profiling.
- The development of a new Asset Management Plan to set a refreshed course based on the performance of our existing stock.
- A Development Strategy that will provide the future direction for new build volumes set against the regeneration of our non-traditional stock.

3.4 Savills have been appointed to provide external support and challenge for this work.

3.5 The Business Plan Review will refresh the priorities of the HRA and financial position over a new 30 year period – from 2016/17 through to 2045/46.

4 Discussion Paper

4.1 A discussion paper written by Savills in conjunction with Officers, is included in Appendix A.

4.2 It contains details of the updated financial position, performance against the Business Plan priorities, and proposals for new objectives and an updated action plan.

4.3 It also includes key areas of discussion for Members. These discussions will further inform the direction of the Business Plan Review.

4.4 The key discussion points are summarised as follows:

- 1) What should be the core business of the housing service, and are the priorities in the draft action plan appropriate to deliver this?
- 2) What priority should be given to improving the customer experience of housing services, and which are the most effective and efficient actions to achieve this?
- 3) How should limited financial resources be prioritised to support sustainable investment in each of:-
 - Capital spend – investment in existing stock
 - New build programme
 - Revenue spend - including wider community priorities.
- 4) Should we consider products that are closer to the market such as Intermediate or Affordable rent in order to generate additional income?
- 5) What is the council's appetite for repaying or increasing its debt?

4.5 Also included as Appendix B are the presentation slides from the discussion sessions held with Community Scrutiny and the Tenant Services Management Board. These are included for information.

5 Consultation

5.1 The discussion paper has been to Community Scrutiny for discussion and comment.

Consultation has also been held with Tenant Services Management Board, Tenants Forum, and all staff members in the Housing and Communities Directorate.

5.2 A summary of the key points and responses received from each group can be found in Appendix C.

5.3 The conclusion of this consultation is as follows:-

- Our core business should be social rented housing for the most vulnerable in our communities
- The proposed new objectives are appropriate
- Much can be done to improve the customer experience of the housing service
- Subject to certain ongoing commitments regarding repairs and maintenance service standards, on balance it would be acceptable to prioritise new build over some maintenance spend.
- However, understandably tenant groups would not want the standards in our existing housing to fall, and it was felt that more could be done to make better use of the current repairs and maintenance spend in order to free up resource
- There is an appetite to look at housing products that are closer to the market in order to generate additional income on new build/regeneration schemes
- There is an acceptance and agreement that our current approach to debt repayment would have to be revised, based on treasury management advice, to achieve a viable business plan and protect services.

6 Next Steps

6.1 As Members will be aware, a large scale stock condition survey of Taunton Deane owned housing is underway. The results of this are expected to be received by early April, and will feed in to financial position.

6.2 Following this, regular sessions and briefings are being planned with Members and tenants:

Date	Meeting/Session	Details
April (TBC)	Member Briefing	Update of HRA Business Plan including an updated financial position based on the stock condition surveys currently underway. This session will also include an update and overview of the impact, where known, of the Welfare Reform and Work Bill and the Housing and Planning Bill

May (TBC)	Tenant Workshops	Sessions to be held across the Borough to encourage tenants to find out more about the Business Plan Review and to enable tenants' views to feed in to the review process
June (TBC)	Member Briefing	Presentation and discussion of draft Housing Business Plan
June (TBC)	Tenant Groups	Presentation and discussion of draft Housing Business Plan to the Tenant Services Management Board and Tenants Forum
7 July 2016	Executive	Report to the Executive to approve updated HRA Business Plan and recommend to Council
12 July 2016	Full Council	Report to Council to approve updated HRA Business Plan

7 Links to Corporate Aims / Priorities

7.1 The discussions highlighted within this report link to Corporate Aim 1: Quality and Sustainable Growth and Development, and Objective 7: Work with partners to improve the lives of our most vulnerable households.

List of Appendices (delete if not applicable)

Appendix A	HRA Business Plan review - Discussion Paper
Appendix B	HRA Business Plan review – Discussion session presentation – for information
Appendix C	Consultation Response Summary

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Housing Revenue Account Business Plan 2016 – 2046

Discussion paper for members – January 2016

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1. Executive Summary

The business plan is produced to set out the Council's overall aims and objectives for the housing service, as a landlord for nearly 6,000 homes. It analyses the current position of the service and the homes and sets out the actions planned to achieve the Council's objectives. When finalised it will reflect consultation carried out with tenants, members and wider stakeholders. It provides a framework for monitoring and evaluating progress in delivering the plan.

In developing a draft business plan for members to consider, officers will be guided by members' overarching financial priorities for the HRA and their vision for where the housing service sits in the context of the wider council and social housing provision more generally.

This discussion paper will help to explore these priorities and the Council's vision for its housing. It sets out the broad financial and contextual matters that will inform the new business plan, along with some discussion points that arise from those matters. Section 2, Strategic Context, sets out the issues that will influence the business plan, at a national, regional and local level. This includes how changes in national housing and welfare policy could impact on the Council's capacity and priorities for its housing service. It also includes an overview of the Council's housing stock, recent lettings, and factors that can influence future demand.

Section 3, Service Delivery, describes the way in which the service is currently provided and provides some comparative information on current service performance. It also comments on delivery of the priorities for action set out in the 2012 business plan.

Section 4, Resources, describes the baseline financial position for the Housing Revenue Account and the headline options for how that financial capacity can be managed.

Section 5, Draft Action Plan, presents a proposed action plan for the housing service for three years from 2016. Actions are grouped around performance of housing services, support for the most vulnerable, and investment in new and existing properties.

Section 6 summarises the four key points for discussion and decision. It is intended that the priorities articulated in relation to these discussion points will guide further work on the 2016-46 business plan.

2. Introduction

2.1. Introduction

The business plan is produced to set out the Council's overall aims and objectives for the housing service, as a landlord for nearly 6,000 homes. It analyses the current position of the service and the homes and sets out the actions planned to achieve the Council's objectives. It reflects consultation carried out with tenants, members and wider stakeholders. It provides a framework for monitoring and evaluating progress in delivering the plan.

In developing a draft business plan for members to consider, officers will be guided by members' overarching financial priorities for the HRA and their vision for where the housing service sits in the context of the wider council and social housing provision more generally.

This discussion paper will help to explore these priorities and vision. It sets out the broad financial and contextual matters that will inform the new business plan, along with some discussion points that arise from those matters.

2.2. Why does the Council need a new business plan?

A comprehensive business plan was put in place in 2012 and has been regularly reviewed since then. Three years on there have been many changes both internally within the Council and externally which mean that a more fundamental review is now needed to ensure that our landlord service continues to meet the needs of existing and future residents, remains financially viable, and delivers value for money.

2.3. How will the plan be put together?

Officers have developed a base line financial position which enables a series of options to be presented to members as to how future resources can be directed.

A series of consultation events will be planned with members, staff and residents to review the current service, to review performance against the action plan put in place in 2012, and to agree future objectives for the service and the Council's homes and other landlord assets.

2.4. What key decisions will inform how the plan is put together?

Key decisions which will inform how the plan is put together include those made around:

- Decisions around the focus of the core business of the housing service with a balance of protecting the most vulnerable, and developing services for a wider range of housing need
- Options for the development of customer focussed housing services and residents involvement
- The investment standard and asset management strategy
- Use of resources, and the balance between investment in services; investment in assets, both existing and new homes; and the repayment of debt

- The structure of the Council and joint working with West Somerset Council as well as other partnership working.

3. Strategic context

In this section we set out the issues that will influence the business plan, at a national, regional and local level. This includes how changes in national housing and welfare policy could impact on the Council's capacity and priorities for its housing service. It also includes an overview of the Council's housing stock, recent lettings, and factors that can influence future demand.

3.1. National context

3.1.1. National Housing Policy

A raft of new policies covering rent, asset management, tenure and welfare will be implemented over the next few years. Known policies such as Universal Credit and the Benefit Cap will continue to be rolled out, but with some changes to their operating parameters. Other changes announced since the May 2015 election, many of which are being introduced through the Welfare Reform and Work Bill and the Housing and Planning Bill, include

- Reductions in social housing rents
- Voluntary extension of Right to Buy to housing associations
- Levy on high value council homes, and a duty to consider sales of these homes
- Pay to Stay
- The 'National Living Wage'
- The replacement of 'lifetime' secure tenancies with 2-5 year fixed terms
- Reductions in the Benefit Cap
- Reclassification of housing associations as public non-financial corporations, and associated reductions in regulation introduced in pursuit of a reversal of this classification
- Restriction of housing benefit for council and housing association tenants to no more than Local Housing Allowance (LHA) levels
- Refocusing of government capital funding for housing onto properties for home ownership.

Some of these announcements will have major implications for the Homes and Communities Agency's (HCA)'s role in the regulation and funding of housing associations, as well as for the activities of housing associations themselves. Consequently they have implications for the Council in considering how it can best meet housing need in its area, working with partners in this changing environment.

It is difficult to model the cumulative impact of all these policies on the HRA business plan, but it is clear that the impact will be significant.

3.1.2. Social housing sector trends

It is becoming more difficult for housing associations to build new homes for social rent. Even before announcements about future grant funding there was the beginning of a drift towards mid-market housing products. The spending review November 2015 confirmed a very significant shift towards low cost home ownership (starter homes, shared ownership) with only very small elements of grant available to support new rented sub market housing.

Local authorities are establishing council-owned companies to develop homes with a range of tenures to contribute to local housing need and generate income to support Council objectives. Many housing associations already work in this way e.g. using market rent and open market sales, often structured through a subsidiary development company to generate funds that support delivery of their core business.

Social landlords are developing asset management strategies which include three key elements: **stock investment** to maintain homes to a standard to meet tenants needs and regulatory requirements; **active asset management** to improve or replace properties that have poor social, economic or environmental performance, because of low demand or high cost and either improving them or replacing them properties which meet improved standards; **supporting wider objectives** such as new development or supporting wider community activities.

Social landlords are reviewing service and investment standards in the light of rent cuts. Early indications are that landlords are keen to protect surpluses in order to continue to fund new development, and that many are seeking options for working at greater scale in partnership with others.

Social landlords are also considering who they will be able to house in future, given the restrictions on benefit entitlement and the consequent risks to lettings and income collection.

3.2. Local context

The profile and behaviours of the local population and economy create patterns of housing need and aspiration within which the council's housing service operates. Consideration of current council housing stock and tenants, lettings patterns and wider housing market trends indicates where it would be beneficial for the housing service to respond proactively, for example in terms of approaches to new supply, allocations and provision of housing-related support. Responses to these pressures would sit alongside a housing service contribution to existing Council priorities around **supporting social wellbeing of residents, enabling growth**, and driving further efficiency through JMASS.

3.2.1. Description of housing stock

Taunton Deane Borough Council's housing stock comprises 5790 rented homes, with a further 377 leasehold properties. The Council also manages two private leasehold schemes for the elderly. The housing service also owns and manages 1436 garages and other non-housing assets. The assets are managed by a joint asset management team, which is also responsible for managing the non-housing property assets of Taunton Deane and West Somerset Councils.

The housing stock is a broadly equal mix of 1, 2, and 3 bed homes. 17% is designated sheltered and 23% is of non-traditional construction. It will be important to consider what pressures arise from this picture, and whether it will cater appropriately for future need.

The Council could see the number of homes in their ownership steadily reducing because of the Right to Buy and High Value Sales policy. A clear ambition and strategy for development to replace homes sold is the only way to offset this if the council wants to maintain its housing provision.

3.2.2. Tenant profile

23% of current tenants are over 65, with a further 11% aged 55-64. Between one quarter and one third of lettings have been to people over 65 in the last five years. 46% of tenancies have been running for less than 5 years. There is a high incidence of self-reported disabilities, which is usual in social housing. This profile gives an indication of where cost pressures could fall on the HRA and what services may be needed. It will be important to align HRA funds and activities appropriately.

3.2.3. Trends in recent lettings

Some early observations of patterns in lettings indicate a possible need for better projection of the profile of demand for social housing over the longer term and exploration of demand for other tenures. It appears that the number of applicants for social housing in the district has reduced with changes in the criteria, and the proportion in the bronze category (i.e. lower need) being homed is rising. This is something that would need further investigation. In addition, fewer older people are applying for social housing than the population profile might suggest. These facts are too headline for conclusions to be drawn. The trend has emerged since introduction of the policy requiring people on the housing register to renew their application every 12 months, along with the need for a connection to the local area being required for lettings from outside the county. It is not presently clear whether social or administrative factors are at the root. Further analysis will be undertaken to understand these patterns and their significance and to ensure that any responses, if required, are appropriate.

3.2.4. Future demand for housing

Taunton Deane's Strategic Housing Market Assessment (SHMA) will be updated in April/May 2016. The new SHMA may give a more detailed picture of future demand for social housing. Headline figures show an ageing population, home ownership affordability at 7.3 x income, and lower quartile market rents at above Local Housing Allowance rates. Local incomes are above national average, and demand for homes may increase as Hinkley Point C comes on stream. Suitability and perhaps desirability will be relevant for housing provision alongside affordability.

3.3. Observations

Given changes in national policy and social landlord behaviours, and the profile of tenants/stock, trends in lettings and indicators of possible future demand, the council will need to be clear where it wants to position its housing provision – in terms of intended occupant profile, tenure and price points.

External drivers suggest that the council could position itself as the backstop provider of housing and associated services for the most vulnerable, as these groups come under increasing pressure and other service providers begin to move away from them?

If the Council were minded to do so, it could grow 'commercial' streams, for example providing services on a commissioned basis or pursuing housing activities that are closer to the market (such as development and management of market rent or shared ownership housing). These streams could allow the council to cater for a wider range of housing needs and generate some additional resources for reinvestment in housing services. While Council's have the powers to engage in these types of activity, there may also be benefits from working in the partnerships with others, both in terms of the sharing or risk and reward.

4. Delivery of Business Plan priorities 2012-15

4.1. Business plan priorities 2012

The priority objectives in the existing HRA business plan are:

1. Securing a long term future for our housing service.
2. Tackling deprivation and sustainable community development
3. Investing in our housing stock, regeneration and affordable housing
4. Climate change.

There have been some big external changes since the business plan was prepared. Financial pressures have affected expenditure choices. While the level of 2042 projected reserves under the 2012 plan provides a buffer to manage emerging resource demands, maintaining a sustainable reserves balance under the 2016 plan means making choices about the amount and balance of expenditure on revenue services, investment in existing or new homes, and repayment of debt. As capacity to set future priorities will be more constrained by finances, considering performance against recent business plan priorities can help to understand and order what might come next.

Delivery of the business plan priorities has been reviewed. Although non-financial priorities have not been given the same reporting visibility as financial ones, good progress is evident on some key projects. Highlights from delivery of the 2012 priorities include:

- Continued operation of the Tenant Services Management Board, which strengthens accountability to tenants and empowers them to inform how the housing service is delivered
- Creation of the One Team approach which aligns delivery of the housing service with other local services and objectives in some of the borough's most deprived areas. Reductions in crime and improved access to health services have been flagged as early successes in the One Team areas and formal evidence of impact has now been commissioned
- Commencement of a council development programme, that will provide 80 new homes that are either already completed, or that will be handed over imminently, and a strong pipeline of future development.

The Housing Service has re-aligned its structure to be able to better commit to the One Team model of collaboration with partners in areas of high demand, primarily in Halcon, North Taunton and parts of Wellington. This model of working has not been fully evaluated yet but is undergoing this through the work of Bath Spa University. However there is mounting evidence that this approach is benefiting tenants; Halcon in particular has seen a considerable reduction in crime, anti-social behaviour, domestic abuse and evictions whilst also seeing stronger engagement from the community in attendance at the Childrens Centre and organised activities and volunteering.

The One Team model has been cited as best practice by a number of organisations including Somerset County Council's 'Early Help Board' and the Somerset Safety Partnership, and is being replicated across the region. The Housing Service is committed to further developing this model of working including widening the scope of the model to work with new partners such as Health organisations to further improve benefits to tenants.

4.2. Housing services performance

There are solid areas of good performance over the last three years – income collection, ASB resolution and the response to Welfare Reform in particular. There are some areas where performance is persistently below internal targets and may benefit from an improvement focus, for example emergency repairs and void relet times. Whilst overall performance of Re-let times has improved substantially since 2012, the performance does still fluctuate and has often been below target. However it should be noted that this is a stretch target (top quartile performance) where the council is consistently upper quartile or median when compared to its peers. This shows that a performance culture can be embedded and deliver results but needs to be maintained.

This year has seen performance slipping in rent arrears and non-urgent repairs. There is an opportunity with the business plan review to review performance drivers within the service and consider whether the impetus and delivery of performance management can improve the focus on customer focussed services.

4.3. Customer satisfaction

Tenant satisfaction has fallen from 2011-15 and, while this is a trend that is evident nationally, this is a source of disappointment for the Council. Areas of dissatisfaction relate largely to repairs and communications, which echoes the performance data. Leaseholders' overall satisfaction has increased, however, following a business plan priority to address this issue.

4.4. Tenant involvement

The Tenant Services Management Board (TSMB) has been established as a forum for regular scrutiny of performance and consultation on proposals. Increasingly officers have had to take complex and challenging issues to TSMB, which may be affecting volunteer tenants' experience of the board as well as placing undue demands on their capacity. The TSMB plays a valuable role by undertaking detailed scrutiny of performance, not least because this adds an alternative perspective to officers' own performance monitoring and review. In coming months it may be beneficial to involve the TSMB more in problem solving which could help to make a more positive experience for members of the board and promote their wider understanding of how the service operates.

