

Executive – 15 January 2014

Present: Councillors Mrs Adkins, Cavill, Mrs Herbert, Hunt, Mrs Stock-Williams and Mrs Warmington

Officers: Brendan Cleere (Director – Growth and Development), Bruce Lang (Assistant Chief Executive and Monitoring Officer), James Barrahan (Director – Housing and Communities), Tim Burton (Assistant Director – Planning and Environment), Ian Timms (Assistant Director – Business Development), Jo Humble (Housing Enabling Lead), Paul Fitzgerald (Financial Services Manager, Southwest One), Maggie Hammond (Strategic Finance Officer), Lucy Clothier (Housing Accountant) and Richard Bryant (Democratic Services Manager and Corporate Support Lead).

Also present: Councillors Coles, Horsley, Ms Lisgo, Morrell and A Wedderkopp.
Mr Paul Osborne, Lacey Hickie Caley Limited

(The meeting commenced at 6.15 pm.)

1. Appointment of Chairman

Resolved that Councillor Cavill be appointed Chairman of the Executive for the duration of the meeting.

2. Welcome

The Chairman welcomed Councillor Hunt to his first meeting of the Executive as a Portfolio-Holder.

3. Apologies

The Chairman (Councillor Williams) and Councillor Edwards.

4. Minutes

The minutes of the meeting of the Executive held on 4 December 2013, copies of which had been circulated, were taken as read and were signed.

5. Public Question Time

Councillor Horsley asked what the current position was with the appointment of the Climate Change Officer?

In response, Tim Burton reported that the post had been advertised before Christmas and an appointment had been made. However, the successful candidate had withdrawn their application just before he/she was due to commence work.

The situation was therefore currently under review.

Councillor Morrell asked that if the regeneration of Taunton was such a high priority, what was the rationale behind the Chief Executive, Penny James and the Director –

Growth and Development, Brendan Cleere, basing themselves at the West Somerset Council offices in Williton? He felt that as well as the cost of travelling between the two Councils and the time wasted by this, the arrangement was bound to have an affect on the progress with the regeneration.

In reply, Brendan Cleere stated that the arrangement was part of the shared management arrangements that had been endorsed by Full Council last November.

He went on to confirm that Hinkley Point and the regeneration of Taunton were top priorities for both Councils and that technology enabled these projects to be worked on regardless which office he was based at.

Councillor Morrell also asked whether the outcomes achieved by the new Directors could be reviewed on a quarterly basis?

The Chairman stated that this request would be considered.

6. **Taunton Deane Borough Council Planning Obligations Affordable Housing Supplementary Planning Document**

Reference Minute No. 43/2013, reported that the Council's Planning Obligations Affordable Housing Supplementary Planning Document (SPD) had been submitted for public consultation during the period 31 October to 12 December 2013.

The purpose of the proposed SPD was to provide greater detail on Policy CP4 Housing in the Council's Core Strategy 2011-2028 which aimed to ensure that affordable housing was provided as part of all development schemes of five or more net additional dwellings. The policy stated that 25% of all new housing should be in the form of affordable units.

The proposed SPD would be processed through the Statutory Consultation process in line with the Statement of Community Involvement.

Submitted for the information of Members details of the 12 responses which had been received during the public consultation period, together with the responses of the Housing Enabling Lead thereto.

The responses had led to various amendments being made to the consultation draft and a revised copy of the SPD had been prepared and circulated to the Executive.

Resolved that the Taunton Deane Borough Council Affordable Housing Supplementary Planning Document be approved for adoption.

7. **Council Tax Base 2014/2015**

Considered report previously circulated, concerning the Council Tax Base for the Borough and for each Parish for the 2014/2015 financial year.

The Tax Base had to be calculated for each financial year and was used to determine the Band D Council Tax for the year, and was calculated in accordance with the requirements of the Local Authorities (Calculation of Council Tax Base)

(England) Regulations 2012.

These regulations required the Tax Base to be adjusted to take into account the effect of Council Tax Support discounts awarded under local Council Tax Reduction Schemes and for premiums charged on long-term empty properties.

