

TAUNTON DEANE BOROUGH COUNCIL

At a Meeting of the Taunton Deane Borough Council held in the Principal Committee Room, The Deane House, Belvedere Road, Taunton on 20 July 2004 at 6.30 pm.

Present: The Mayor (Councillor Mrs Allgrove)

The Deputy Mayor (Councillor Lees)

Councillors Beaven, Mrs Biscoe, Bishop, Bowrah, Mrs Bradley, Mrs Bryant, N P Cavill, Miss Cavill, Croad, Davies, Denington, Durdan, Edwards, Floyd, Garner, Guerrier, Hall, Hayward, Mrs Hill, Hindley, Mrs Lewin-Harris, Lisgo, Meikle, Mullins, Murphy, Ms Peppard, Phillips, Prior-Sankey, Ms Priscott, Slattery, Mrs Smith, , Stone, Stuart-Thorn, Trollope, Vail, Watson, Wedderkopp, Weston and Williams

1. Minutes

The minutes of the meetings of the Council held on 5 and 10 May 2004, copies having been sent to each member, were signed by the Mayor.

2. Apologies

Councillors Bone, C Cluff, Mrs Cluff, Gill, Govier, Henley, House, Mrs Nixon, Paul, Mrs Whitmarsh and Mrs Wilson

3. Public Question Time

- (a) Daniella Robins stated that when the dog warden had taken her dog and she asked why, no one had told her, she was advised that they were not allowed to speak to her father. Why has the Council Leader not looked into this?

Councillor Edwards replied that he was not aware of this issue and that he would investigate further.

- (b) Paul Wheeler asked the following questions in relation to the Housing Stock Options Appraisal:

(i) Would selling the Council's housing stock not result in a loss of democratic control over social housing?

(ii) Is not the future of Council housing an issue in which all resident have an interest?

(iii) Does the Stock Options Appraisal process not indicate that the Government want to get rid of Council housing? Are the Council succumbing to Government pressure?

(iv) Why risk £500,000 on balloting tenants?

- (c) Wellington Town Councillor E Warren asked why it had taken so long before any funds had been spent on Council owned PRC dwellings.

- (d) Patricia Rowe drew attention to the differences between secure and assured tenancies. She asked if the Council could guarantee that the rights tenants currently had would remain under assured tenancies. What rights would they be losing?
- (e) Nigel Behan asked if Councillors had read the LGIU document "Right to Choose". Were they aware of the 'Fourth Option'?
- (f) Jo Hickey asked what plans there were to encourage cohesive communities. Would the new proposals dissuade people from coming together as a community?
- (g) Mrs Shirley Miller asked why the Council were selling off Council houses when all the options had not been explored.

She also claimed that information relating to her Ward Councillors was not readily available, particularly in the local Library.

Councillor Williams drew attention to the many sources of information that were available in relation to Borough Councillors.

He also stated that funding in relation to PRC dwellings had slipped because of their excellent condition.

It was not a question of not doing anything – just a question of timing.

In view of the interest in the Housing Stock Options Appraisal, Executive Councillor Garner read the following statement:

"Tonight members of this Council are being asked to make a decision that will have an impact on the future of it's housing stock.

To date Taunton Deane has enjoyed an enviable record as a landlord... and rightly so, a recent satisfaction survey of tenants returned satisfaction levels of our tenants in excess of 90%, this is a testimony to members and officers not only of previous years but also of prior generations. These levels are not achieved by fluke, they are achieved through hard work and commitment by officers and members alike. As a Council we should be justifiably proud of where we are today in Housing. The recent CPA inspection was also very complimentary in this regard.

Given this Council's high level of achievement, I can fully appreciate the concerns of the public, officers and members when we begin to discuss the possible transfer of our corporate crown jewels to an outside body.

About the housing stock options process.

The housing stock option appraisal process has now reached a crucial stage....*but some background first*. The detailed stock options appraisal started in earnest back in August 2003 however the **initial** process actually dates back to the late summer of 2002, this was when consultants HACAS Chapman Hendy were commissioned to undertake an initial study to get a feel for our stock condition and gain an outline of the financial consequences. Following the HACAs report, a decision was taken to carry out a more comprehensive review which would run in parallel with the best value review with the intention at the time of discussing stock options at Full Council in April 2004. It was decided however to delay this until today giving the Council and stakeholders time to consider the findings in more detail.