4.5. Moving towards 2016 Business Plan priorities

In line with the current Business Plan objectives, attention has recently been focused on:

- Care and support service delivery reviews
- Review and action for non-traditional properties
- Welfare reform management
- Data management
- Compliance with legal and regulatory requirements.

Consideration of local and national context, alongside a review of performance against the current Business Plan, shows the following areas emerging as priorities for action:

- Supply of new homes to replace stock lost through Right to Buy and High Value Sales, to sustain the number of homes available for social rent
- Strengthening the culture and practice of customer focus to improve customer experience and satisfaction
- Consciously becoming the local backstop provider of housing for the most vulnerable, and growing provision of wider services to these groups
- Refining engagement with tenants and residents to increase input of local knowledge and priorities to inform services
- Increasing the efficiency and effectiveness of work processes and practices to maximise impact of increasingly squeezed resources
- Maximising benefits for the Council and resident from current multi agency working through “One Team” approach.

In light of the changed environment for the new Business Plan we are suggesting three new strategic objectives of:

- High performing customer focused housing services
- Supporting the most vulnerable
- Investment in existing and new properties

These objectives have been used to populate a new draft action plan, included in section 5.

5. Resources

5.1. Introduction

This section describes the baseline financial position for the Housing Revenue Account and the headline options for how that financial capacity can be managed.

Taunton has operated self-financing for its housing service since 2012. This was a major change from the previous redistributive national housing subsidy system. The move to self-financing saw Taunton begin to manage its own capital and revenue costs, take on £87.2m additional debt and gain borrowing headroom of £16m. Priorities set by the Council were to repay debt by 2030, build and then maintain reserves, borrow to invest in new stock and use revenue to fund investment in existing stock.

Since the 2012 business plan was established there has been some downward pressure on reserves which was predominantly due to a change in national rent policy but this has not required a major rethink of financial priorities. The national policy context is about to change significantly, however, and these changes will place pressure on revenue and capital aspects of the business plan as well as on overall stock numbers in management. Pressure on the General Fund means that it is more important than ever to ensure that ringfenced HRA resources are used efficiently and effectively, with appropriate focus on the landlord's role in contributing to wider community sustainability outcomes.

Members will need to refresh the strategies relating to debt, reserves, investment and revenue expenditure in light of these changes with a view to ensuring they are aligned to best support achievement of overall priorities and long-term sustainability.

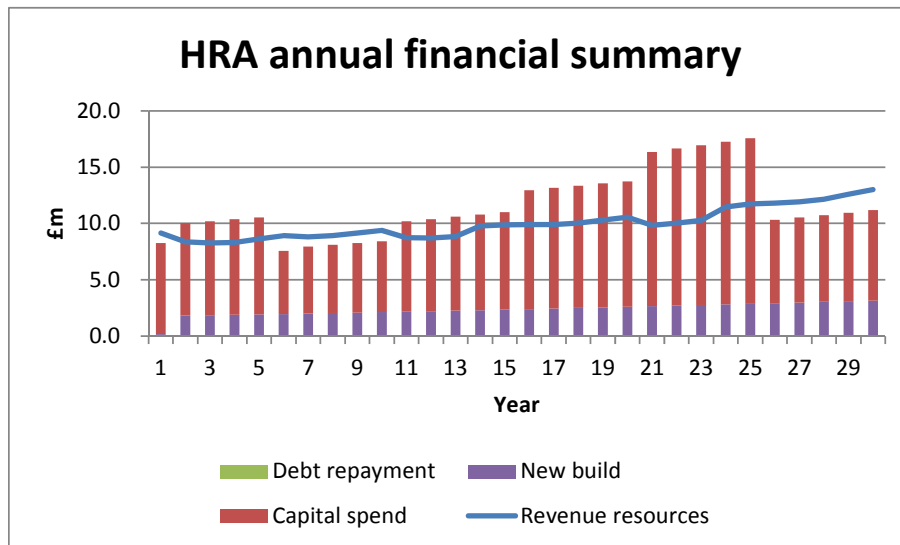
5.2. Baseline financial position for Taunton Deane

Financial modelling is used to illustrate the level of resources that could be available and costs that are affordable to the Council. It provides options for the Council to consider in balancing priorities between investment in homes and services, and repayment of debt and management of reserves. New national policies put pressures on council income and assets that were not present in the previous plan, and so the figures and strategic approach modelled is different from the approach taken in the 2012 business plan.

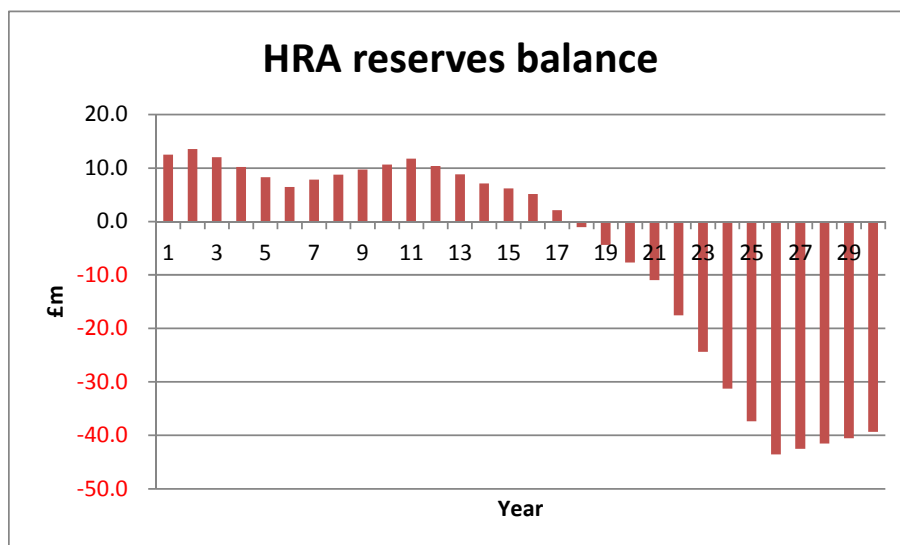
The baseline financial position assumes delivery of a capital programme for investment in existing stock, based on current estimates of investment need, continued funding of services at current levels, and a programme of new build development providing 20 new homes a year, to balance the stock lost from Right to Buy sales.

If debt were to be repaid as planned, the business plan would not be able to support the delivery of the desired capital programme and new build programme. The business plan would become unviable from year 5. Therefore the working assumption used is that debt remains static at its opening level (£105.9m) which means that the Council refinances each time debt is repayable. Existing planned increases in 2017/18 for the current new build programme (increasing debt to £109.4m) are still included. This maintains debt well below the overall HRA borrowing limit set by government of £115.8m preserving borrowing "headroom" of £6.4m throughout the life of the business plan.

This produces a baseline financial position as illustrated below:



- **HRA annual financial summary** – shows the annual level of projected revenue resources generated from the housing (blue line) compared to the projected expenditure on the capital programme, new build development and debt repayment.



- **HRA reserves balance** – shows the running balance of HRA reserves at the start of each year, with changes due to the annual surpluses or deficits as shown in the HRA annual financial summary.

This shows that even with this adjustment to refinance debt at current levels, the differences between revenue generated and capital spend cannot be accommodated by use of reserves beyond year 15 of the business plan. Including current expectations for revenue expenditure on services and capital expenditure on existing and new homes would exhaust reserves and lead to an unsustainable position beyond year 15.

However a viable financial plan can be created and choices need to be made to achieve this.

Options to achieve viability include reducing:

- Capital spend
- Revenue costs
- New build programme

We will also need to decide on the level and timing of debt repayment we wish to make, and which is affordable alongside other priorities and based on treasury management advice.

5.3. Capital spend

The plan includes estimates for expenditure based on a desk top review by Savills of the data in the current asset management database, alongside additional allowance based on information provided by the Council. This provides for investment in existing homes to maintain current standards, along side environmental improvements, sustainable energy interventions and disabled aids and adaptations based on current budgets. This provides for a high level of capital expenditure, which averages £38,000 per property, excluding inflation.

A new stock condition survey is underway and this will provide robust data which the Council can use to review the investment standard moving away from standard allowances and contingencies to a programme of more targeted investment. An evaluation of the performance of all assets will also be undertaken. The modelling is intended to inform an investment strategy based on an active asset management approach where the Council seeks to make investment decisions based on the financial performance of the stock, alongside a measure of social return reflecting factors important to residents, in a way that strengthens the Business Plan and contributes to meeting the Council's social housing objectives.

As an example, a 15% reduction in the total capital programme, would save £41.6m, an average of £1.4m pa. This would produce a financial position which is just about financially viable, with only a small deficit in reserves shown in years 26 & 27.

5.4. Revenue costs

Revenue costs include management costs, revenue repairs, voids and interest payable on borrowing.

Another option would be to explore the scope for reductions in revenue costs, for example to match the reductions in rental income from the government's July 2015 budget. While reductions in revenue costs would increase resources to spend on capital priorities, this would need to be balanced by consideration of the impact on current service priorities.

Total revenue costs are forecast to be some £12m in year 1, broadly rising in line with inflation. A 10% reduction in revenue costs from year 1 would reduce 30 year costs by £45.3m, an average of £1.5m pa.

This presents a position which again is just about financially viable, with only a small deficit in reserves shown in year 26.

5.5. New build programme

The baseline business plan includes an assumption for 20 new homes a year. This enables the council's stock to remain relatively static, despite an expectation of continued stock loss from Right to Buy (RTB). A reduction in new build, for example from year 10 of the plan, would provide for an improved cash position and reduce the need for cuts in capital investment in existing stock, or in services, but would mean that at that point the Council is in a position of managed decline in terms of stock numbers.

5.6. Conclusions for producing a balanced position

The reality is that in order to deliver a position where the reserves balance is in surplus in all years of the plan is likely to require some reductions in each of these areas if the Council is to balance its priorities. Reducing only one area (by a manageable amount) just about achieves viability but leaves the plan very vulnerable to future income shocks or negative variations against forecast expenditure.

The council will now need to determine where reductions in planned expenditure should be made to enable creation of a viable business plan. To make this decision, clarity will be needed on how to balance priorities for expenditure on revenue services, existing stock, new stock and debt.

5.7. Sensitivities

Future financial performance of the HRA is subject to a number of risks and uncertainties, including:

- Government policy and control – as shown by the recent rent cuts, restrictions on benefit eligibility and proposals for high value council housing sales.
- High value sales – the policy is uncertain, and though some compensation is likely it is hard to predict the level and impact. Similarly there are RTB uncertainties. Both of these initiatives contain risks for the HRA through loss of rented homes, but also opportunities through use of resources released.

- Inflation – a general level of inflation of 2.0% pa has been assumed in line with Government policy. This has been applied to costs and rents (except for short term rents where the Council is required to reduce them by 1% per year for the next four years). This presents challenges to the Council to contain costs within these parameters.
- Interest rates – due to its short term borrowing arrangements, the Council is exposed to interest rate risk at the point of refinancing.

The council will need to determine how cautious it wishes to be in anticipation of sensitivities that may materialise, in particular the high value properties levy and future rent setting beyond 2020.

6. Draft Action Plan

The following table sets out suggested operational and strategic priorities for the housing service from 2016 onwards. It includes relevant actions remaining from the 2012 plan as well as newly emerging priorities identified in the initial stages of the Business Plan review. It will be further informed by consideration of the key discussion points in this document.

Priorities are grouped under three headings that cover: revenue-funded activities, capital-funded activities and support for the most vulnerable groups. Specific objectives to describe these groupings will be developed shortly.

Objective one: High performing customer focused housing services

Priority	Activity/Resources required	By when	Lead Officer	Measure of success
1.1 Strengthen tenant participation and empowerment	<ul style="list-style-type: none"> ▪ Support Tenant Services Management Board to identify service improvement areas and to inform service areas being reviewed or reformed ▪ Develop involvement in One Team areas from informative to consultative, with a focus on cross-tenure working ▪ Review how stakeholders hold the housing service to account 			<ul style="list-style-type: none"> ▪ Tenant satisfaction with service and involvement stabilises ▪ Increased knowledge of tenant and resident opinions/preferences available and used to inform service provision
1.2 Sustain quality of services to leaseholders	<ul style="list-style-type: none"> ▪ Set staff performance targets and undertake satisfaction checks to ensure recent performance improvements are maintained 			<ul style="list-style-type: none"> ▪ Leaseholder satisfaction remains at or above 2015 levels
1.3 Maximise capacity of revenue services	<ul style="list-style-type: none"> ▪ Ensure staffing skills and structures maximise ability to collect income as changes to rents and benefits are rolled out ▪ Maximise leverage of housing resources, and secure additional funds, to support delivery of local public policy goals for Council tenants 	2017		<ul style="list-style-type: none"> ▪ Income collection holds steady or increases as external policy reforms are implemented ▪ Income collection performance moves to 1st quartile ▪ Increased contribution to public policy goals without increasing demands on rental income

Priority	Activity/Resources required	By when	Lead Officer	Measure of success
1.4 Improve procedures and provision/use of IT	<ul style="list-style-type: none"> ▪ Revise procedures and process maps for Property Services to improve work planning and create consistency of approach ▪ Integrate the DLO into Property Services ▪ Embed and monitor processes for generating and managing compliance data ▪ Ensure software is available and used to support work processes in Property Services ▪ Review software used in Housing Services to ensure effective interfaces and support for customer self-help and mobile working 			<ul style="list-style-type: none"> ▪ Staff work more efficiently and effectively to provide quality services ▪ Compliance with statutory/regulatory requirements achieved and transparently reported
1.5 Reduce costs of staff accommodation and improve level of service provided	<ul style="list-style-type: none"> ▪ Review where and how staff work, to maximise capacity for mobile working and home working 			<ul style="list-style-type: none"> ▪ Cost of accommodating staff reduced ▪ Outputs from staff activity increased ▪ Increased customer satisfaction with staff contact and responsiveness
1.6 Improve performance management practices	<ul style="list-style-type: none"> ▪ Review approaches to performance management across Housing and Property Services ▪ Establish consistency in staff understanding of priorities and expectations ▪ Establish directorate-wide culture of proactive performance management, supported by appropriate tools 			<ul style="list-style-type: none"> ▪ Performance improved across priority areas ▪ Tenant satisfaction increased

Objective two: Supporting the most vulnerable

Priority	Activity/Resources required	By when	Lead Officer	Measure of success
2.1 Deliver quality housing-related support services	<ul style="list-style-type: none"> ▪ Implement the supported housing review of service and support charges ▪ Explore opportunities to fund and provide housing-related health and social care services that align with local priorities ▪ Develop modern sheltered housing standard that covers properties and services to ensure future schemes remain attractive to residents 			<ul style="list-style-type: none"> ▪ Tenant satisfaction at least sustained ▪ Voids reduced and demand for sheltered housing sustained ▪ Moves to residential care reduced ▪ Deliver targeted housing support to those that need it within a financial viable service plan. ▪ Expansion of services that cater for tenants' health and social care needs
2.2 Offer tenancies that cater for the most excluded whilst operating within the statutory framework	<ul style="list-style-type: none"> ▪ Implement policy for use of Introductory Tenancies ▪ Develop procedures to issue and review Flexible Tenancies ▪ Scope and explore provision of housing services to cater for single people under 35 years old 			<ul style="list-style-type: none"> ▪ Comply with new legal requirements for granting tenancies ▪ Accommodation continues to be provided to benefit dependent U35s beyond 2016-18
2.3 Make best use of properties and funds to support people who need adapted homes	<ul style="list-style-type: none"> ▪ Improve the lettings process for adapted properties – develop a register of adapted property ▪ Improve understanding of trends in DFG expenditure, with a focus on need and customer identification 			<ul style="list-style-type: none"> ▪ Appropriate tenant profile and reduced voids for adapted properties ▪ Budget for DFG expenditure matches need and affordability ▪ Explore widest range of options for tenants who need physical adaptations including options for alternative more suitable accommodation.