The Tax Base which had to be set between 1 December and 31 January each year would also be notified to the County Council, the Police Authority, the Fire Authority and to each of the parishes for their own tax setting purposes.

The Council Tax Base was effectively an estimate of the number of Council Tax dwellings in a billing authority's area. The calculation this year also reflected the previously approved changes relating to Class A Exemptions, Class C Exemptions, long term empty properties premium and removal of second homes discount.

Further reported that, for the first time, a reduction for the cost of Council Tax Support had been included in the Tax Base.

The non-collection rate (or provision for losses on collection) had been estimated at 2%. This was an increase compared to 2013/2014 (1.75%) and reflected risks of demand increase under the local Council Tax Support system, as well as other welfare reforms and continuing wider economic pressures on household income.

The recommended Tax Base for 2014/2015 was 37,662.97 Band D Equivalentents. This was an increase of 382.37 compared to the Tax Base for 2013/2014 (37,280.60), reflecting net growth in the Tax Base from one year to the next as a consolidation of the effects of additional homes, entitlement to discounts, demand for Council Tax Support, and income collection rates.

In 2013 Full Council delegated authority to the Executive to approve the Council Tax Base each year, although this could be delegated to an officer or other Committee of the Council. As the Tax Base was largely a factual matter together with adjustments applied through approved policies, it was recommended that the approval of the Tax Base should be delegated to the Section 151 Officer in future years.

Resolved that:-

- (1) It be recommended to Full Council that the requirement to approve the Council Tax Base be delegated to the Council's Section 151 Officer in future years; and
- (2) The calculation of the 2014/2015 Council Tax Base for the whole and parts of the area be approved;
- (3) In accordance with the Local Authority (Calculation of Tax Base) Regulations 2012, the amount calculated by Taunton Deane Borough Council as its 2014/2015 Tax Base for the whole area for the year shall be **37,662.97** and for the parts of the area listed below shall be:-

Parish Area	Tax Base	Parish Area	Tax Base
Ash Priors	77.15	Neroche	245.73
Ashbrittle	91.49	North Curry	692.49
Bathealton	85.52	Norton Fitzwarren	904.74
Bishops Hull	1,066.11	Nynehead	162.35
Bishops Lydeard/Cothelstone	1,051.08	Oake	320.09
Bradford on Tone	285.36	Otterford	168.69
Burrowbridge	200.22	Pitminster	451.84
Cheddon Fitzpaine	612.72	Ruishton/Thornfalcon	576.15
Chipstable	130.11	Sampford Arundel	124.91
Churchstanton	348.93	Staplegrove	743.74
Combe Florey	120.42	Stawley	133.37
Comeytrowe	1,955.60	Stoke St Gregory	352.08
Corfe	132.54	Stoke St Mary	198.81
Cotford St Luke	764.65	Taunton	14,206.18
Creech St Michael	952.22	Trull	994.65
Durston	58.89	Wellington	4,355.37
Fitzhead	116.15	Wellington (Without)	292.04
Halse	139.93	West Bagborough	163.53
Hatch Beauchamp	252.87	West Buckland	419.36
Kingston St Mary	425.85	West Hatch	135.80
Langford Budville	228.27	West Monkton	1,105.07
Lydeard St Lawrence/Tolland	204.14	Wiveliscombe	1,046.48
Milverton	569.28	GRAND TOTAL	37,662.97

8. **Business Rates Retention and the National Non-Domestic Rates Return 1 for 2014/2015**

Considered report previously circulated, concerning the National Non-Domestic Rates Return 1 (NNDR1) for 2014/2015.

Under the Business Rates Retention funding system, the Council was required to approve the NNDR1 for 2014/2015 by 31 January 2014. The responsibility to approve the NNDR1 was currently delegated to the Executive.