As members are probably aware this whole process was instigated by central government in July 2000, it was then that a decent homes standard was established, and stipulated that Councils had to meet this decent homes standard by 2010. In addition, all Councils were to vote or have voted by their July 2005 Full council in relation to their preferred option. I therefore emphasize that this is not a Taunton Deane initiative, we, like all other Councils are following government policy.

To help facilitate the housing stock options process, professional advisors have been employed, Price Waterhouse Coopers and Dome. With PWC advising the Council and DOME assisting tenants. The options reviewed should by now be familiar to members but they are:

1. Retention
2. Almo (Arms Length Management Organisation)
3. PFI (Private Finance Initiative)
4. Whole stock transfer to a housing association

Central government doesn't recognise the first option (*retention*), Almo's are costly to set up, they are unpopular with the government and Councils have to be unable to meet the decent standard before they even qualify for funding and even then, the amount of funding they might receive is uncertain (*just because you ask for an amount doesn't mean to say that will be the amount received*). PFI, this is specialist funding and more appropriate to major municipal councils and is inappropriate for Taunton Deane. These options have been discussed by the stock options steering group, the Tenants Forum and the Housing review panel. The preferred option of those committees was for whole stock transfer which, it has to be said, comes as no surprise.

In addition, the Insight Group was formed at the beginning of the new year and comprised tenants that had attended various DOME road shows and who had expressed a particular interest in taking part in the process as a sounding board. About 200 tenants volunteered to take part in the process although an average of about 30 regularly attended the fortnightly sessions. Having fully aired the options The Insight Group also voted in favour of transfer.

Let us talk about Housing Associations for a minute

Transfer to a housing Association makes sense. If **tenants** ultimately vote to transfer, it is strongly envisaged that our current housing officers will transfer to the newly created housing association therefore the impact on service levels and continuity with individuals should be retained.

Housing Associations also have access to government funding, this will enable tenants to continue to receive the Taunton Deane Gold standard of service.

If tenants vote for transfer the task of members and officers will be to manage change.

I have referred above to the tenants vote. *Please understand* that If Council votes tonight to continue with the stock options process the next stage will be a comprehensive consultation with our tenants (not merely on a sample but all 6400 of them), The consultation would start in the new year and conclude in the spring of 2006.

The tenants will then vote on who they want as landlord. **Therefore stock transfer is the tenants decision not this Councils!**

If tenants vote no to transfer then we will have to carry out the process all over again and this will cost money (approx £500k) but as there is no provision for this expenditure, this will have to be found from existing housing resources which can only mean a cut in service. We will be unable to deliver the gold standard and will probably slip to bronze. *Should the council continue to lose the tenants vote the implications to service levels and Council finances are unthinkable Nobody wins.*

Frequently asked questions were:

Can we delay the decision in the hope of a change of Government.

This was a Conservative initiative, neither of the two major political parties want the expense of Council housing. There is no point in waiting as this will simply have a detrimental impact on service levels and council finances.

If it is not broke why fix it. ?

Currently *it is not broken, if we have to meet decent homes without extra funding, then service levels will suffer as will Council finances, so eventually it will become broken and the Council will become broke.*

Now what!

We now have to decide whether to support the position of the executive and the other committees and that is to continue the stock options process. This will involve a **massive** consultation process with all tenants leading to their ballot in spring 2006.

Ordeny tenants their democratic rights and watch service levels deteriorate.

Finally Members will be aware that the decision we are making **is not about us** but more about the provision of housing for our children and grandchildren. We have to ensure that we continue the good work of our predecessors and consider the needs of future generations.

I started by saying that members of this Council are being asked to make a decision that will have an impact on the future of its housing stock.

I believe that our tenants should also play a major part in the process and I now urge members to vote in favour of continuing with the stock option process and in doing so, allow our tenants to be consulted and to vote on their preferred landlord. “

He then answered the individual questions raised at Public Question Time as follows:

The make up of a newly formed Housing Association Management Board (who ultimately make all decisions) consists equally of Council Members of all political parties, tenants and officers of the Housing Association.

A transfer provides an opportunity to start with a clean slate and agree through an SLA what and who should do what.

Shelter had been involved in work to date as a representative on the Steering Group and have worked with potential future tenants, asking those on the waiting list for examples of what type of service they like, etc.

The Stock Options process is not about transfer but about a Council's housing service, examining how they operate and can it be undertaken differently/better and to ensure tenants and future tenants have the best service possible. Each authority will choose an option to suit its particular situation – hence more than transfer being an option.

It would be irresponsible to risk £½m and not to allow tenants a democratic choice? Also it is right to allow all tenants to know all the facts then make a decision?

The comments made by Town Councillor Warren were agreed.