Priority	Activity/Resources required	By when	Lead Officer	Measure of success
2.4 Deepen understanding of local housing need	<ul style="list-style-type: none"> Review and enhance knowledge of local housing need and how different types of household could be catered for 			<ul style="list-style-type: none"> Service and development planning is informed makes reference to local knowledge

Objective three: Investment in existing and new properties

Priority	Activity/Resources required	By when	Lead Officer	Measure of success
3.1 Improve availability and use of information on housing stock	<ul style="list-style-type: none"> Develop processes for maintaining up to date data with information from the 2016 stock condition survey as a baseline Undertake review of sheltered housing stock quality, performance and viability Review policy and procedures for health and safety compliance. 			<ul style="list-style-type: none"> Data on stock components and ownership accurate on a 'live' basis Performance of sheltered stock understood and used to inform management/investment Health and Safety compliance supported by full and robust data
3.2 Manage housing stock investment and ownership to make efficient use of HRA resources	<ul style="list-style-type: none"> Establish and deliver new investment strategy (capital and revenue) Develop strategy for compliance with the national High Value Sales policy Evaluate the financial and social performance of the existing stock and use this information to inform an active asset management strategy Monitor impact on lettings and satisfaction as well as financial performance 			<ul style="list-style-type: none"> Negative impact of High Value Sales policy is minimised Value for money of investment decisions is demonstrated based on financial and social return Investment expenditure is reduced without downward pressure on lettings and satisfaction performance

Priority	Activity/Resources required	By when	Lead Officer	Measure of success
3.3 Develop a regeneration strategy to part redevelop/part refurbish the Council's Woolaway homes.	<ul style="list-style-type: none"> ▪ Understand the investment needs of the stock and the regeneration opportunities and constraints ▪ Use this information to develop a refurbishment plan where value for money can be demonstrated and a redevelopment plan where this can demonstrate improved outcomes. 			<ul style="list-style-type: none"> ▪ Woolaway properties that remain are invested in to provide a long term life. ▪ Redevelopment provides additional homes for existing and new residents.
3.4 Improve energy efficiency of the worst performing stock	<ul style="list-style-type: none"> ▪ Target capital investment where the impact on SAP/fuel poverty and asset performance will be greatest ▪ Introduce an energy supplier switching service for tenants ▪ Review return on investment from recent Sustainable Energy Contingency Fund expenditure ▪ Identify clear targeted plans for future expenditure – moving away from a contingency provision. 			<ul style="list-style-type: none"> ▪ Reduction in fuel poverty ▪ Reduced fuel costs for tenants ▪ Increase in financial/social performance of stock
3.5 Deliver a Value for Money repair and maintenance service	<ul style="list-style-type: none"> ▪ Review repairs service performance and develop an improvement plan ▪ Implement improvement plan, with associated focus on customer service 			<ul style="list-style-type: none"> ▪ Tenant satisfaction with repairs services increases ▪ Performance against internal KPIs routinely achieved ▪ Performance moves to 1st or 2nd quartile

Priority	Activity/Resources required	By when	Lead Officer	Measure of success
3.6 Establish a development strategy that aims to sustain social housing rented stock in Taunton Deane to meet identified demand and explore need for additional mixed tenure development	<ul style="list-style-type: none"> ▪ Establish and implement development strategy ▪ Explore joint working and risk sharing on development with housing associations or other partners ▪ Develop a strategy to maximise retention and reinvestment of receipts from High Value Sales in new housing and Right to Buy receipts 			<ul style="list-style-type: none"> ▪ Number of homes in Council ownership meets identified demand

Discussion of this paper, in particular of the four key points in Section 6 below, will help to establish whether the priorities and activities suggested in the draft action plan are an appropriate response to Taunton Deane Borough Council's operating context, operational and performance issues, and strategic ambitions.

7. Summary of points for discussion and decision

7.1. Development of final plan

The business plan will be signed off in June 2016. There are several opportunities to discuss and refine proposals for financial and operational priorities between January and May 2016. Development of the plan will be based on work undertaken by officers, supported by Savills, which started in September 2015. Key dates are:

- Jan/Feb 2016 - Agreement of baseline financial position to inform 2016/17 budgets and inform members review of priorities
- April/May 2016 - Updated business plan, and development strategy
- June 2016 – updated asset management strategy and investment programme
- September 2016 - Sheltered housing review

The discussions are taking place at a time when the HRA faces substantial financial pressure, and when the profile of housing need and provision in the borough appears to be shifting. Discussions will help to develop a plan that is financially viable over 30 years, caters appropriately for local housing need, and provides an appropriate level of service for existing tenants. It will set the strategic direction for the Council's housing service as well as its immediate operational priorities.

Five key discussion points are presented below to aid consideration of this paper.

7.2. Discussion points

- 1) What should be the core business of the housing service, and are the priorities in the draft action plan appropriate to deliver this?
(Paragraphs 3.3 and 4.5)
- 2) What priority should be given to improving the customer experience of housing services, and which are the most effective and efficient actions to achieve this?
- 3) How should limited financial resources be prioritised to support sustainable investment in each of: (Section 5)
 - Capital spend – investment in existing stock
 - New build programme
 - Revenue spend - including wider community priorities
- 4) Should we consider products that are closer to the market such as Intermediate or Affordable rent in order to generate additional income?
- 5) What is the council's appetite for repaying or increasing its debt?








Taunton Deane HRA Business Plan 2016-46

Discussion sessions winter 2016

Cathy Osborn & Abigail Davies

Session overview

-  HRA Business Plan purpose and review process
-  Strategic context
-  Housing services performance
-  Financial resources
-  Final queries and next steps

Purpose of HRA business plan & review

- **Presents the Council's aims and objectives for the housing service**
 - Analyses current position of service and homes
 - Sets out actions planned to achieve the Council's objectives
 - Provides framework for monitoring & evaluating progress
- A new plan is needed to:
 - Take account of substantial changes since 2012
 - Ensure that the housing service
 - Meets needs
 - Is financially viable
 - Delivers value for money
- Review process includes
 - Financial appraisal and modelling
 - Consider performance against 2012 objectives
 - Assess national, local, council operating context
 - Identify pressures, opportunities, preferences, aspirations etc
 - Discuss appetite for different priorities and approaches
 - Refine and agree





Strategic context

Changes outside the council : policy

- National priority is home ownership and new supply
- Significant legislative change for council housing
 - Rent cuts
 - Levy on high value properties
 - Pay to Stay
 - New definition of secure tenancy



Scale of change is significant and will impact on the housing service

Changes outside the council : practice

- Social landlord behaviours are changing
- Social housing sector trends
 - New approaches to asset management
 - Re-consideration of who homes are let to
 - Re-consideration of range and level of services provided
 - Difficulty funding new social / affordable rented homes
 - Diversification of business activity



Trends could change local provision and demand for the Council's housing service

Trends illustrate possible new ways of working

The position in Taunton

- Council priorities:
 - Support social wellbeing
 - Enable growth
 - Drive further efficiency (via JMASS)
- Council housing:
 - Ageing tenant population
 - Emerging lettings trends require further study
 - Loss of homes due to RTB and high value sales
- Market housing
 - Prices high in relation to incomes
 - Demand for homes may increase due to economic growth
 - Incomes are higher than regional average



The position creates pressures but also opportunities

Proposed action plan (highlights) #1

High performing customer focused housing services

- Improve processes & performance management
- Maximise ability to get money in (rent plus other funding)
- Continue & improve meaningful tenant/resident involvement
- Improve efficiency & effectiveness of service provided by staff
- Build on One Team approach

Success is:

- Income up, costs down
- Performance up
- Social impact up
- Satisfaction up



Proposed action plan (highlights) #2

Supporting the most vulnerable

- Quality support services
- Tenancies for the most excluded – delivered in new framework
- Strengthen approach to adapted/adapting properties
- Improve knowledge of how to cater for different need groups

Success is:

- Better use of sheltered/adapted homes
- Services expanded and better targeted
- (At least) sustain satisfaction



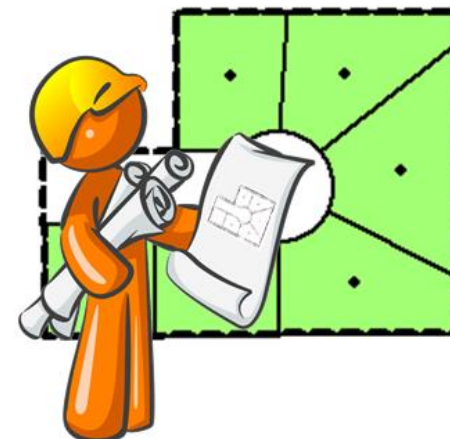
Proposed action plan (highlights) #3

Investment in existing and new properties

- Better information on existing stock
- Improve use of resources – both capital and revenue
- Improve energy efficiency – and targeting of interventions
- Regeneration and development strategies - sustain social housing, explore delivery options

Success is:

- Value for money delivered
- Local resources protected & matched to need
- New homes delivered
- Fuel poverty reduced



Key question #1

What should be the core business of the housing service, and are the priorities in the draft action plan appropriate to deliver this?



Performance of the housing service

Performance overview #1

- Highlights from delivery of 2012 priorities:
 - One Team
 - Tenant Services Management Board
 - New development
- Leaseholder satisfaction
 - Much improved since 2011
- Tenant satisfaction
 - Down since 2011
 - Key issues are repairs and communication



Performance overview #2

Housing service performance

- Very positive in comparison to peers
- Strong on income collection, ASB, welfare reform response
- Strong progress towards challenging internal targets on void re-lets
- Emergency repairs still below internal targets
- Recent pressure on rent arrears and non-urgent repairs



Performance information is reflected in customer feedback

Good performance matters even more as policies increase financial pressures



Key question #2

What priority should be given to improving the customer experience of housing services, and which are the most effective and efficient actions to achieve this?



Financial resources

What's changed?

- 2012 HRA self-financing gave the Council more control over its HRA – both income and costs
 - But it took on responsibility for managing £85m debt
 - Council agreed priorities were repay debt, build reserves, invest in existing stock and borrow for new stock

- Changes since then, in particular the 2015 summer budget have been significant
 - Government imposed rent cut reduces resources
 - Right to Buy encouraged – reduces resources
 - Levy on high value sales

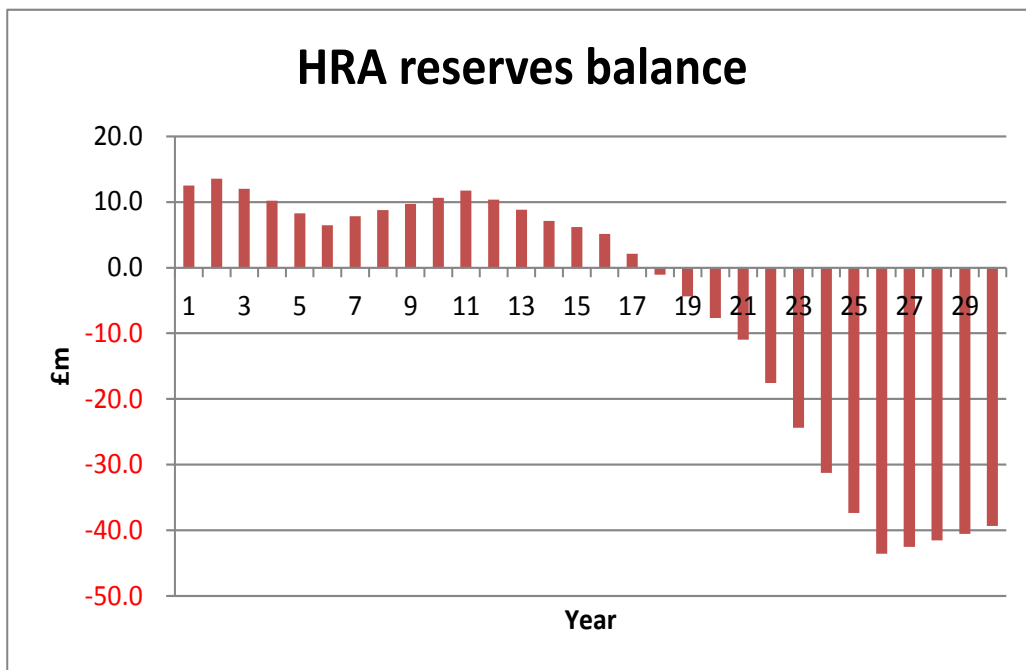
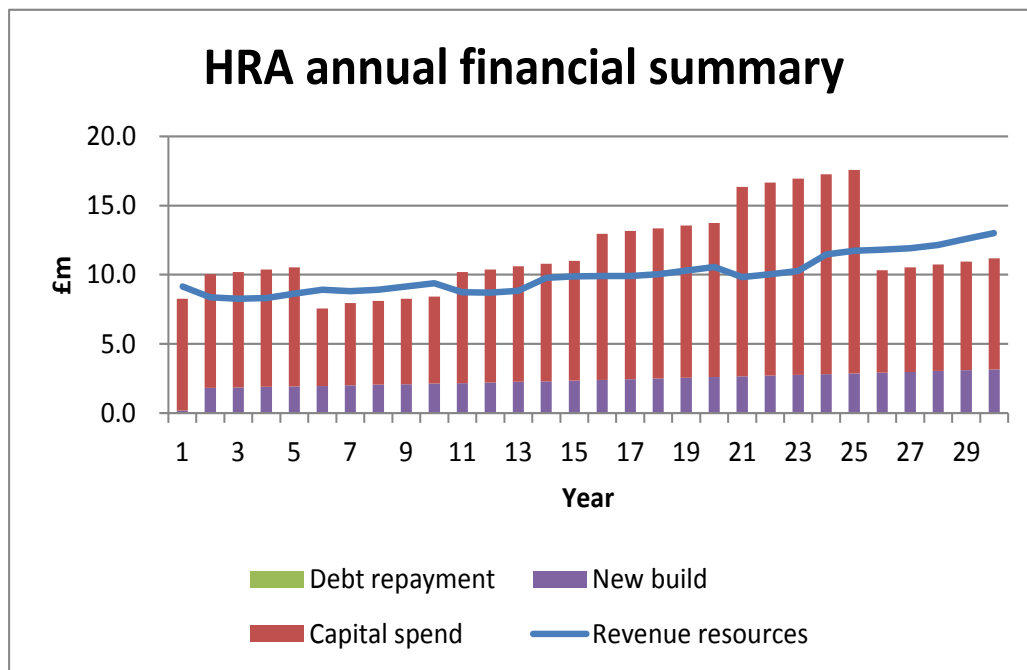


Baseline financial position – assumptions

- Rents – 1% reduction for 4 years
- Revenue costs – some reduction due to loss of stock
- Capital programme
 - Based on estimate of current need
 - Including allowances for additional investment
- Debt
 - With reduced resources, the business plan can no longer support debt repayment as well as capital investment and new build
 - As a result, the baseline modelling assumes debt is held at the current level



Baseline financial position



Year by year, resources are close to expenditure until year 15

On a cumulative basis, there are sufficient reserves until year 18

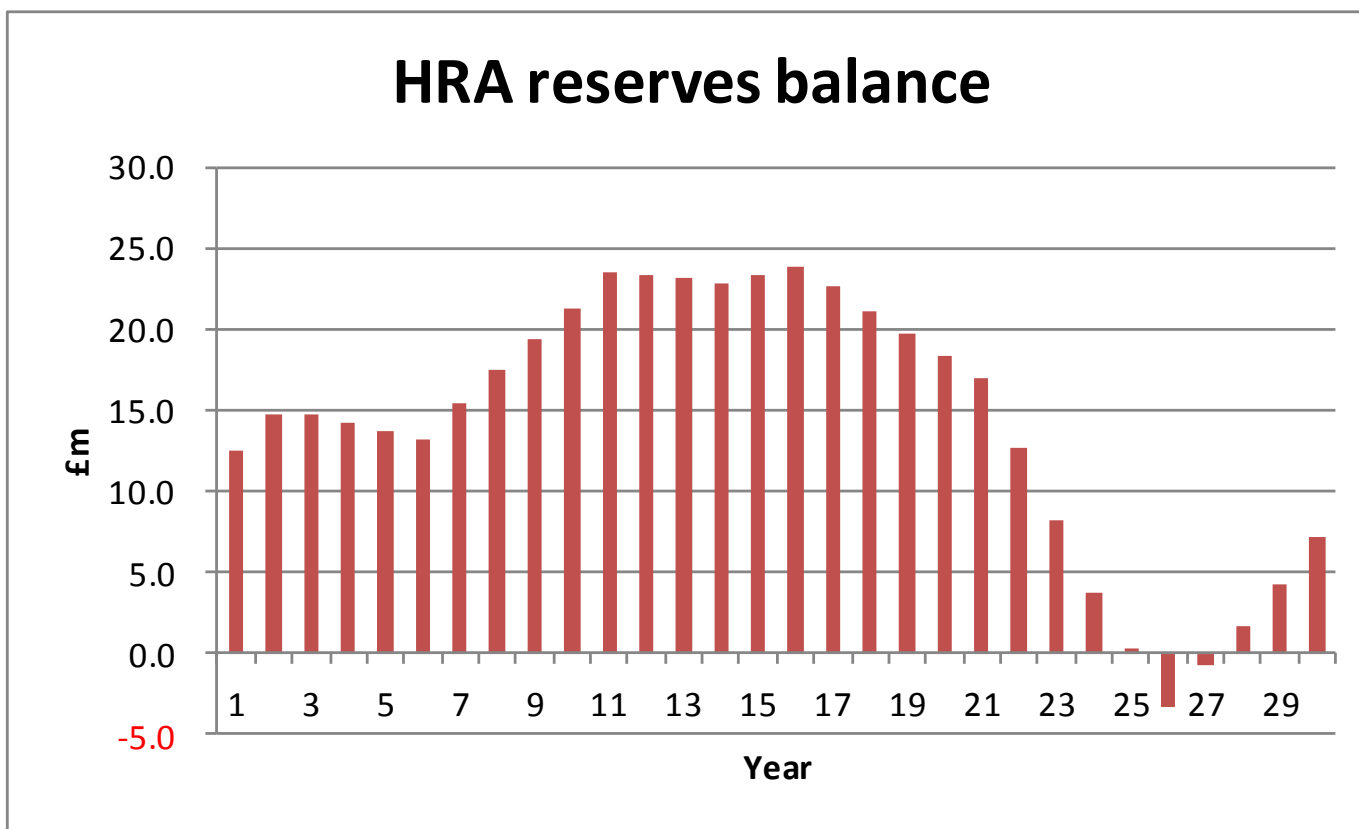
“Reserves” is money held and available for use – though it is good practice to maintain a minimum balance

Capital programme – current assumptions

	Year 1-5	Y 6-10	Y 11-15	Y 16-20	Y 21-25	Y 26-30	Total
Reprofiled database							
Per property £	6,337	4,198	6,180	8,527	10,358	5,198	40,797
Average number of properties	5,680	5,537	5,387	5,175	4,962	4,812	5,259
Total database £m	36.0	23.2	33.3	44.1	51.4	25.0	213.1
Additional allowances £m	5.7	6.4	7.2	8.1	16.6	9.4	53.5
New build £m		0.3	1.1	2.0	3.0	4.1	10.5
	41.7	30.0	41.7	54.2	70.9	38.5	277.0