The Government had announced through the Autumn Statement (5 December 2013) a number of measures to support businesses in the tax system in 2014/2015. These included:-

- Capping the Retail Price Index increase in Business Rates to 2% for 2014/2015;
- Extending the doubling of Small Business Rates Relief to April 2015;
- Introducing a discount of up to £1,000 for certain retail premises with a rateable value of up to £50,000;
- Introducing a 50% discount for new occupants of previously empty retail premises; and

- A commitment to resolve 95% of outstanding appeals cases by July 2015.

These changes would have a direct impact on the Business Rates collectible from businesses, and as a result would impact on the forecast of rates income under the Business Rates Retention system.

As a result, changes needed to be made to the NNDR1 Form template provided by the Department of Communities and Local Government (DCLG), which in turn required changes to be made to the software systems used by local authorities for billing and reporting on Business Rates income.

Reported that the NNDR1 for 2014/2015 had not yet been issued by the DCLG. Consequently, the Council's software suppliers had not been able to issue the necessary enhancements to the rates system, which would include the ability to extract the relevant new data in reports for the NNDR1 (and NNDR3 year end report).

The DCLG had recently indicated that the NNDR1 form template and guidance was expected to be issued to local authorities on 17 January 2014. In such circumstances, it was recommended that authority to approve the NNDR1 for 2014/2015 should be delegated as an urgent item to the Section 151 Officer.

To avoid similar scheduling issues in the future and provide necessary flexibility in the event of further adjustments in Government policy, it was considered that Full Council should be formally recommended to delegate authority to the Section 151 Officer to approve the NNDR1 from next year onwards.

Further reported that provisional estimates of Business Rates income had been shared with all Councillors within the Draft Budget Consultation Pack issued before Christmas. These estimates would be updated when the NNDR1 form and guidance were received, and would be incorporated into final 2014/2015 Budget reports through the normal budget setting process.

Resolved that:-

- (1) Authority be delegated to the Council's Section 151 Officer to approve the 2014/2015 NNDR1 Return as an urgent item following receipt of relevant documentation and guidance from the Government; and
- (2) Full Council be recommended to formally delegates authority to the Council's Section 151 Officer to approve the NNDR1 Return in future years.

9. **Rethink of Taunton Town Centre**

Prior to consideration of the contents of the report, the Executive received a presentation from Paul Osborne of Lacey Hickie Caley Limited who had been commissioned to undertake the Taunton Town Centre Rethink project.

Following the presentation, the Chairman invited Mr Brian Haimes to address the Executive. Mr Haimes stated that aspirations did not create jobs. He was disappointed that although over £10,000,000 had been spent in recent years on

schemes such as Castle Green and Somerset Square, not a single job had been created.

Mr Haines had noted that the consultants recognised the importance of the independent traders in the town, many of whom were sited in and around St James Street. However, there was a proposal to redevelop the Coal Orchard area which would result in the closure of the car park which was the 'life blood' of the independent businesses and The Brewhouse Theatre.

He asked the Council to ensure that alternative parking provision was made at Firepool before any work began at Coal Orchard and that proper liaison with the traders was undertaken.

Mr Haines finished by making reference to Firepool where he felt the Council should be both bold and ambitious. He felt that any new swimming pool should be constructed on this site, together with a new theatre, hotel and cinema. With these developments in place, the future success of the area would be assured.

Considered report previously circulated, which sought endorsement of an independent report proposing a 'rethink' of Taunton Town Centre.

The rethink was considered necessary because of the major economic and social changes that had occurred since the original Vision for Taunton had been approved. These included the economic downturn and rapid changes in consumer habits and lifestyles, affecting town centres up and down the country.

A full brief for the rethink had subsequently been drawn up, a copy of which had submitted for the information of Members. The project was deliberately conceived as a 'short and sharp' process rather than a full blown 're-run' of the original Vision for Taunton Commission.

Following a selection process, a consortium team led by urban design specialists Lacey Hickie Caley were commissioned to deliver the project. Others on the team, included Alder King, providing an important commercial perspective and a PR and communications company called Fresh, who had led on the consultation programme.