The rights of tenants would be totally unaffected in the event of a stock transfer.

The 'Fourth Option' was not an option. The Government had clearly indicated that they were not prepared to consider any alternative to the options already proposed.

4. Recommendations to the Council from the Executive

(a) Draft Performance Plan 2004/05

Reported that Councils were required by legislation to produce an annual Performance Plan. This year's draft Plan had been considered by the Review Board at its meeting on 9 June 2004.

An updated version was also considered and approved by the Executive at its meeting on 23 June 2004. A copy of the Plan had been sent to all Members.

The Performance Plan would become the focus of the Council's improvement planning by articulating priorities for improvement, including how weaknesses would be addressed, opportunities exploited and better outcomes delivered for local people. It would set targets for improved future performance.

On the motion of Councillor Williams it was RESOLVED that the draft Performance Plan 2004/05 be agreed.

(b) Outturn Report 2003/04

The Executive had considered, noted and agreed the Council's General Fund and Housing Revenue Account outturn for 2003/04.

The report contained details of the major spending and income variations and there were two issues that needed to come before Council.

In April 2004, it was reported that £97,000 of monies set aside for the repayment of VAT would no longer be required. The Executive had previously agreed to transfer these monies to unallocated capital resources and a Revenue Contribution to Capital Outlay had been created in 2003/04 to reflect this. However, this would require the approval of a virement by Council.

The current budget required a total of £1,031,806 from the General Fund Reserve to support expenditure, the underspend shown in the report would now reduce this to £791,671. In order to increase the level of capital resources available, it was proposed that this underspend of £240,135 be transferred via the Revenue Account in 2004/05 to unallocated capital resources. This would require approval by Council of a Supplementary Estimate.

On the motion of Councillor Williams it was RESOLVED:

- (i) £97,000 of monies previously set aside for the repayment of VAT be vired to unallocated Capital Resources.
- (ii) A Supplementary Estimate be made in 2004/05 of an RCCO for the 2003/04 General Fund underspend of £240,135.

(c) Establishment of a Leisure Trust – Tone Leisure (South West) Limited

The Executive had considered a report, which recommended the transfer of the Council's leisure facilities and its health and sport development services to Tone Leisure (South West) Limited. The report revisited the issues outlined in a report submitted to the Executive on 22 December 2003, when the decision was made to defer transfer for a period of six months.

In October 2002 the Council approved in principle the establishment of a Leisure Trust to operate its leisure centres, development services and Vivary Park Golf Course. However there were a number of outstanding issues at that time and it was subsequently agreed to defer the decision for six months. Progress that had now been made on the issues that led to the decision to defer the Leisure Trust six months previously.

The formation of a Leisure Trust would allow the Council to generate tax based savings through reduced NNDR costs and through an improved VAT recovery regime, which the Trust was able to take advantage of.

The Council's consultants, Strategic Leisure Limited, had been involved in this project since its inception and submitted their objective assessment on the proposed transfer. Strategic Leisure believed that sufficient progress had been made on the unresolved items to unequivocally recommend that the transfer should proceed.

Now that the majority of outstanding issues had either been resolved or were likely to be resolved in the near future, the point had been reached where a transfer could be recommended.

Full details of all the issues surrounding this proposal were contained in an exempt report which was circulated to all Councillors with the agenda for the Executive meeting on 23 June 2004.

The Leisure Trust remained the best value method of service delivery and the last six months of negotiation, especially around the leases, pensions and service review, had significantly reduced the risks to the Authority.

On the motion of Councillor Mrs Bradley it was RESOLVED that:

- (i) the Council's leisure facilities and its health and sport development services be transferred to Tone Leisure (South West) Limited on the terms described in the report and as set out in the associated documentation;
- (ii) the level of deficit funding required for Tone Leisure to operate the services (excluding Blackbrook) for the first 8 months of £452,000 be agreed;
- (iii) Standing Orders be suspended to enable the Council to enter into an 8 months management contract with Tone Leisure in relation to Blackbrook and the management fee for the first 8 months be £535,000. The income from this arrangement to be returned to the Council's General Fund budget;
- (iv) Somerset County Council be provided with a Pensions Guarantee;
- (v) the residual savings, including reduced costs, NNDR and an improved VAT recovery regime, generated by the formation of the Trust be ring fenced for reinvestment in the facilities managed by the Trust;
- (vi) an interest free loan of £50,000 be made to Tone Leisure, subject to the loan being repaid over the following 6 years with the first payment taking place in August 2006.
- (vii) the appropriate officers be thanked for their hard work in reaching this position and the Health and Leisure Review Panel be thanked for its constructive contribution to the process.