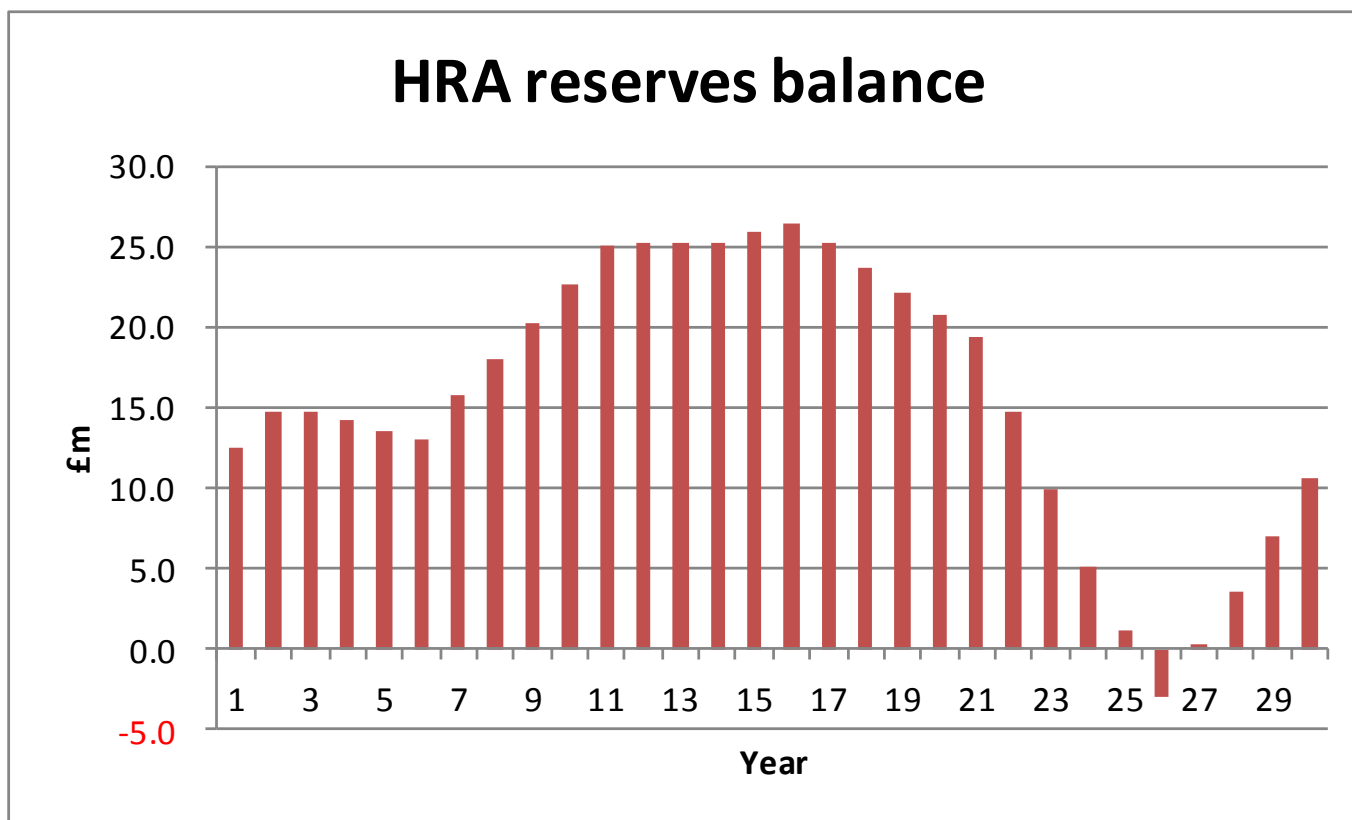
- **Database** – a desktop re-profiling of the database information (pending the results of a new survey), applied to the existing stock as reduced through RTB.
- **Additional allowances** – additional allowances for expenditure items not held in the database.
- **New build** – an estimate of the capital works required for new properties delivered during this 30 year period.

Reduced capital programme



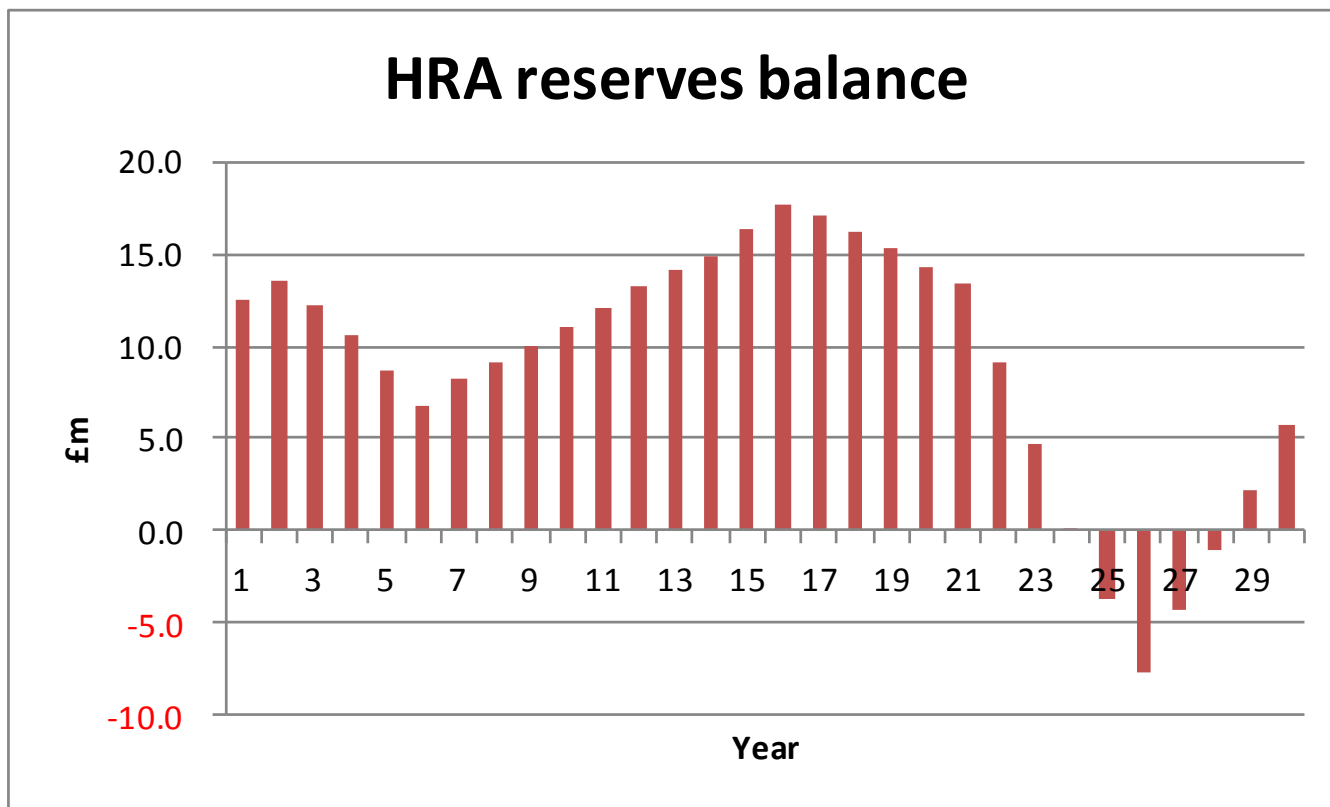
- A 15% reduction in baseline capital (£41.6m) creates a position which is just about viable
- This equates to £1.4m pa or £250 per property pa

Reduced revenue costs



- A 10% reduction in baseline revenue costs (£45.3m) creates a position which is just about viable
- This equates to £1.5m pa or £270 per property pa
- By comparison, the rent reduction reduces revenue by some £200m over 30 years

Reduced new build programme



- The baseline assumption is 20 new build properties pa for 30 years
- Stopping the new build programme after year 10 creates a position which is just about viable

Balancing the financial position

- Options for balancing the baseline financial position tested so far include either:
 - 15% reduction in capital programme **or**
 - 10% reduction in revenue spend **or**
 - Stop new build programme after year 10
- Next step is to arrive at a mixed approach that reflects
 - Improved stock condition data and value for money based on understanding asset performance **and**
 - A level of revenue spend focussed on priorities for customers and the council within a reduced budget **and**
 - Refinement of new build programme in new development strategy

Note – residual risks remain, in particular high value sales levy and unknown future Government intervention



Key question #3

How should limited financial resources be prioritised to support sustainable investment in each of:

- Capital spend – investment in existing stock
- New build programme
- Revenue spend – including wider community priorities?



Key question #4

Should we consider products that are closer to the market such as Intermediate or Affordable rent in order to generate additional income?

Key question #5



What should be the council's appetite for repaying or increasing its debt?



Final queries and next steps

The home straight

- Any final queries?



- Next steps for planning and implementation are:
 - February/March: Refine plan based on discussions and decisions
 - June/July: Adopt updated business plan and development strategy
Update investment strategy and investment programme
 - September Sheltered housing review

HRA Business Plan Review – Discussion Paper January/February 2016

Key discussion points:

- 1) What should be the core business of the housing service, and are the priorities in the draft action plan appropriate to deliver this?
- 2) What priority should be given to improving the customer experience of housing services, and which are the most effective and efficient actions to achieve this?
- 3) How should limited financial resources be prioritised to support sustainable investment in each of:
 - Capital spend – investment in existing stock
 - New build programme
 - Revenue spend - including wider community priorities
- 4) Should we consider products that are closer to the market such as Intermediate or Affordable rent in order to generate additional income?
- 5) What is the council's appetite for repaying or increasing its debt?

Summary of key points/responses received:

Tenant Services Management Board – 25 January 2016

- It is acceptable to keep a reasonable level of debt as long as it is well managed
- There is concern that an increase in Estate Officers duties has led to a reduction in service in some areas, and more contact, for example rural surgeries, would be welcomed
- The Council should be open about finance and budget restrictions
- There is merit in both increasing internet resources for tenants as well as continuing with face to face communication for those tenants who do not have the experience or access to IT
- Funding should be used to maintain existing housing stock to make it more appealing
- Although investing in new development is desirable, first priority should be given to maintaining existing dwellings. Any remaining funding after this should be used for new build
- Where possible better quality materials should be used, increasing the life of components and making existing stock last longer
- Investment in existing stock is currently very good compared with historic maintenance
- Although there are some wishes to get involved with supporting communities, some activities, such as employment support, should be left to other agencies who are better placed to help

Community Scrutiny – 2 February 2016

- Concern was raised over the number of changes included within the report
- There was a request that all Members with housing stock in their wards be invited to provide feedback
- A Members' Briefing outlining national policy changes would be welcomed
- The council could consider selling dwellings on the open market
- Headroom should be used to provide additional social housing
- The Council needs to draw a clear line between its responsibility as landlord and its social responsibility
- There was concern that further changes in Government policy would make it necessary to replicate this work in the near future
- The Council's Housing Service core business should be Social Housing for the most vulnerable
- The Council had been making great strides with improving customer services through new methods of working, but there was always room for improvement
- The Council needed to be mindful of the proportion of residents who did not use or have access to a computer and/or the internet for online services.
- The Council should prioritise its financial resources to invest in more 'New Build' projects and reduce its investment in the maintenance of existing stock.
- The Council should concentrate on Social Housing and only where the circumstances are appropriate should the Council consider other market products such as smaller schemes of Intermediate or Affordable Rent to generate additional income
- The borrowing of money at the lowest rate with a viable proposition or development scheme was a sensible option for the Council. The Council should restructure its debt where possible to get the best rate for borrowing, allowing the Council opportunities for other projects, but only when it was financially beneficial

Tenants Forum – 25 February 2016

- The Council should be guided by treasury advice, and would be supportive for borrowing to be extended if this is beneficial.
- Maintenance should be completed 'Right First Time' to prevent the cost and inconvenience of repeat visits
- The life of capital components should not be extended
- The introduction of shorter tenancies are welcomed
- There is interest in investigating the addition of Shared Ownership schemes in both new build and our existing stock, and in general needs and supported housing
- There is also support to investigate Affordable Rents in new developments, where household running costs are lower and the overall package is perceived as more desirable
- Additional community services such as employment support should not be extended at the expense of repairs.

Housing and Communities Directorate Staff Away Day – 26 January 2016

Key discussion points -

Managing Assets:

- Defects / Warranty issues with new build and capital contract works being picked up by DLO
- Lots of land opportunities for more development (garage sites, green space, gardens)
- Greater focus on recharging and enforcing payment of repairs and voids work
- More enforcement of tenancy conditions re looking after property
- Lots of references to the need for more one bed and smaller properties - could adapt larger properties to achieve this
- Gas servicing involves lots of people on site! Not efficient
- Conclusion – a recognition that much of our stock is past its sell by date (older traditional and non-traditional) and that we need to refresh it for the future i.e. cannot patch and mend for ever.
- Consequently on balance a preference for new build and regeneration

Customers:

- Lots of reference to repairs process end to end, inefficient and not well planned / organised. In addition more work required to Open Contractor / PDA process.
- Our service standards and expectations are not clear or well publicised, either corporately or across the Housing Service
- We do not manage expectations, to do this we need better communications and better quality contact / engagement with residents
- Teams are not joined up across the council or service
- Estates team too much focus on arrears and less on people's specific needs or estates themselves
- Not enough promotion of success
- More customer training required for staff
- Greater responsibility needs to be taken for resolution across services
- We don't truly learn from complaints or investigate them with the correct mind set
- Our first point of contact is not clear hence we get scattergun approach
- When cases are handed over from SW1 or between teams and colleagues quality of information is not consistent or good enough
- Staff need more awareness of work and role of other teams
- Do not have the right tools – IT
- Sometimes the generic way we do things does not acknowledge the specific needs and vulnerability of our residents
- Staff morale – if morale was higher then this would be reflected in customer experience

Priorities of the Housing Service:

- Support for new objectives – no objection
- Support for continuing to support most vulnerable as our core business

APPENDIX C

- Flexible 2-5 year tenancies an opportunity for greater churn and therefore value from our properties for the most in need, but an acknowledged risk re people taking less ownership / responsibility for upkeep of property
- No objections to loss of lifetime tenancies
- Lots of discussion re use of partnership to maximise resource and on balance supportive of this
- Use of commercial streams, marginal position, but possibly more support for trying this
- Lots of references to using discounted home ownership products to help with our viability. More concern about market products due to experience, skills and high quality to be successful

Conclusion

Overall summary of the responses received:

- Our core business should be social rented housing for the most vulnerable in our communities
- The proposed new objectives are appropriate
- Much can be done to improve the customer experience of the housing service
- Subject to certain ongoing commitments regarding repairs and maintenance service standards, on balance it would be acceptable to prioritise new build over some maintenance spend.
- However, understandably tenant groups would not want the standards in our existing housing to fall, and it was felt that more could be done to make better use of the current repairs and maintenance spend in order to free up resource.
- There is an appetite to look at housing products that are closer to the market in order to generate additional income on new build/regeneration schemes
- There is an acceptance and agreement that our current approach to debt repayment would have to be revised, based on treasury management advice, to achieve a viable business plan and protect services

Taunton Deane Borough Council

Executive – 9 March 2016

Community Asset Transfer Policy

This matter is the responsibility of Executive Councillor Edwards

Report Author : Tim Child, Asset Manager

1 Executive Summary / Purpose of the Report

- 1.1 This report provides Members with details of the recent consultation completed in respect of the Council adopting a Community Asset Transfer policy.
- 1.2 A report has been presented to Community Scrutiny on 1st March 2016 and that Committee's recommendations will be provided verbally at the Executive meeting of 9th March 2016.

2 Recommendations

- 2.1 The Executive is recommended to agree the adoption of the attached:
 - a) Community Asset Transfer Policy
 - b) Initial Expression Of Interest Form

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
The key risk is that the Council fails to adopt a Community Asset Transfer policy that encourages and facilitates Community Groups where appropriate to take on leasehold or freehold ownership and management of buildings	5	3	15
The mitigation for this will be adopting a policy which is supportive and encourages engagement with Community Groups	2	3	6

Risk Scoring Matrix

Like liho	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
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	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background and Full details of the Report

4.1 Implementation of the Community Asset Transfer (CAT) policy started in July 2014.

4.2 The draft policy was sent out for consultation in August / September 2014 to local Community Groups, Parish Councils, Town Councils and made available in various libraries for comment. The result of the consultation came back with various concerns as follows:

- a) The policy was long and complicated
- b) It focused on transfers only by way of leasing out property
- c) There was no indicative timetable for progress of a CAT application
- d) It seemed to focus on the transfer of non-profitable assets and merely for community bodies to take on the cost of maintaining and running them
- e) The policy also appeared to have too much Council control with the Council being able to take back the asset if a use was found which could make it viable.
- f) It was not in the spirit of the Localism Act.

4.3 Following on from receipt of the summary of replies to the consultation process, the decision was taken to comprehensively reassess the draft policy to take into account the issues raised in the replies along with other work already undertaken. It was also decided to look further at the CAT Policies already adopted by other Councils and also discuss with their representatives their CAT policy and factors they took into consideration when implementing their CAT policy. The Council looked at the existing

CAT policies of half a dozen other Councils and spoke to a couple of Councils directly regarding their approach to how they went about finalising and implementing their policies. The result of this was that the original draft policy has been redrafted reflecting the responses to the consultation and the comments and basis of other Councils CAT policies and wider research and consideration of requirements.