The team started its work in early September 2013 which had involved numerous meetings, consultation events and discussions with key stakeholders within and outside the Council. Importantly, the team gained commercial input to ensure that their proposals, as well as being ambitious for the Town Centre, were realistic and deliverable.

The team's proposals were considered at a meeting of the Project Taunton Steering Group on 28 November 2013, to which all Members were invited to attend and at a recent meeting of the Taunton Economic Advisory Board.

A final draft report containing details of the team's proposals for the town centre had been circulated with the report and much of its content had featured in Mr Osborne's presentation.

The proposals reflected the team's view of the ambitions that Taunton Town Centre could realistically aspire to, based on commercial realities and the needs and demands of the various stakeholder groups consulted.

If the consultants' report is accepted, a mandate for the establishment of programme and governance arrangements to take the proposals forward would be sought, including exploration of planning and other implications affecting delivery. These arrangements, which would be established in the first quarter of 2014.

Further reported that the final proposals had been presented to the Community Scrutiny Committee meeting on 7 January 2014. Following a long debate, the proposals had been formally endorsed by Members of the Committee.

During the discussion of this item, a number of points were made which included:-

- Careful phasing of developments would be needed to ensure they did not have an adverse affect on other parts of the town;
- Action was needed to ensure that the development areas identified brought jobs to the town both through the construction phase and afterwards;
- The rethink sought to create the right environment for business. The document was essentially to set the 'direction of travel';
- With regard to the 'boulevard' through Firepool, developers should be encouraged to build shops, offices and apartments in tiers to provide sufficient income streams to guarantee viability;
- The need for large retails units was questioned as vacant units in Taunton already existed. Any new department store should be on the 'high street';
- The Council should be thinking like a city – ambitious rather than half-hearted;
- Taunton had to have a vision or nothing would ever be done;
- The town should be heavily promoted as being 'open for business'; and
- The rethink should be flexible enough to accept compromises so sites did not remain undeveloped indefinitely.

Resolved that:-

- i) The independent report proposing a 'rethink' of Taunton Town Centre be accepted; and
- ii) A mandate for the establishment of programme and governance arrangements to further progress the rethink proposals be provided.

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

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

Since the last review process (Minute No. 85/2012 refers), a number of significant changes and issues had arisen that impacted on the Business Plan, which had resulted in a further review being undertaken.

(1) Business Plan - Income

Stock Figures and Average Rent - Due to increased discounts, the number of Right to Buy sales had significantly increased since the last review of the Business Plan.

There had also been a small number of disposals to housing associations for redevelopment such as Parmin Close and Victoria Gate, Taunton and the planned demolitions involved in the Council's own Creechbarrow Road, Taunton development, which had also been reflected in the updated assumptions. In addition some acquisitions had been made using Right to Buy receipts.

This meant that the number of dwellings at 2014/2015 had been reduced to 5941 (from 5980), and consequently the rent income forecasted in the Business Plan had been reduced in line with this.

As the average rent was slightly higher than forecast in the last review, this had reversed the reduction of rent in the early years.

Changes to the Rent Formula - Since 2001, rents for social housing had been set based on a formula set by Government. This "formula" rent was worked out based on a combination of the relative value of the property, relative local earnings levels and the size of the property.

Landlords had been expected to move the actual rent of a property to this formula rent, over time, by annually increasing the weekly rents by Retail Price Index (RPI) + 0.5% plus a convergence factor of up to an additional £2 per week where the rent was below the formula rent for the property.

At the Spending Round 2013 the Government had directed that from 2015-2016, rents in the social sector would increase by the Consumer Price Index (CPI) + 1% and that this rent policy would apply for 10 years.

The change from using RPI to the generally lower CPI measure of inflation was not expected to adversely affect the Business Plan in the short term. The actual impact would depend on the difference between RPI and CPI in future years.

The change in the formula to remove the convergence factor of up to £2 would however have an effect on future rents and income. Rents had previously been set with the intention of reaching formula rent (also known as target rent) where possible in 2015/2016, but this would not now happen with the majority of current rents.