(Councillors Durdan and Ms Priscott both declared a prejudicial interest in this matter as Shadow Trustees of Tone Leisure (South West) Limited and left the meeting during its consideration).

(d) The Future of Waste Collection and Recycling in Taunton Deane

A joint meeting of the Executive and the Health and Leisure Review Panel held on 30 June 2004 had considered proposals for changes in the methods of collection of household waste for disposal and recycling. The proposals concerned the introduction of services that would achieve the statutory recycling/composing targets in 2005/06. In addition to this joint meeting this matter was also considered by the Health and Leisure Review Panel at its meeting on 1 April 2004.

Consideration, in some detail, was given to the options, issues and implications of the service developments necessary to deliver the statutory recycling targets for 2005/06 and beyond.

In order to achieve the level of performance required for 2005/06 it would be necessary to:

- Provide a multi material collection service including glass to all the main residential areas of the Deane.
- Increase access to, and participation in collection services for garden and food wastes.
- Constrain waste arisings through enforcement of a waste minimisation/collection policy and by the provision of containers for wastes.

On the motion of Councillor Edwards it was RESOLVED that:

- (a) Supplementary Estimates be made in 2004/05 to implement Option 8 as shown in the report to the Joint Executive/Health and Leisure Review Panel at its meeting on 30 June 2004:

- | | |
|--------------------------------------|----------|
| • from unallocated Capital Resources | £622,290 |
| • from General Fund Reserve | £9,113 |

- (b) the ongoing reserve costs associated with Option 8 (as shown in the report) be included in the Authority's Medium Term Financial Plan and future years' budgets (ongoing eventual costs of £294,947).

On the motion of Councillor Meikle, seconded by Councillor Denington, the following amendment was moved and accepted by the Council:

- (c) Whilst fully supporting the principle of recycling, this Council protests to government that their proper requirement for Councils to achieve a new and higher level of recycling is not supported by any additional annual grant to meet the very high extra cost per annum which is £300,000 year upon year. Council Tax payers and particularly pensioners, should note that this one item could add £8 of itself to next year's Council Tax, again exposing Councillors to the accusation of initiating new spending, when in fact it is another example of government dictating new responsibilities and leaving Local Government to make its excuses to its electorate.

- (d) Council Housing Stock Option Appraisal

The Council were required to carry out an Options Appraisal of its housing stock and to consider the best option for the stock within its over arching housing strategy. An essential element of the appraisal was the consideration of the Decent Homes standard. This was a minimum standard of refurbishment and the Council's current housing objectives included, non-landlord housing priorities and the Option Appraisal had evaluated the extent to which any of the available options could provide additional resources to improve the Council's ability to meet short, medium and long term housing demand within

the Borough. In addition the Council had established five housing priorities, details of which were submitted.

The appraisal process was in two parts. Phase A was financially based and officers worked closely with the Council's specialist help Pricewaterhouse Coopers. Phase B was based on consultation, with officers, independent tenants advisor consultants DOME and the Insight Group, a working group of tenants, working together.

The following four options, had been considered for the future of the Council's housing stock.

- Retention
- Arms Length Management Organisation (ALMO)
- Private Finance Initiative (PFI)
- Stock Transfer

The overall financial points had been looked at in depth and a final financial position had been produced by Pricewaterhouse Coopers. The financial projections indicated that the Council would not have sufficient resources to maintain the housing stock to a decent homes standard after 2010.

The Council's housing financial position was not sustainable in the medium to long term and significant resources were needed from one of the options. If the Council did nothing to address this, substantial cut backs in the capital programme for the next ten years would be necessary within the next 12-18 months.

A mix of options was not considered appropriate given the needs, nature and size of the Council's Housing Stock. Neither ALMO or PFI appeared to offer any financial solutions for the Council. A 'Whole Stock Transfer' solution appeared to be the only option that provided resources for the short, medium and long term investment in the stock and providers provided a significant capital receipt for use on the Council's wider housing priorities.

The Insight Group of tenants wished to maintain and enhance the existing standards and service delivery that the Council provided and achieve the Council's five housing priorities. The Group had therefore recommended that of the options available to the Council it should start to consult now and ultimately ballot tenants on a 'Whole Stock Transfer solution'.

The Tenants Forum, the Housing Review Panel and the Executive had also recommended this course of action.

Councillor Prior-Sankey moved that a Recorded Vote be taken. This motion was not supported by the number of Councillors required in accordance with S.O. 19(2)(b).