- 4.4 A revised draft policy and the newly formulated Expression of Interest Form (EOI) was presented to Community Scrutiny Committee on 1st September 2015 seeking support from Community Scrutiny to go out to public consultation based on that revised draft. A further report with draft policy (amended as necessary) and summary of responses would then come back to Members with a recommendation that it be adopted. Community Scrutiny Committee expressed concern as to the limited extent of the earlier public consultation exercise. It was agreed that a revised list of potential consultees be compiled and circulated to Members of the Committee before the further consultation be commenced.
- 4.5 Asset Management liaised with the Council's Housing and Community Project Lead to prepare a comprehensive consultee list which was then circulated to Members to review and comment. On receipt of these responses arrangements were made for the consultation to commence.
- 4.6 The final list of consultees comprised:
- a) Councillors: County, Town and Parish as well as Member of Parliament (approx. 106)
 - b) Education Organisations (approx. 2)
 - c) Faith Groups/Churches (approx. 43)
 - d) Internal Officers (approx. 15)
 - e) Partner Organisations (approx. 12)
 - f) Voluntary & Community Organisations (approx. 165)

For Taunton Deane Borough Council, a total of 343 consultees were consulted by email directing them to the Council's web site.

- 4.7 The consultation questions were redrafted reflecting the responses received previously, trying to achieve a more specific and user-friendly consultation. A copy of the consultation questionnaire is attached (appendix A).
- 4.8 The consultation for the CAT policies for Taunton Deane Borough Council and West Somerset Councils ran in conjunction from 9th November 2015 to 15th January 2016, a period of just over two months. The consultations were accessed on-line on the webpages of the respective Councils, as well as in weekly/monthly/community newsletters, advertised on the council's social media and hard copies of the policies and the consultation were left in both Council offices, as well as libraries across Taunton Deane and West Somerset geographical areas. The consultation had a wide exposure, seeking to obtain representative views of the public.
- 4.9 The Council received a total of 27 responses to the Community Asset Transfer Consultation giving a response rate of 7.9%. Attached as a confidential appendix is a spreadsheet detailing all responses (CONFIDENTIAL appendix B) with a row dedicated to each response. Please note that whilst this was a joint consultation exercise with West Somerset Council, all statistics quoted relate only to this Council.

- 4.10 The consultation was answered by a variety of respondents, ranging from Community Groups working outdoors, to individuals, to Allotment Associations to local town and parish councils as detailed below:
- a) (37%) Individual
 - b) (11%) Community Group
 - c) (7%) Voluntary Sector Organisation
 - d) (15%) Social Enterprise/Not-for-profit Organisation
 - e) (26%) Town/Parish Council
 - f) (4%) Other
- 4.11 The first key theme of the consultation concerned whether the consultee believed that the policy would deliver wider public benefits as part of a CAT process. 67% answered 'Yes' and 33% answered 'No'. Of those answering no, there were concerns that:
- as these are public assets they should be owned and controlled centrally
 - that it was a way of pushing work and cost away
 - it will result in parish precepts increasing
 - insufficient funds available
 - concern about costs falling on local people
 - simply negating any of the Council's responsibility
 - no suitable income funding for unparished areas
 - will only deliver benefits if appropriate funding accompanies the transfer.
- 4.12 The second key theme of the consultation concerned whether the consultee believed the policy achieves the Council's Corporate Aims and Values. 63% agreed, 22% disagreed and the remainder didn't answer. Of those disagreeing there were concerns that:
- That the Council doesn't make enough allowance / recognition for personal and social enrichment
 - The corporate aims are wrong
 - All parts of the Borough should be treated equally
 - Volunteering will collapse and does not help develop green space management via volunteers
 - Would require ongoing support from the Council as failure might of a community use might conflict with the Council's aims and values.
- 4.13 The third key theme of the consultation concerned the Council's principles underlying the policy and as set out in section 4 of the policy, being to involve local communities, providing a pro-active asset management programme as well as giving clear transparency in decision making. Consultees were asked whether these principles would help us achieve a successful CAT policy. 63% agreed with the Council's principles, 19% disagreed and the remainder didn't answer. Of those disagreeing there were concerns that:
- A huge input would be needed from those with the necessary skills and this might make it difficult to find trustees
 - The Council shouldn't be asking for a share of any enhanced value
 - Considerable training would be needed by those taking on assets and there is no finance base or democracy
 - There would be insufficient funding for running costs

- 4.14 The final key theme of the consultation concerned the application criteria detailed in Section 5 of the CAT policy. 70% agreed with the applicant criteria, 15% disagreed and the remainder didn't answer. Of those disagreeing, there were concerns that:
- There would need to be accountability to local people
- 4.15 Other comments provided were as follows;
- List of available assets would be useful
 - Support would need to be given to help local groups through the process
 - Must not transfer an asset which then becomes a liability and the Council must provide sufficient detail on the condition of the property and arrange a proper hand-over
 - The Council is cascading responsibilities whilst refusing to release hold on value
 - Importance of informing a Parish Council should an application be received within their Parish
 - Applications must be open to Churches
 - For open spaces, difficulty in attracting revenue, difficulty in finding volunteers and those with necessary skills
 - Early warning to be given by the Council if it intends to close a facility
 - Lack of skills outside of Council
- 4.16 It is apparent that some of consultees are very supportive of the Council transferring assets, albeit perhaps concerned about ongoing liabilities, lack of ongoing support from the Council but a continuing 'interest' in the land by the Council. Others believe that assets should be retained by the Council.
- 4.17 Following the consultation, the on-line responses, a comprehensive response by email from Milverton Parish Council (appendix C) and a review by the Council's Professional Head of Service for Law & Governance a number of amendments have been made to the policy. For ease of reference these are shown on the attached proposed policy as highlighted in yellow - (appendix D).
- 4.18 The Initial Expression of Interest Form attached (appendix E) is unchanged following this consultation.
- 4.19 Depending on the nature of the transfer, it is quite possible that side documents will need to sit alongside the transfer relating to any continued involvement by the Council.
- 4.20 The transfer of assets to community groups does have the potential to create opportunities for these groups to commission the DLO or other Services to support them post transfer.
- 4.21 This matter was considered by Community Scrutiny Committee on 1st March 2016 who supported the recommendation.

5 Links to Corporate Aims / Priorities

- 5.1 See Section 3 of proposed CAT policy (attached).

6 Finance / Resource Implications

- 6.1 There are no new financial implications to be considered. Financial implications will relate to individual decisions and not the wider policy itself.

7 Legal Implications

7.1 Shape Law & Governance have reviewed and commented on proposed CAT policy

8 Environmental Impact Implications

8.1 None

9 Safeguarding and/or Community Safety Implications

9.1 None

10 Equality and Diversity Implications

10.1 There are no decisions in this report that require an impact assessment.

11 Social Value Implications

11.1 This proposal does not involve procurement of services.

12 Partnership Implications

12.1 None

13 Health and Wellbeing Implications

13.1 None

14 Asset Management Implications

14.1 This report originates from Asset Management

15 Consultation Implications

15.1 A thorough consultation exercise has taken place as detailed within the report which has led to the proposed CAT policy, attached

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes**
- **Executive – Yes**
- **Full Council – Yes**

List of Appendices

Appendix A	Consultation Questionnaire
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Contact Officers

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APPENDIX A

Community Asset Transfer Policy Consultation

Taunton Deane Borough Council and West Somerset Council believe that Community Asset Transfer can have a significant impact on community enterprise and wider regeneration. We are committed to working with parish/town councils, the voluntary sector and community groups on community asset transfer, to encourage community ownership of and involvement in local service delivery.

Locality provides support and advice for communities about Community Asset Transfer. For more information, please visit:

<http://locality.org.uk/our-work/assets/>

We are keen to gather the views of individuals, parish/town councils, the voluntary sector and community groups in Taunton Deane and West Somerset, regarding the Councils Community Asset Transfer Policy.

Consultation timescale: Starts on Monday 9th November 2015 and closes on Friday 15th January 2016.

When picking up a copy of the Community Asset Transfer Policy Consultation, please also pick up a copy of the policy relevant to your council to assist you with the consultation.

This information will help inform the final policy which we intend to adopt early next year. The aim of the Community Asset Transfer Policy is to set out a consistent approach for consideration of the transfer of assets (land and buildings) to parish / town councils, the voluntary sector and community groups. The Councils will consider each request by reference to the policy but at the same time also taking into account the specifics of the proposed use and the asset itself.

Q1. To ensure we understand the views of individuals/groups in different areas of Taunton Deane and West Somerset, please provide your postcode.

- TA1
- TA2
- TA3
- TA4
- TA7
- TA20
- TA21
- TA22
- TA23
- TA24
- Other (please state below)

Q2. Are you responding to the survey as an individual or on behalf of an organisation/group?

- Individual
 - Community Group
 - Voluntary Sector Organisation
 - Social Enterprise/Not-for-profit Organisation
 - Town/Parish Council
 - Other (please specify below)
-

Q3. Who does your organisation/group represent?

Q4. The Community Asset Transfer Policy is aimed to help parish/town councils, the voluntary sector and community groups considering taking on the management and running of council assets. Do you believe that this policy will help deliver wider public benefits as part of a community asset transfer process?

- Yes
- No

If No, please can you explain why

Q5. Section 3 sets out our Corporate Aims and Values. Do you agree/disagree that the Community Asset Transfer Policy achieves our Corporate Aims and Values?

- Agree
- Disagree

If you disagree, please explain how this policy does not meet our Corporate Aims and Values.

Q6. Our principles underlining the Asset Transfer Policy outlined in Section 4, are aimed at involving local communities, providing a pro-active asset management programme as well as giving clear transparency in decision making. Do you believe these principles will help us achieve a successful Community Asset Transfer Policy?

- Yes
- No

If No, please can you explain how/why these principles will not help achieve a successful policy and what other principles the Council should consider?

Q7. Within the Community Asset Transfer policy, there is a list detailing the applicant criteria shown in Section 5. Do you agree/disagree with this criteria for applicants wishing to manage a Community Asset?

- Agree
- Disagree

If you disagree, please can you explain why.

Q8. Please use the space below if you have any other comments about the draft
If you are a Parish/Town Council, a Voluntary Sector or Community Group
or Not-for-profit Organisation, please DO NOT complete Questions 9 to 12.

About You:
(Optional)

Q9. Are you:
 Male

End of Survey

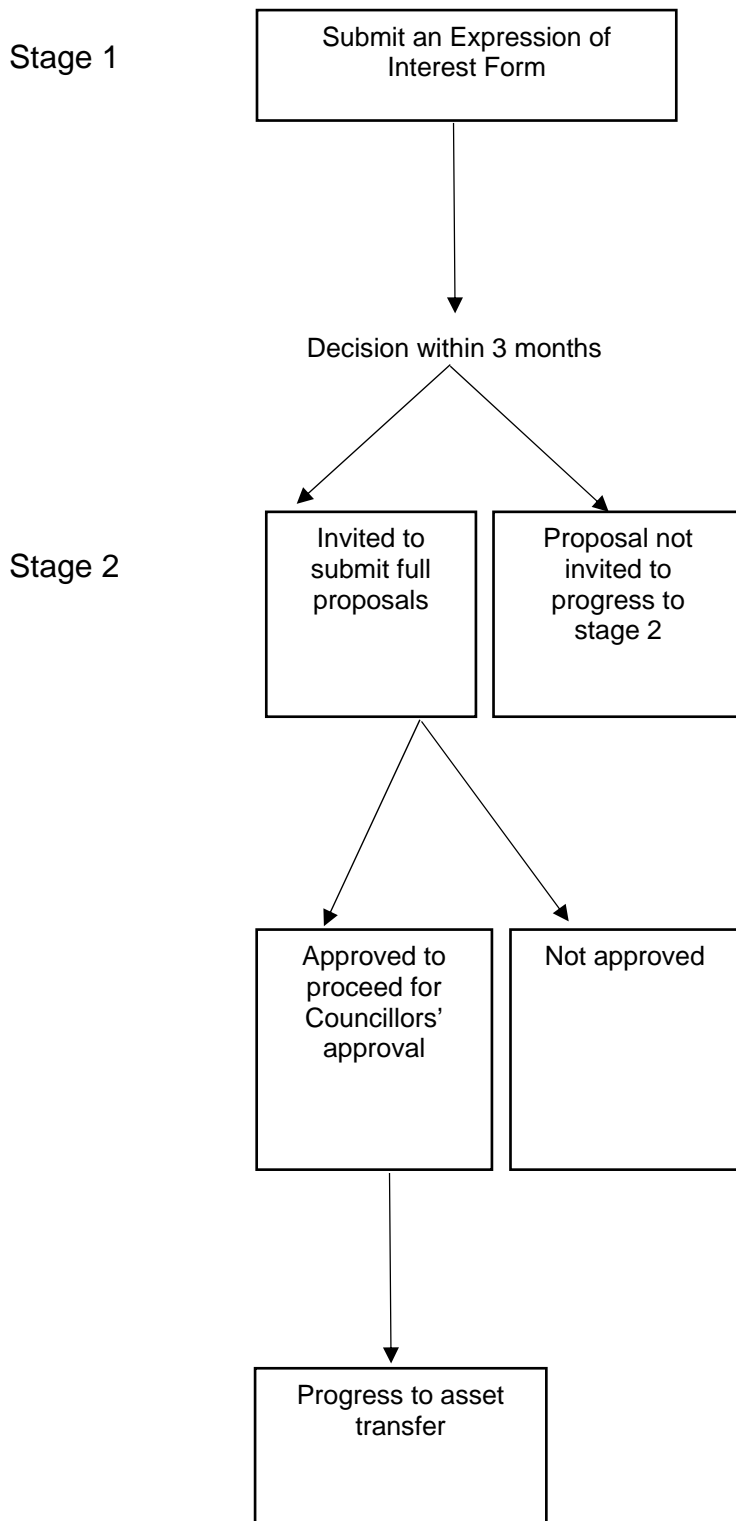
Thank you for taking part in the Community Asset Transfer Consultation.

If you need further information about the Councils and the services we provide, please visit: www.tauntondeane.gov.uk and www.westsomersetonline.gov.uk

If you have completed a paper copy of this survey, please return to:

Corporate Business Support
Taunton Deane Borough Council
The Deane House
Belvedere Road
TAUNTON
TA1 1HE

Appendix A- Process for progression of an application for a Community Asset Transfer



Appendix C

TAUNTON DEANE BOROUGH COUNCIL COMMUNITY ASSET TRANSFER POLICY

Comments on Consultation by Milverton Parish Council

Introduction

Milverton Parish Council welcomes the introduction of a specific policy to cover the transfer of TDBC assets to lower tier Councils and Community Groups.

Summary

The overall thrust of the paper is positive in that it pre-supposes that all transfers will be between willing partners. However, the current economic climate is forcing higher tier authorities to cut back services which is leading to a situation where they are unilaterally terminating services with the only option for continuation being their adoption by hard pressed parishes and community groups. Unfortunately this paper does not handle the 'forced' migration of services and the assets required to support them quite so well. Indeed, this policy seems to stand alone whereas in reality its purpose is to allow asset transfer that facilitates continued service delivery at a community level. It therefore needs to be accompanied by sister documents that relate to TDBC's involvement beyond the asset transfer itself as well as other asset related matters.

Detailed Comments

Dealing with the paragraphs in detail:

2.0 Purpose of the Policy

2.2 Benefits to the local community, Community Groups and the Council

This comprises a series of bullet points designed to highlight the benefits that all parties and stakeholders will receive. However, several make reference to TDBC working in partnership with the communities groups etc.

Without wanting to be overly negative TDBC is faced with severely declining resources and so its ability to maintain an active role in future partnership working has to be in doubt. Therefore, this policy needs to be accompanied by a strong statement that such partnership activities will be prioritised by TDBC so that the implied support for those communities and groups does not simply wither away. Milverton Parish Council recommends that this be achieved through a legally binding Service Level Agreement (SLA) for a minimum of 10 years.

Additionally it needs to be recognised that the transfer of an asset is the equivalent of a capital grant which does not take account of the revenue implications of managing and maintaining that asset. All parties therefore need to recognise that unless there is a clearly defined and guaranteed income stream that can feed and maintain a maintenance budget there will be a long term risk to that asset. For community groups the implications of VAT at 20% also need to be taken account of.

Milverton Parish Council recommends that TDBC considers offering an 'at cost' maintenance

service for transferred assets through the DLO. This could be through a service charge within an SLA which could avoid VAT. However, there would need to be some sort of review process to take account of escalating costs to avoid assets being maintained beyond their practical life.

There is a statement which implies that transferred assets could be run more cheaply than by TDBC leading to efficiency savings and diversification of public services. This is somewhat disingenuous since TDBC is a large organisation with a set up to run these assets whereas any reduction in running costs by community groups is likely to be as a result of volunteers. Reliance on volunteers is at best an uncertain way forward and furthermore there is no guarantee that volunteers would have the expertise to run the assets as well as TDBC.

2.3

This is a welcome statement.

Milverton Parish Council recommends that it forms the basis of a public Asset Management Annual report.

3.0 Local Policy Context and Links to other Council Strategies

3.1

As set out above the direction of the Policy seems to be at odds with the Key 'Business Principle' that TDBC will ensure (my emphasis) the delivery of accessible quality services at good value for money.

It is the view of Milverton Parish Council that whilst the aim is worthy, delivery cannot be ensured if the Council surrenders control of the asset in question. There is a real tension here that has the potential to cause problems because if something that is at 'arms length' begins to struggle TDBC could try and enforce delivery regardless of the capacity of the community group. Milverton Parish Council recommends that there needs to be a protocol to cover unforeseen difficulties. Options should range from providing support to assisting close down.

4.0 Principles Underpinning the Asset Transfer policy

4.1

The second bullet of the Commitment to a Thriving Community & Voluntary Sector states that asset transfer will enable (my emphasis) Community Groups to become sustainable on a long term basis. As set out above the transfer of an asset is little more than a capital asset with no revenue to support it so sustainability cannot be guaranteed.

Ordinarily, groups and parishes might seek to raise funds against an asset. However, given the thrust of this policy that TDBC retains freehold ownership through a lease or a veto over the future transfer of freehold assets this avenue is effectively closed off.

So, despite TDBC's wishes, funding the running costs of these assets will have to come from the organisations primary income which is bound to be an influence on its long term sustainability.

Milverton Parish Council recommends that TDBC is sensitive to this and as well as assistance with 'at cost' maintenance, TDBC's partnership contribution should involve giving transferred assets an exemption from Business Rates.

The second section deals with Pro-active and strategic asset management intent which states that the Policy will also be an option for dealing with surplus assets.

Milverton Parish Council recommends

- a) That the criteria for deciding whether to offer to communities or commercial marketing are incorporated in this Policy as an Annex.
- b) That TDBC publishes a map of all its land and assets to provide community groups and organisations with as much information as possible to assist negotiations and decision making.

5.0 Who Can Apply?

5.1

Under the section Who Can Apply there are various sensible bullet points including one about Groups having the right skills to provide the service and manage the asset. This latter point is of fundamental importance and needs to be backed up with support from TDBC if needed.

6.0 Basis of Transfer

6.1

This paragraph allows TDBC to exercise a degree of control over the asset after disposal. While this may be appropriate for mutually agreeable transfers it is not for instances where TDBC is looking to save money by cutting services, and the only option to retain them is for a parish or community group to step in. This 'forced cascade' of services means that TDBC is effectively abdicating its responsibility for that service delivery, in that location. Under those circumstances groups and parishes need as much freedom and flexibility as possible to run the operation. There can be no guarantees that a community or parish could run a service in perpetuity and if it became unaffordable they would need to be able to close down the operation and recoup what costs they could. Although it may be regarded as 'standard practice' for TDBC to retain control (and by implication) regain freehold ownership these are not standard times and any group or parish must be able to have the freedom to manage, close or dispose of the asset as its circumstances dictate.

6.2

On the point of maintenance Milverton Parish Council notes that the Policy seems to be silent on the condition of the assets to be transferred. Whilst legal fees are mentioned it is imperative that TDBC undertakes a full structural survey and carries out any identified remedial work before transfer.

Milverton Parish Council recommends that as part of the Expression of Interest process TDBC must commission a full structural survey which must include items of concern to be kept under review. This report must be made available to the Community Group as part of the response to the Expression of Interest.

6.5

The requirement for a statement of community benefit should not be onerous.

Milverton Parish Council suggests that the organisations annual report should suffice accompanied by accounts or budget figures.

Milverton Parish Council feels that would also be useful for TDBC to state what it will do with

this information. Ideally it should be the basis for an annual SLA meeting with officers but if resources are tight there is no point in producing a report that no-one will read.

7.0 How to Apply and How We Will Assess

7.1

Firstly, Milverton Parish Council notes that it and several other Parishes are in negotiation with TDBC over the transfer of Public Toilets. If adopted will this Policy be the basis for taking those negotiations forward? If so it means taking negotiations back to square one and, given that the process is likely to take up to 18 months, Milverton Parish Council would like to know what contingency plans there are for keeping the toilets open until negotiations are concluded.

7.2

Bullet 7 requires an analysis of resource and budget projections.

Money is likely to be the single biggest issue with any transfer.

Milverton Parish Council recommends that:

- a) TDBC publishes the criteria for assessing financial sustainability as an annex to this Policy and
- b) Requires this information first so that organisations can establish financial stability before providing full details on the other aspects of the case.

8.0 Key Stages and Indicative Timescales

8.1

The most important aspect of this is the indicative time for the process. The Policy sets out 3 and 9 month periods for Stages 1 & 2 but Stage 3 is open ended. Milverton Parish Council considers that the agreement of Heads of Terms and lease/conveyance will take a minimum of 6 months and potentially longer depending on the legal make up of the acquiring body.

It is therefore very important that any disposal policy acts in harmony with TDBC's business cycle. For example, there will be problems if the TDBC decides to dispose of a service and assets such as public toilets as part of an annual budget settlement if the Asset Transfer policy cannot give continuity of service by a third party for at least 18 months.

Milverton Parish Council therefore recommends that TDBC undertakes budget forward planning on a three year cycle, to a level of detail that allows services and assets for disposal to be identified sufficiently far in advance to allow Expressions of Interest and transfer to take place before the savings are accounted for in the budget.

9.0 Community Right To Challenge

9.1

Milverton Parish Council does not see sufficient differentiation between the Community Asset Transfer process and the Community Right to Buy process to warrant total separation. Both policies are complementary in that they involve TDBC disposing of assets to a third party. Whilst the criteria for applying and success may differ Milverton Parish Council recommends that both policies be enshrined in a single document that covers Asset Disposal by TDBC.

TAUNTON DEANE BOROUGH COUNCIL COMMUNITY ASSET TRANSFER POLICY

1.0 INTRODUCTION

1.1 Taunton Deane Borough Council (TDBC) believes community asset transfer is about giving local people and community groups control in the future of their area. In England the idea was introduced through the Quirk Review (DCLG 2007) and now **has legislative force via** the provisions of the 2011 Localism Act. If local groups own or manage community buildings and land it will help foster a sense of belonging and bring together people from different backgrounds. Community ownership and management of buildings can also play a part in raising local people's aspirations, in enhancing the local economy, environment and have the capacity to strengthen the community, voluntary and social enterprise sector.

2.0 PURPOSE OF THE POLICY

2.1 This policy outlines the Council's approach to Community Asset Transfer (CAT). The term 'community asset transfer' relates primarily to granting long-leases or passing on the freehold of property assets at potentially less than best financial consideration to voluntary, community organisations, Parish Councils, Town Councils and social enterprises (Community Groups).

2.2 **Benefits to the local community, Community Groups and the Council:**

- Devolving power to neighbourhoods or locally based Community Groups with an interest in the neighbourhood, in an effort to enable citizen involvement and community action.
- Act as a catalyst for social, environmental and economic regeneration (including the development of community enterprise).
- Stimulate the involvement of local people in shaping and regenerating their communities.
- Catalyst for local volunteering and increasing community cohesion and integration.
- Support the creation of community leaders, social capital and inspire others to improve their community.
- Enhance and promote economic activity at a local level.
- Potential to create stronger, more sustainable Community Groups, providing financial security, recognition and management capacity.
- Ability to lever in additional resources, which would be unavailable to the Council acting independently.
- Enabling the 'up-scaling' of activities that promote social – economic wellbeing within community.

- Working in partnership with Community Groups can help the Council to achieve its outcomes set out in its Corporate Plan.
- Contribute towards efficiency savings and drive the diversification of public services in an era of austerity.
- Help to rationalise the Council portfolio and facilitate more effective and efficient use of its asset base.
- A stimulus for partnership working between Community Groups and the Council and improving the provision and accountability of services within communities.

2.3 The Council recognises the many benefits of CAT and will be proactive in using asset transfer as one of the tools at its disposal. The Council, therefore, aims to create a transparent, positive and proactive framework to enable asset transfer from the Council to Community Groups to happen and be successful in the long term.

2.4 Where the Council is to work in partnership with Community Groups post transfer, in some instances the Council might consider formalising this aspect contractually as part of any transfer.

3.0 LOCAL POLICY CONTEXT AND LINKS TO OTHER COUNCIL STRATEGIES

3.1 The operation of this Policy will need to have regard to the desired outcomes of other relevant Council policies and strategies and is set out in the Council's Corporate Business Plan 2013-2016.

Our Vision

Taunton Deane is known nationally and locally as a quality place that is growing and sustainable, with a vibrant economic, social and cultural environment.

Our Corporate Aims

Taunton Deane Borough Council has four corporate aims, they are:

- Quality & Sustainable Growth and Development
- A Vibrant Economic Environment
- A Vibrant Social, Cultural and Leisure Environment
- A Transformed Council

Our Key 'Business Principles'

- **Quality Services** - ensuring the delivery of accessible, quality services that provide good value for money (either as direct providers or through partnership)
- **Customer Driven** - we will put the needs of our customers at the heart of all that we do
- **A dynamic organisation** - innovative, forward-looking and focused on results
- **Environmentally Responsible** - we will minimise the environmental impact from our operations

4.0 PRINCIPLES UNDERPINNING THE ASSET TRANSFER POLICY

4.1 The CAT Policy will be underpinned by the following principles:

Commitment to a thriving Community & Voluntary Sector

- The Council recognises that community led solutions can sometimes achieve better outcomes than central initiatives.
- Use asset transfer as a means of **supporting** Community Groups to become sustainable on a long term basis.
- CAT will require a long term partnership commitment on the part of the Council and the Community Group. This is the best way of minimising the risk of failure.
- Flexible lease terms to enable Community Groups to adapt and achieve long term sustainability or the transfer of the freehold interest.
- Measurable and accountable benefits to local people.
- The Council expects that the benefit from this Policy will encourage openness, conversation and understanding between groups and wider community.

Pro-active and strategic asset management intent

- CAT will become integrated in Council practice as an option for dealing with surplus property assets.

Clarity and transparency in decision-making

- A single gateway approach is taken, providing a clear point of contact for Community Groups with CAT enquiries.
- The Council will encourage Community Groups to consider taking on an asset.
- Community Groups will not be required to undertake a detailed feasibility work until an 'in principle' decision has been taken by the Council.

5.0 WHO CAN APPLY

5.1 Interest will be welcome from Community Groups which may be area based around communities of geography, identity or shared interest. Ideally, all applicants should meet the following criteria:

- Be community led and demonstrate support for the CAT and have clearly defined objectives which would be enhanced through the addition of the asset in question.
- The primary purpose must be non-commercial or with profits invested back into local communities.
- Must have a clear vision of the activities they wish to deliver, demonstrating positive measurable impacts.
- Demonstrate good governance operating open and accountable processes, a constituted governing board who follow clear Terms of Reference.

- Meet statutory requirements and demonstrate an inclusive approach in its policies and practices including a commitment to promoting community cohesion and integration.
- Have the skills to deliver services and manage the asset to be transferred.
- Demonstrate the asset will be run without Council subsidies or support.
- A sustainable operating model for revenue requirements, use and maintenance will be needed.
- Demonstrate how asset transfer will support the aims and priorities of the Council.

6.0 BASIS OF TRANSFER

- 6.1 Community Groups may need to provide contractual assurances to ensure that the asset is retained for community benefit. If this is not possible a detailed explanation of Memorandum and Articles of Associations should be provided. It is standard practice for the Council to place a restriction on use **although there might be exceptions**.
- 6.2 The Council will offer legal agreements to enable Community Groups to manage and develop the property as an asset ensuring the use of the asset as a community asset is retained by the applicant. Consideration to payment of professional fees and whether the Council seeks reimbursement for its own costs will be on a case-by-case basis.
- 6.3 The Council will pursue Freehold or Leasehold arrangements with the term being set after carefully considering the needs of the Community Group, the position of the Council, the condition of the asset and the requirements of potential funders or lenders. As a guide:
- 6.4 Freehold Transfer – will be considered if preferred. Any transfer proposal will need to make a strong case that freehold is a necessity for success and provide reassurance that community benefit will be maintained in the long term and is beneficial to the Council.
- Transfer by Lease - A lease for a term of up to 35 years (a lease longer than 35 years may be granted if appropriate and if a business case demonstrates special circumstances or requirements from funders/lenders).
- 6.5 Community Groups will be expected to produce a statement of community benefit on an annual basis – **annual report accompanied by accounts as appropriate will usually suffice**. The benefits to be realised shall be agreed in advance and incorporated into a Service Level Agreement with the Council.
- 6.6 When there are a number of interested parties in an asset the Council will aim to encourage collaboration. When this is not possible and as a last resort a competitive process will be used to decide the organisation which will become the Council's preferred partner in the transfer process.
- 6.7 The Council will ensure that information relating to the condition of the property and running costs is passed to the applicant to support decision making.**

7.0 HOW TO APPLY & HOW WE WILL ASSESS

7.1 Community Groups should in the first instant submit an Expression of Interest Form to the Council for an in principle decision on the proposed Transfer. The Expression of Interest Form is found here:- [Link to CAT EOI Form](#).

7.2 If after submitting an initial Expression of Interest, the Council deems the application to be unsuccessful the applicants will be advised directly. If successful at this initial stage the Council will then request a further detailed and more robust business case to enable the Council to make an informed decision whether to agree to the proposed Transfer. The expected content of the detailed business case is detailed below. This is only a guide and will be dependent on each particular case.

- About your organisation - Track record, current plans, partnerships and people, governance, legal structure.
- Summary of the project - Project objectives and expected outcomes, proposed programme for delivery, proposed impact/benefits of the project to the local community, together with proposals for management and operation of the asset (staff, volunteers).
- Market Need – what local needs will the project be responding to (who will be the beneficiaries)?
- Pricing – what is the rationale for pricing (for services, renting space etc.)?
- Sustainability – how the performance of the asset will contribute to sustainability through its life cycle.
- Equality, Diversity & Community Cohesion – evidence the project will meet all the relevant requirements of the Equality Act 2010 and assist the Council in promoting community cohesion.
- Resources/Financial projections - Cash flow for first year, should include budget (3-5 years), should include examination of profit and loss and capital expenditure (if capital is required to redevelop the building). The long term financial sustainability of the proposal should be clearly demonstrated **along with recognition of implication of any reduction in income stream.**
- Risk assessment/management/mitigation - Identification of the different risks and a description of the implications of those risks occurring. Risks should be evaluated in two ways – the likelihood that the risk item will occur and the level of impact if the risk item does occur. A description of what the organisations strategy will be to prevent the risk items from occurring, or coping with them if they do, should also be provided.
- The organisation will also be expected to submit copies of governing documents, any evidence of external advice provided, expressions of support from partners/customers, copies of accounts (where available).

8.0 KEY STAGES AND INDICATIVE TIMESCALES

8.1 In considering the potential for asset transfer the Council will follow the process already detailed with the following indicative timescales.

- 8.2 The Executive Portfolio Holder will retain an overall responsibility for Executive guidance to ensure a strategic decision is taken supporting community needs and Council objectives.
- 8.3 The timeline set out below is purely indicative and will vary depending upon the complexity of each application. It is also envisaged some of the points below will run concurrently with the process becoming more proficient as each application is considered. This process and timeline is further explained in Appendix A. **The process of Asset Transfer takes time and therefore must be fully understood by the Council and reflected in decision making in respect of budget settlement.**

8.4 **1. Request – from Community Group**

Submit a request for a transfer by completing an initial Expression of Interest Form. If an application is deemed unsuccessful after this stage the Council will inform the applicant of its decision and reasons. A response will be provided within three months. This decision will be made by the relevant Executive Portfolio Holder in consultation with others as deemed appropriate and following an Officers recommendation.

8.5 **2. Preparation and consideration of Full Business Case**

If the application is considered for progression then the body making the application will be asked for a Detailed Business Case. The Council will verify the credentials of the Community Group and ensure that if appropriate other parties in the area are aware, consulted and have been able to make representation. An officer recommendation will be made to the relevant Executive Portfolio Holder and the matter taken to Members for a decision. This step is expected to take no longer than six months. If unsuccessful the applicant will be informed. If successful then the process will move to the next step. In all cases the Ward Member will be informed and views sought

8.6 **3. Processing detailed Heads of Terms**

The decision above will be 'in principle' and will be a decision to proceed and consider (if not already done so) the basis and terms of the asset transfer and determine potential level of market discount, length and condition of lease or if appropriate the transfer of the freehold interest. **Concluding this step will result in completion of documentary and legal formalities.**

8.7 **4. Ongoing Partnership and Support**

It is recognised that a pre-requisite of transfer success is an ongoing partnership between the Council and the Community Group. This may take the form of technical support and advice. It may also be a commitment to ongoing dialogue, which will last far beyond the transfer event itself.

9.0 COMMUNITY RIGHT TO CHALLENGE & COMMUNITY ASSET LIST

- 9.1 The Localism Act 2011 created the Community Right to Challenge, which gives community and voluntary sector organisations the right to challenge the Council by putting forward an 'expression of interest' in running their services. The

Localism Act 2011 also requires local authorities to maintain a list of assets of community value within the locality Register of Community Assets which have been nominated by the local community. There is clearly a 'cross-over' between both these initiatives and the Community Asset Transfer Policy. Whether delivering a service or managing/owning an asset of community value the Act does not give an automatic right to the organisation expressing an interest, nor is it guaranteed the organisation will be successful in any procurement exercise.

- 9.2 The Community Right to Challenge processes are separate from the Community Asset Transfer Policy process.



Appendix E
Taunton Deane Borough Council

**Transfer of an Asset owned by the Council to a Community Group by way of
Community Asset Transfer
Initial Expression of Interest Form**

Please fill in this Initial Expression of Interest (EOI) if you want to be considered by Taunton Deane Borough Council (TDBC) to take over a building or area of land owned by TDBC to run a service of benefit to your community.

Before you start.....

Helpful tips:

In completing your EOI it is important for you to consider:

- the real purpose behind your activity – any benefit to the community – and not just describe the activity you want to do;
- how you will demonstrate there is real local need for what you intend to offer;
- if there are other assets within your community which already offer the same activities;
- what skills and experience you need to have to reach your goals;
- how you will raise the funds to meet your expenses.