On the motion of Councillor Garner it was RESOLVED that:

- (i) the report be noted;

- (ii) the recommendations made by the Insight Group, Tenants Forum and Housing Review Panel that a Whole Stock Transfer solution be investigated now, leading to a tenants' ballot be noted;
- (iii) the recommendations of the Insight Group Tenants Forum, Housing Review Panel and the Executive be agreed and that a Whole Stock Transfer solution be investigated now leading to a tenants' ballot.

On the motion of Councillor Mrs Biscoe, seconded by Councillor Weston, the following amendment was moved and accepted by the Council:

- (iv) In addition, this Council should continue to lobby central Government for the same funding opportunities that other housing service providers can access. This would enable this Council to continue as the housing provider in the event of a 'No' vote.

5. Questions to and Reports of the Leader of the Council and Executive Councillors

The following reports were made to the Council on the main items of current and future business:

(i) Leader of the Council (Councillor Williams)

Councillor Williams' report covered the following topics:

- Investors in People
- Freedom of the Borough – Councillor Meikle
- A welcome to the new Mayor and Deputy Mayor
- Comprehensive Performance Assessment
- Waste Collection
- Somerset and Exmoor National Park Structure Plan Alteration
- LGA Annual Conference
- Vision for Taunton
- Leisure Trust
- Housing Stock Options

(Councillor Mrs Bryant declared a prejudicial interest in the Somerset Structure Plan item as an employee of a local firm of surveyors and estate agents) and left the meeting during its consideration).

(Councillor Prior-Sankey declared a personal interest in the same item as a County Councillor and as a relative was an employee of a local transport company).

(ii) Planning Policy and Transportation (Councillor Bishop)

Councillor Bishop submitted this report, which drew attention to the following:

- Monkton Heathfield Development Guide
- Planning Website
- ASDA planning application
- Planning and Compulsory Purchase Act

- Somerset and Exmoor National Park Structure Plan
- Transportation issues

(Councillor N P Cavill and Miss S E L Cavill both declared prejudicial interests as landowners in the Monkton Heathfield area and left the meeting during consideration of the above item).

(Councillor Hayward declared a prejudicial interest as a property owner in close proximity to certain sites identified in the Somerset Structure Plan and left the meeting during consideration of the above item).

(Councillor Mrs Bryant declared a prejudicial interest as an employee of a local firm of surveyors and estate agents and left the meeting during consideration of the above item).

(iii) Leisure, Arts and Culture (Councillor Mrs Bradley)

The report from Councillor Mrs Bradley dealt with:

- Sports development
- Leisure Service activities
- Parks and Green Spaces
- Culture and Art
- Networking

(iv) Communications (Councillor Mrs Bryant)

Councillor Mrs Bryant submitted her report which covered the following areas:

- Press Office/Public relations
- Press Releases
- Internal Communications
- Deane Dispatch
- Weekly Bulletin

(Councillor Prior-Sankey declared a personal interest as a County Councillor in relation to an article on the Silk Mills Bridge which appeared in the Deane Dispatch)

(v) Economic Development, Asset Management and Tourism (Councillor N Cavill)

The report from Councillor Cavill covered:

- Vision for Taunton
- Business Survey
- Taunton Town Centre Partnership
- Asset Management Plan
- Valuation
- Tourism and TIC
- Broadband
- Rural Renaissance
- TDBC Agricultural Development

(vi) Environmental Services (Councillor Edwards)

Councillor Edwards submitted his report which covered the following issues:

- Waste Services
- Cemeteries and Crematorium
- Highways DLO
- Cleansing DLO
- Environmental Health

(vii) Housing Services (Councillor Garner)

Councillor Garner reported upon Housing Stock Options Appraisal and the Deane DLO Scheme which helped young people choose their careers.

(viii) Resources (Councillor Hall)

The report from Councillor Hall provided an update on the following areas of his portfolio:

- Customer Services
- Office Services
- Benefits
- Revenues
- Financial Services
- Member Services
- Information Systems
- Internal Audit

(ix) Community Leadership (Councillor Mrs Lewin-Harris)

Councillor Mrs Lewin-Harris submitted her report which covered:

- Regional Assembly
- Taunton Deane Local Strategic Partnership
- Feedback from Conference – Ensuring Local Strategic Partnerships Deliver

(Councillor Watson arrived at the meeting at 7.30 pm, Councillor Weston left at 9.12 pm and Councillor Mrs Biscoe at 9.30 pm)

(The meeting ended at 9.45 pm).