N.B. if you do not want to run a community service from the building or land it does not mean that you will not be considered – it only changes the type of transfer which applies. (see Type of Asset Transfer below)

Please indicate the type of transfer you are considering:

The Council can transfer a building or land it owns to an individual or group in a number of ways. You can consider what would suit you best for consideration by the Council. *(it is possible to select more than one box)*

- Sale – at full market price (the “going rate”)
- Sale – at a discounted price (subject to approval and conditions)
- Lease – taking all responsibility for the building for a set period of time. A rent – on top of the running costs – may be charged.
- Hire – casual use paying only for the time occupied.
- Transfer, subject to conditions (also known as a Community Asset Transfer) – can be below the “going rate” or free. **Only available for community use.**

Please email this Initial Expression of Interest form to: XXXXXXXXXXXXXX or alternatively, post it to: Assistant Director – Property and Development, c/o The Deane House, Belvedere Road, Taunton, Somerset, TA1 1HE.

If you have any further questions, please call: 01823 356534

Asset Transfer - Initial Expression of Interest

1. You or Your Organisation's name and address:

Name of group:	
Address: (include Postcode)	

2. Who is the main point of contact for this application?

Name:	
Position in group:	
Phone number:	
Email address:	
Address: (include Postcode)	

3. Your status

- Parish or Town Council
- Registered Charity
- Company Limited by Guarantee
- Community Interest Company
- Development Trust Association
- Private individual
- If other please state: _____.

4. Please provide further information to confirm that your organisation is a relevant body (e.g. company registration number or charity registered number).
If your organisation is not formally constituted, please give details of the type of organisation/legal structure you intend to use and timescales involved in setting this up (N/A if proposal is from a Town or Parish Council).

--

5. Please outline name and location of Council asset identified?

Name and Address: (include Postcode)	
--	--

6. Who is your local Councillor and have they been informed of this proposal?

--

7. Which Council services does your organisation support/work with:

(please provide manager name if known)

8. Why do you want this asset?

9. Please describe your vision for the future use of this asset:

10. Please explain why this asset is suitable for the intended purpose:

11. How will this benefit the local community?

12. Please describe any evidence of community need undertaken to-date:

13. How do you propose to ensure the financial sustainability of the asset:

The information you provide in this form and any referenced supporting material will be the basis upon which the Council decides whether to progress to asking you to provide a full business case. If any information provided is beyond the scope of the information requested here, it will not be used as grounds to accept or reject your EOI and may not be considered.

- All information provided should be clear and concise.
- Responses to the questions and supporting materials can either be:
 - Inserted in the boxes below each question;
 - Attached as a Schedule to the form; or
 - A link to an embedded Word document can be inserted in each box
- All responses and supporting materials must be fully cross-referenced.
- Information and supporting materials will not be accepted on CD roms, flash drives or any other portable device.

- The Council will not accept an EOI submission by fax.
- If a possible transfer is identified as a result of completing this form, a more detailed business case will then need to be completed.

Please note: We will process all information received in accordance with the Data Protection Legislation for the purposes of administering this procedure. The Council is subject to the Freedom of Information Act 2000 and therefore any information provided by you may have to be disclosed in response to a request unless we decide that one of the statutory exemptions applies.

By signing your name here (if submitting by post) or typing it (if submitting electronically) you are confirming that:

- The responses to the questions set out in this form and the supporting materials are accurate.
- The information provided will be used to assess your organisation's proposal to provide or assist in providing the relevant service.
- You are authorised to sign on behalf of your organisation.

Signature:		Date:	
-------------------	--	--------------	--

Taunton Deane Borough Council

Executive – 9 March 2016

Corporate Equality Objectives 2016 - 2019

This is the responsibility of Executive Councillor Jane Warmington

Report Author: Christine Gale, Housing and Community Project Officer

1 Summary

The Corporate Equality Objectives 2016 - 2019 sets the council's aims on how to meet its statutory duties with regard to the Equality Act 2010 and the public sector equality duty 2011 toward its service users, members and employees; and to promote equality and eliminate all forms of direct and indirect discrimination. Taunton Deane Borough Council and West Somerset Council each have existing objectives which are due to end in April 2016. We are required to update these every four years and have taken the opportunity to develop "One Team" Corporate Equality Objectives for both Councils.

2 Recommendations

2.1 Executive are requested to adopt the:

2.1.1 Corporate Equality Objectives 2016–2019 and Action Plan in Appendix A;

2.1.2 Interpreting and Translation Policy in Appendix B;

2.1.3 British Sign Language Charter for Somerset in Appendix C.

The objectives aim to improve the lives of the residents in the Borough and support the Council's legal requirements outlined in the Equality Act 2010 and the public sector equality duty 2011.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
The Council fails to properly consider equality impacts on protected groups within its decision making and this becomes subject to legal challenge.	3	4	12

<i>Managers to ensure reports to Members include Equality Impact Assessments, where relevant. Monitor delivery of the Corporate Equality Action Plan and provide six-monthly updates for corporate performance monitoring.</i>	2	3	6
Risk that service managers and relevant officers will not complete Equality Impact Assessments (EIAs) to ensure Members make informed decisions about new or changes to a service or policy, budget cuts or service review.	4	4	16
<i>Assistant Directors to ensure all service managers and relevant officers undertake Equality Awareness and Equality Impact Assessment. Continue to carry out a six monthly quality check of EIAs in Executive reports and provide a summary of results for JMT performance meetings</i>	3	3	9

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background

4.1 The Equality Act 2010 and the public sector equality duty 2011 replaces the three previous public sector equality duties for race, disability and gender. The Equality Act covers the following protected characteristics:

- Age
- Disability
- Gender reassignment
- Marriage and Civil Partnership
- Pregnancy and maternity
- Race
- Religion and Belief
- Sex
- Sexual Orientation

4.2 The Corporate Equality Objectives document outlines how we build equality into commissioning, procurement and delivering services.

- Procurement: How we source goods, facilities and services
- Commissioning: The detail of the service
- Delivery: The provision of a service or information

And how we:

- Provide direction for the council's members, managers and employees with clear equality objectives
- Provide the basis for actions to be embedded within all service plans
- Document how the council will meet its statutory public duties in regard of the Equality Act 2010 and the public sector equality duty.
- Utilise Equality Impact Assessment (EIA) process to ensure consideration of impact on groups with protected characteristics as outlined in the Equality Act 2010. These considerations are built into the design process of all changes to services and are fully considered by members in the decision making process.

The Corporate Equality Objectives will also consider issues specific to carers and military personnel and their families.

4.3 The council takes the approach that equalities should be mainstreamed within all service areas and should not be the sole responsibility of one officer. The Corporate Equality Objectives reflect this approach and the proposed objectives aim to support the mainstreaming of equalities throughout the council's services, policies and decision-making processes.

4.4 The following four objectives are proposed, Appendix A outlines the timeline for these objectives:

- **Objective 1**: Councillors will fully consider the equality implications of all decisions they make.

- **Objective 2:** Those with protected characteristics feel empowered to contribute to the democratic process that affects them; their input is used to inform the planning and delivery of services.
- **Objective 3:** Communities with protected characteristics are able to access services in a cost effective and appropriate way.
- **Objective 4:** Actions are taken to identify and reduce any inequalities faced by employees.

And specifically in our role as:

- **Service provider:**
Undertake continuous assessment of our services to ensure that we meet the needs of our communities.
- **Employer:**
Ensure equality of access and opportunity.
- **Purchaser of goods and services:**
Extend our equalities policy to organisations with whom we work in partnership and also those delivering services on our behalf. We will require partners and vendors to be compliant with the equalities standards we set for ourselves.
- **Elected Community leader:**
Promote our commitment to equality among members, staff, partners and the communities we serve.

4.5 Delivery of Corporate Equality Objectives

4.5.1 The objectives will be implemented through the Corporate Equality Action Plan; see Appendix A, individual services will produce equality action plans and include these in service plans. The actions within these plans will be identified from the following:

- Corporate Equality Objectives
- Equality Impact Assessments
- The views and feedback of service users, non-service users, staff, members and key stakeholders.

4.6 Performance Monitoring

4.6.1 Service plans will be monitored to ensure that the Corporate Equality Objectives are being delivered.

4.6.2 The Corporate Equality Action Plan will be monitored to ensure equality risks are assessed and that actions work toward achieving the aims of the Corporate Equality Objectives.

4.6.3 Performance reports will be submitted to members and to the Joint Corporate Management Team (JMT).

4.6.4 Equality Impact Assessments will be monitored via six monthly spot checks undertaken by the Housing and Community Team. Reports on these assessments will be sent to the JMT as part of their corporate performance monitoring.

5 Links to Corporate Aims/Priorities

5.1 The Corporate Equality Objectives have been revised to

- Address duties placed upon the council by the Equality Act 2010 and the public sector equality duty 2011.
- Allow for manageable delivery and monitoring of progress.
- Align the objectives with the Equality Framework for Local Government

6 Financial considerations

6.1 Service areas will be responsible for identifying and addressing inequalities and promoting diversity. The resource implications of equality action plans should be considered by service areas as part of their budget setting process.

6.2 Resources are made available from the voluntary sector budget to assign services from Compass Disability to provide opportunities via the Taunton Deane Disability Discussion Group for community engagement with service providers.

6.3 Resources will be allocated from the corporate training budget to provide equalities training for staff and members.

7 Legal considerations

7.1 Completing equality impact assessments and working toward the achievement of the Corporate Equality objectives will ensure that the council is meeting the requirements of the Equality Act 2010 and the public sector equality duty 2011.

8 Environmental Impact Implications

None with regard to this report.

9 Safeguarding and/or Community Safety Implications

9.1 In considering the needs of elderly, disabled and young people, there is a better opportunity for services to strengthen their commitment to safeguarding.

10 Equality and Diversity Implications

10.1 The Corporate Equality Action Plan (CEAP) will be implemented:

- All reports to members will include an equality impact assessment.
- Staff and members will receive equality and diversity training.

11 Partnership Implications

- 11.1 There will be the need and opportunity to work with peers and partners within the voluntary sector toward the Corporate Equality Objectives. The council will be supported in this aim by Somerset Equalities Officers Group (SEOG).
- 11.2 All opportunities will be taken to carry out community engagement in partnership with neighbouring local authorities and services.

12 Health and Wellbeing Implications

- 12.1 The council recognises that the health and wellbeing of the whole community benefits if all members of the community including those with protected characteristics have access to its services and information.

13 Asset Management Implications

- 13.1 None with regard to this report

14 Public Consultation

- 14.1 Consultation has been carried out with partners and other key stakeholders, including the countywide consultation event on 17th September 2015. Key findings from this consultation event included:
- How people access services:
 - The language organisations use such as jargon and acronyms
 - How people access information about our services
 - Can people access services due to physical accessibility issues
 - TDBC staff in particular front line staff understanding different disabilities and the affect this has on the support people need and how they access services.
 - A recognition by public organisations that not all people can use digital services delivery/access
 - Ability to access service due to reductions in public transport
 - Equality work with young people – intergenerational community projects
 - Hate crime is still an issue
 - Support available for people with mental health illness – greater clarity on available support and how people can access this
 - How well the work of equality is supported by public bodies
 - Training for all staff to support their understanding of equality.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes**
- **Cabinet/Executive – Yes**
- **Full Council – No**

Reporting Frequency:

Every four years

List of Appendices

Appendix A	Corporate Equalities Action Plan
Appendix B	Interpreting and Translation Policy
Appendix C	British Sign Language Charter for Somerset

Contact Officers

Name	Christine Gale Housing & Community Project Officer	Name	Angela Summers Housing & Community Project Lead
Direct Dial	01823 358693 Ext: 2340	Direct Dial	01823 358682 Extn: 2482
Email	c.gale@tauntondeane.gov.uk	Email	a.summers@tauntondeane.gov.uk

Corporate Equality Action Plan 2016-2019

Item	Issue/recommendation	Proposed / Planned activities	Target date	Lead Officer	Progress	RAG	Success indicators
1	SWAP AUDIT - Ensure consistency in quality of officers' understanding of equality requirements.	Provide and promote Equality and Diversity Training for : - New Staff (Induction and Awareness) - Current Staff (3 yr cycle) - Report writers (EIA training - 3 yr cycle) - Members (Induction, 4 year cycle) Training to include sources of community profile data	Ongoing	Assistant Director, Corporate Services (RS) (HR) Assistant Chief Executive (BL) (Democratic)	Equality training offered to staff via tutored sessions and e-learning. Tutored Session Feb 2016.		Staff are trained to provide accessible services and support service users. EIAs are carried out to a consistently high standard across the authority
		Develop a system with HR to prompt refresher training for staff and report writers.	Jul-16	Assistant Director, Corporate Services (RS) (HR)			Council has confidence that staff are trained to the necessary standard to meet our statutory requirements.

2	SWAP AUDIT - Lack of evidence to back up equality considerations during the decision/policy making process.	Training for Tier 4 managers and report writers	Ongoing	HR Manager (FW)		<input type="checkbox"/>	Advancement of Equality is considered and evidenced during the planning of change to services
		Liaise with Taunton Deane Disability Discussion Group and promote TDDDG meetings to Service and Programme Managers to ensure attendance so that disabled people are consulted on decisions (service changes/policies/budget including Transformation and Growth Programmes)	Six Monthly from March 2016	Report Writers via Housing & Community Project Officer, (HP)		<input type="checkbox"/>	Consultation on decisions made to advance equality and protect disabled people from discrimination.
	Lack of evidence that equality is used to help inform officer recommendations and is not an afterthought in the process.	Ensure that Equality Impacts are considered from the beginning and throughout the Transformation and Growth programmes, through emphasis in training to staff and Programme Managers	Ongoing	HR Manager (FW) and Corporate Transformation Programme Manager (KB)		<input type="checkbox"/>	EIAs are used to inform officer recommendations and to shape projects from the outset.
3	SWAP AUDIT - Equality Analysis not included in all reports and an effective quality monitoring framework is not in place	Send periodic reminders to Leads of requirement to consider equalities at the beginning of policy change and service development using community profile data	Six Monthly from April 2016	Housing & Community Project Lead (AS)		<input type="checkbox"/>	Reports to Members comply with legislation by including a high quality evidence based EIA. Members are able to make informed decisions.

4	SWAP AUDIT - Monitoring of Equality impacts is not fully embedded	Carry out a six monthly quality check of EIAs in Executive reports and provide a summary of results for JMT performance meetings.	Six Monthly from April 2016	Housing & Community Project Officer (CG)		<input type="checkbox"/>	
		Undertake reminders through 1-1s and PREDs as required	Ongoing	All Assistant Directors			
5	PSED - To publish information annually to show compliance with the Public Sector Equality Duty	Send out annual reminders to staff to complete Equality Data on SAP	Annual from November 2016	Assistant Directors/ HR Manager (FW)		<input type="checkbox"/>	All Equality information and Equality Objectives are published to ensure TDBC complies with the PSED.
		Prepare and publish Staff Equality profiles	Annually from February 2017	HR Manager (FW)		<input type="checkbox"/>	
		Update TDBC Equality internet and intranet pages with information relating to Equality and Diversity. See links following this table.	Annually from June 2016	Housing & Community Project Officer (CG)		<input type="checkbox"/>	
		Review and refresh equality policy and objectives, publish new policy and objectives on TDBC and WSC websites and include new objectives in the CEAP.	April 2016 then 4 yearly	Housing & Community Project Officer (CG)		<input type="checkbox"/>	EO's are published on time, delivered and TDBC and WSC are compliant with legislation
		Monitor delivery of the CEAP (this!) and provide six-monthly updates for corporate performance monitoring.	Six Monthly from September 2016	Corporate Performance & Strategy Manager (PH)		<input type="checkbox"/>	

6	Best Practise/Sharing information	Attend SEOG to keep up to date with legislative changes, government directives, share best practise and join up on projects and keep Joint Management Team informed of relevant changes.	Bi-monthly from March 2016	Housing & Community Project Officer (CG)	<input type="checkbox"/>	Partnership working is enabling TDBC and WSC to meet our legislative requirements
		Create Interpreting and Translation policy and guidance for staff.(See appendix B)	Feb-16	Housing & Community Project Officer (CG)	<input type="checkbox"/>	Clear translation procedures publicised and available to staff and customers
		TDBC and WSC endorse refreshed SEOG Deaf Charter. (see appendix C)	Mar-16	Housing & Community Project Officer (CG)	<input type="checkbox"/>	Deaf and people with hearing loss are able to access TDBC and WSC services.

TDBC internet site link: <http://www.tauntondeane.gov.uk/irj/public/council/goalsandvalues/goalandvalue?rid=/wpccontent/Sites/TDBC/Web%20Pages/Council/Goals%20and%20values/Equality%20and%20Diversity>

WSDC internet site link: <http://www.westsomersetonline.gov.uk/Council---Democracy/About-Your-Council/Equality---Diversity/Equality---Diversity-Scheme>

EIA form and guidance notes are available: TDBC link: <http://portal/sites/policyPerf/strategyandpartnerships/equality/default.aspx> or WSC 'W' drive: W:\Equalities\EIA TEMPLATE

The Equality Act introduced a Public Sector Equality Duty. This Duty places two specific requirements on the Council:

1) To publish information annually to show that it complies with the new Equality Duty

2) To prepare and publish equality objectives every four years

Outlined below are the actions which our Councils will deliver to meet these requirements:

1) Publishing Equalities Information

- a) We (Report Writers) publish our Equality Impact Assessments which demonstrate the impact of changes to our services or budget cuts with all Executive / Cabinet reports
- b) We publish a Workforce Equalities Report (HR Manager - FW) which includes information about the make-up of our workforce. We also have internal procedures for addressing equalities issues such as our Employment Equality Policy. This shows that we consider how our activities affect employees with different protected characteristics.
- c) We have published an Equalities Information Report (web site). This shows our commitment to understanding the community we serve and helps us to consider the impact that our services have on different sections of the community, including those with 'protected characteristics.'

2) Our Equality Objectives for 2016 - 2019

Objective 1: Councillors will fully consider the equality implications of all decisions they make.

- a) Ensure that 100% of reports which go to the Council Executive have accompanying Equality Impact Assessments, where required.
- b) Provide equality and diversity awareness training to all Councillors on Scrutiny Panels, Planning Committees and Executive/Cabinet.
- c) Make sure that 100% of all councillors have received equality and diversity awareness training.

Objective 2: Those with protected characteristics feel empowered to contribute to the democratic process that affects them; their input will be used in the planning and delivery of services.

- a) Providing service users with the opportunity to take part in the Taunton Deane Disability Discussion Group. Engage with communities via our membership of Somerset Equality Officers' Group (SEOG), and by participation in the SEOG community consultation events.
- b) Training for Service Managers will highlight the requirement to consider input from groups with protected characteristics and community profile data when making policy or service changes, as part of the equalities consideration. Links to data profile sites and details of protected characteristics below:

<http://inform.sine.org.uk/profiles/>

<http://www.somersetintelligence.org.uk/equality-and-diversity/>

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/guidance-all/protected-characteristics>

- c) Ensure our partners and contractors adhere to equalities standards commensurate with our own by working with them to ensure they are aware of equalities legislation and its positive effect and the duties placed upon them under the Equality Act 2010 and the public sector equality duty 2011.

Objective 3: Those with protected characteristics are able to access services in a cost effective and appropriate way.

- a) Improved access for service users who are deaf or hearing impaired, blind or visually impaired, disabled, and those who do not have English as their first language via staff training and guidance factsheets.
- b) Equalities information including reports, profiles and policies are available on the council website.

Objective 4: Actions are taken to identify and reduce or remove any inequalities faced by employees

- a) Ensure 100% of employees are contacted annually to ensure their employee equalities monitoring data is up to date
- b) Where cases of bullying and harassment arise, we undertake to consult with staff and trade unions to identify and treat the causes.

Appendix B

Taunton Deane Borough Council

Interpreting and Translation Policy

This is Taunton Deane Borough Council's Corporate Interpreting and Translation Policy. It sets out the council's approach to communicating with service users in the most accessible and effective way. The policy will support the council in delivering the "Corporate Equality Action Plan."

In order that all of our service users are able to access services appropriately it is essential that we have a policy to cover all communication needs. This policy covers the different language needs in Taunton Deane, including British Sign Language and braille.

Definitions

For the purposes of this document the following distinctions are made between 'translation' and 'interpreting'.

- Translation refers to the transferring of ideas expressed in writing from one language to another.
- Interpreting refers to the transfer of ideas expressed orally or through the use of gestures or signs.
- The term "service user" is used as an inclusive term to describe any stakeholder or group who interacts with the council.

The routes through which a service user will interact with the council and its services will be called 'access'. The four main types of access are:

- Electronic
- Telephone
- Face to face
- Written correspondence.

This policy and procedure refers to the council's service users who:

- do not have English as their first language
- have a sensory impairment
- have a learning difficulty or have low levels of literacy

Access to translating and interpretation services

The council has a list of preferred providers of interpreting and translation services for the provision of:

- Face to face interpretation
- Real-time telephone interpretation
- Document translation; languages, large print, braille or audio

Budgetary responsibilities for interpreting and translation services are met through revenue budgets of individual service areas.

Best Practice

- Persons under the age of 18 should not be used for interpreting or translation by council staff. The only exception to this rule would be to gain basic information during an emergency.
- All providers of interpreting and translation services are expected to adhere to the confidentiality agreement contained within the terms of the procurement contract.
- A record must be kept by the relevant service team of requests for interpretation and translation services and the council's response. This is important in the event of complaints, compliments and freedom of information requests.

Guidance for using a language/sign language interpreter

Booking an interpreter

- When booking an interpreter allow half an hour extra time to brief him/her.
- Check the preferred language, dialect and gender of the interpreter being booked.
- Use the interpreter's cultural knowledge to guide you on etiquette.

During the interview

- Introduce yourself and the interpreter. Ask the interpreter to explain their role.
- Explain to the service user that all information will be confidential to all present.
- Place the service user at the centre of the interview; maintain eye contact.
- Use plain English, avoid jargon and speak in short sentences.
- If you are concerned about what is taking place between the interpreter and the service user, stop the conversation and ask the interpreter to clarify.
- Recap and clarify if necessary.
- Ensure the interview finishes on time.

After the interview

- Debrief the interpreter.
- Give and receive feedback.
- Request clarification if difficulties were experienced.
- Do not ask the interpreter for their opinion of the case.
- Sign the interpreter's time sheet.
- Make a note of the start/end time.

Considerations on when to translate a document

- Is it essential to translate this document?
- Who is the target audience?
- What is the evidence of need / that people would otherwise be disadvantaged?
- Does it include people for whom English is not their first language?
- Could the information be more effectively shared by using community advocates?
- Is there a statutory duty for providing written information in translated format?
- Would a summary suffice rather than a translation of the whole document?
- Will people across communities have the literacy skills to understand the document?
- Would it be better to translate an easy read version of the document?

Contact:
Christine Gale
Housing & Community Project Officer
Housing & Community Project Team
c.gale@tauntondeane.gov.uk
T: 01823 358693 or Ext: 2340

BSL Charter for Somerset

The Councils of Somerset want to improve access to our services by the Deaf community. We, the councils of Somerset make the following pledges:

Pledge One

Ensure access for Deaf People to information and services pledge:

Deaf people will get the same quality of provision, information and standards and the same right to be consulted as everyone else. This will make more Deaf people (include those who have problems with written information) aware of services and able to access these independently. It will also ensure compliance with the Equality Act 2010.

Pledge Two

Provide deaf awareness/training for staff pledge:

The councils of Somerset will ensure to provide their staff with awareness training around deafness, hard of hearing and hearing loss.

Pledge Three

Support Deaf children and families pledge:

At the point of diagnosis of deafness, health and education providers will offer parents genuinely informed choices, including a bilingual/bicultural approach. This will increase Deaf people's academic achievement and job opportunities and enhance family life by improving communication between children, parents/carers and siblings

Pledge Four

Ensure Deaf people can communicate effectively in BSL pledge:

The councils of Somerset recognise BSL as a language and that people speak in this language. All councils will provide interpretation facilities should they be requested to do so and will investigate different options to support Deaf people in communicating with the Council

Pledge Five

Consult the local Deaf community on a regular basis pledge:

Deaf people should have the right to be consulted on services or changes to services that affect them and to have input into consultations alongside other forums and user groups

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 – 9 March 2016

Present: Councillor Williams (Chairman)
Councillors Beale, Berry, Habgood, Mrs Herbert, Parrish and
Mrs Warmington

Officers: Shirlene Adam (Director – Operations), James Barrah (Director – Housing and Communities), Lucy Clothier (Housing Accountant), Jo Humble (Housing Development and Enabling Manager), Tim Child (Asset Manager), Simon Lewis (Assistant Director – Housing and Community), Angela Summers (Housing and Community Project Lead), Christine Gale (Strategy Officer) and Richard Bryant (Democratic Services Manager)

Also present: Councillors Aldridge and Coles
Anne Elder, Chairman of the Standards Advisory Committee

(The meeting commenced at 6.15 pm.)

11. Apology

Councillor Edwards.

12. Minutes

The minutes of the meeting of the Executive held on 4 February 2016, copies of which had been circulated, were taken as read and were signed.

13. Declarations of Interest

Councillor Mrs Herbert declared a personal interest as an employee of the Department of Work and Pensions. Councillor Beale declared personal interests as a Board Member and Director of Tone FM and as a Governor of the South West Ambulance NHS Trust. Councillor Edwards declared a personal interest as the Chairman of Governors of Queens College. Councillor Parrish declared a personal interest as the District Councils' representative on the Somerset Pensions Committee.

14. Housing Revenue Account Business Plan Review

Considered report previously circulated, which sought to update Members on the progress of the Housing Revenue Account (HRA) Business Plan Review

The Business Plan contained the aims and objectives for the HRA and was first put in place in 2012. Annual reviews had since been reported to Members and tenants.

Since its introduction, there had been a number of significant changes to the Business Plan, both internal to the Council, and external. A comprehensive review

was now needed to ensure that the HRA continued to meet the needs of tenants within the financial constraints.

The Business Plan Review included:-

- Refreshing and reviewing the baseline financial position, including a health check of the stock investment data;
- Undertaking sensitivity and stress testing of the Business Plan to support the modelling of future decision making in areas such as rent policy, the major works programme, the housing development pipeline and regeneration projects, changes in Government Policy and demographic changes ahead;
- Reviewing the Business Plan priorities and objectives;
- Updating the Business Plan document, financial modelling and debt profiling;
- The development of a new Asset Management Plan to set a refreshed course based on the performance of the Council's existing stock; and
- A Development Strategy that would provide the future direction for new build volumes set against the regeneration of our non-traditional stock.

Noted that the company Savills had been appointed to provide external support and challenge for this work. The intention was for the Business Plan Review to refresh the priorities of the HRA and financial position over a new 30 year period – from 2016/2017 through to 2045/2046.

Further reported that a discussion paper prepared by Savills, in conjunction with officers, had been circulated with the report for the information of Councillors.

The paper contained details of the updated financial position, performance against the Business Plan priorities, and proposals for new objectives and an updated action plan. It also included five key areas of discussion as follows:-

- (1) What should be the core business of the Housing Service, and were the priorities in the draft action plan appropriate to deliver this?
- (2) What priority should be given to improving the customer experience of Housing Services, and which were the most effective and efficient actions to achieve this?
- (3) How should limited financial resources be prioritised to support sustainable investment in each of the following:-
 - Capital spend – investment in existing stock;
 - New build programme; and
 - Revenue spend - including wider community priorities.
- (4) Should the Council consider products that were closer to the market such as Intermediate or Affordable Rent in order to generate additional income?
- (5) What was the Council's appetite for repaying or increasing its debt?

The discussion paper had been considered in detail at the recent meeting of the Community Scrutiny Committee and consultations had also been undertaken with the Tenant Services Management Board, the Tenants Forum and all staff members in the Housing and Communities Directorate.

Although a detailed summary of the key points and responses received was circulated with the report, the main conclusions which could be drawn from those responses were as follows:-

- The Council's core business should be social rented housing for the most vulnerable in our communities;
- The proposed new objectives were appropriate;
- Much could be done to improve the customer experience of the Housing Service;
- Subject to certain continuing commitments regarding repairs and maintenance service standards, on balance it would be acceptable to prioritise new build over some maintenance spend;
- However, understandably tenant groups would not want the standards in Taunton Deane's existing housing to fall, and it was felt that more could be done to make better use of the current repairs and maintenance spend in order to free up resources;
- There was an appetite to look at housing products that were closer to the market in order to generate additional income on new build/regeneration schemes; and
- There was an acceptance and agreement that our current approach to debt repayment would have to be revised, based on treasury management advice, to achieve a viable Business Plan and protect services.

Reported that a large scale stock condition survey of Taunton Deane owned housing was currently underway. The results of this were expected to be received by early April, and would 'feed in' to the overall financial position relating to the HRA Business Plan.

Following the completion of the survey, regular sessions and briefings were being planned with both Members and tenants culminating in recommendations being made to Full Council in July 2016 as to the approval of a revised Business Plan.

Resolved that:-

- (1) The report, particularly the key points and responses received to the recent consultation, be noted and supported;
- (2) The Areas for Discussion (1) and (4) be linked in such a way that any further income generated would be available to support the core business of the Housing Service; and
- (3) The provision of more new build/regeneration schemes also be supported.

(Councillor Williams left the meeting at 7 p.m. Councillor Mrs Herbert took the Chair for the remainder of the meeting.)

15. **Community Asset Transfer Policy**

Considered report previously circulated, concerning details of the recent consultation completed in respect of the Council adopting a Community Asset Transfer Policy.

Implementation of the Community Asset Transfer (CAT) Policy had commenced in July 2014.

The draft Policy was sent out for consultation in August / September 2014 to local Community Groups, Town / Parish Councils and libraries for comment. The result of the consultation came back with various concerns as follows:-

- a) The Policy was too long and complicated;
- b) It focused on transfers only by way of leasing out property;
- c) There was no indicative timetable for progress of a CAT application;
- d) It seemed to focus on the transfer of non-profitable assets and merely for community bodies to take on the cost of maintaining and running them;
- e) The Policy also appeared to have too much Council control with the Council being able to take back the asset if a use was found which could make it viable; and
- f) It was not in the spirit of the Localism Act.

Following on from this response, the decision was taken to comprehensively reassess the draft Policy to take into account the issues that had been raised. It was also decided to look at the CAT Policies already adopted by other Councils and establish what factors they had taken into consideration when drafting them.

The result of this was that the original draft Policy had been redrafted and consulted upon to a widened list of consultees which comprised:-

- o Councillors: County, Town and Parish as well as the Member of Parliament (approximately 106);
- o Education Organisations (approximately 2);
- o Faith Groups/Churches (approximately 43);
- o Internal Officers (approximately 15);
- o Partner Organisations (approximately 12); and
- o Voluntary and Community Organisations (approximately 165).

The consultation – which took place between 9 November 2015 and 15 January 2016 – had had a wide exposure, seeking to obtain representative views of the public.

The Council had received a total of 27 responses giving a response rate of 7.9%. Details of the responses were set out in the report.

The key themes of the consultation concerned:-

- (i) Whether the consultee believed that the Policy would deliver wider public benefits as part of a CAT process;
- (ii) Whether the consultee believed the Policy would achieve the Council's Corporate Aims and Values;
- (iii) Agreement as to the principles underlying the Policy which sought to involve local communities, to provide a pro-active asset management programme as well as giving clear transparency in decision making. Consultees were asked whether these principles would help the Council achieve a successful CAT Policy; and
- (iv) Acceptance of the application criteria set out in the CAT Policy.

Each of these key themes had attracted support in excess of 60%. Details of

various concerns expressed by some of the consultees were set out in the report. Although it was generally apparent that the majority of the consultees were supportive of the Council transferring assets, there was concern about continuing liabilities, lack of ongoing support from the Council but a continuing 'interest' in the land by the Council. Others believed that assets should be retained by the Council.

As a result of the consultation, a number of amendments had been made to the proposed CAT Policy.

Noted that the transfer of assets to community groups would have the potential to create opportunities for these groups to commission Deane DLO or other services to support them post transfer.

Reported that this matter had been considered by the Community Scrutiny Committee on 1 March 2016 where the CAT Policy was supported.

Resolved that Full Council be recommended to adopt the Community Asset Transfer Policy and the Initial Expression of Interest Form.

16. **Corporate Equality Objectives 2016-2019**

Considered report previously circulated, concerning the updating of the Corporate Equality Objectives for both Taunton Deane Borough Council and West Somerset Council.

The Equality Act 2010 covered the following protected characteristics:-

- Age
- Disability
- Gender reassignment
- Marriage and Civil Partnership
- Pregnancy and maternity
- Race
- Religion and Belief
- Sex
- Sexual Orientation.

The Corporate Equality Objectives document outlined how the Council built equality into commissioning, procurement and delivering services and how the Council:-

- (a) Provided direction for the Council's Members, managers and employees with clear equality objectives;
- (b) Provided the basis for actions to be embedded within all service plans;
- (c) Document how the Council would meet its statutory public duties in regard of the Equality Act 2010 and the public sector equality duty; and
- (d) Utilised the Equality Impact Assessment (EIA) process to ensure consideration of impact on groups with protected characteristics. These considerations were built into the design process of all changes to services and were fully considered by Members in the decision making process.

The Council took the approach that equalities should be mainstreamed within all service areas and should not be the sole responsibility of one officer. The following Corporate Equality Objectives reflected this approach specifically in the Council's role as a service provider, employer, purchaser of goods and services and elected community leader:-

- **Objective 1**: Councillors would fully consider the equality implications of all decisions they made.
- **Objective 2**: Those with protected characteristics felt empowered to contribute to the democratic process that affected them; their input to be used to inform the planning and delivery of services.
- **Objective 3**: Communities with protected characteristics were able to access services in a cost effective and appropriate way – for example through the provision of interpreting or translation services or signing for residents who were deaf or blind.
- **Objective 4**: Actions were taken to identify and reduce any inequalities faced by employees.

Copies of the proposed Corporate Equality Objectives 2016-2019 and Action Plan, the Interpreting and Translation Policy and the British Sign Language Charter for Somerset were submitted for the information of Members

The objectives would be implemented through a Corporate Equality Action Plan which would be regularly monitored to ensure equality risks were being assessed and that actions worked toward achieving the aims of the Corporate Equality Objectives.

Noted that Equality Impact Assessments would be monitored via six monthly 'spot checks' undertaken by the Housing and Community Team.

Further reported that consultation on the proposed Corporate Equality Objectives had been carried out with partners and other key stakeholders, including the countywide consultation event on 17 September 2015. Key findings from this consultation were detailed in the report.

The objectives aimed to improve the lives of the residents in Taunton Deane and would support the Council's legal requirements outlined in the Equality Act 2010 and the public sector equality duty 2011.

During the discussion of this item it was considered that additional training – whether through e-learning modules or through a more traditional means – should be provided for Members. Reference was also made to the Makaton form of Sign Language which should also be an option for those local residents who were deaf or hearing impaired who wished to communicate with the Council.

Resolved that the:-

- (a) Corporate Equality Objectives 2016–2019 and Action Plan;
- (b) Interpreting and Translation Policy; and

(c) British Sign Language Charter for Somerset;
all be adopted.

17. **Executive Forward Plan**

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

Resolved that the Forward Plan be noted.

(The meeting ended at 7.31 p.m.)