The result of the changes would mean that for one year (2014/2015), rents would be higher than previously thought for the reasons explained. However after this, rent would only be uplifted by CPI + 1% meaning rents would increase by less than expected in the Business Plan.

Since the proposal to change rent policy would last for 10 years, after that time an increase of only CPI had been assumed. This adversely impacted upon the income further since the previous rent policy had had no end date.

Re-lets at 'Formula Rent' - Formula rent figures had already been calculated and set for all Council properties and in order to help mitigate the loss of income in the Business Plan, all dwellings being re-let with effect from December 2013 would be let at formula rent level.

(2) Business Plan - Expenditure

Voids - The number of void properties had shown a steady increase for a number of years and a more recent significant increase in the first part of this year. Historically void costs had generally exceeded budget.

Although a new Lettable Standard had been introduced to provide a specification for re-lets, the average cost of voids remained high. The reasons for this were currently being investigated. It was anticipated that improvements to Deane DLO software and the introduction of schedule of rates would provide better control on voids expenditure in future.

Planned Maintenance - Following the "No" vote to stock transfer in 2006, a significant cut was made in HRA expenditure in order to fund the work that was known to be required to achieve Decent Homes. One of the changes that was made at this time was to reduce the frequency of planned maintenance (external repair and decoration) from a cycle of five years to eight years.

A five year contract was now planned for the new financial year which would combine external repairs and redecoration with the replacement of fascias and soffits with uPVC. An appropriate budget had been proposed for the completion of this work.

Following this period these costs were expected to reduce due to the volumes of lower maintenance components installed and the extensive door replacement programme which was continuing. Although this was a higher cost in the short term, over the longer term this would deliver savings.

Compliance - There were a number of important areas of safety checking and specialist maintenance within the housing maintenance theme. There were some weaknesses in our approach to compliance issues and this had resulted in action plans being put in place to move these forward.

The Council was currently seeking to employ specialist services in a number of additional areas which included periodic electrical testing and Legionella monitoring. The costs for these included the servicing and testing procedures and any remedial work that might become necessary.

Disabled Facilities Grant (DFG) and Aids and Adaptations (A and As) Budget - The HRA currently budgeted £525,000 capital per year to provide disabled aids and adaptations for tenants in our stock.

The annual spend on A and As was in the order of only £120,000. Therefore it was proposed to reduce the budget to this level whilst not impacting on service delivery.

It was anticipated that the need was likely to increase in future years as the

population aged. For business planning purposes it was thought prudent to increase this provision by 5% per year for the next 10 years and then for it to remain fixed for the remainder of the plan. However, as there was currently no evidence to support a 5% increase a freeze to this budget was proposed.

Staffing - In line with the recently agreed Joint Management Structure between Taunton Deane and West Somerset Councils, the management costs had been increased by £77,600 per annum. This was to build leadership capacity in order to maximise the opportunities and manage the financial risk of the self financed HRA.

Provision had also been made within the Halcon One Team for one third of the cost of a co-ordinator post to assist in the continuation of the project.

(3) Other Financial Adjustments

The cost of support services provided by the General Fund (GF) was recalculated annually to ensure the cost was apportioned fairly. The HRA share had increased due to the proportionate increase in the size of the HRA against the GF.

Inflation had been amended from RPI to CPI within the financial model to bring this in line with the change in rent policy.

(4) Voluntary Code for a self-financed Housing Revenue Account

The introduction of HRA self financing had given local authorities the freedom to develop and deliver a more positive, less constrained, vision for Council housing. In order to support local authorities, a voluntary Code of Practice had been developed by the Chartered Institute of Public Finance and Accountancy and the Chartered Institute of Housing. The principles and provisions of the code would:-

- Assist housing authorities in ensuring effective governance, finance and business planning;
- Provide transparency to tenants, Members and officers as to how the Housing business was being managed. The Code would provide tenants and Members with a framework against which to hold the authority to account;
- Allow housing authorities to assess where they might need further support and assistance.

A copy of the Code of Practice had been appended to the report for the information of Members.

Further reported that from the financial perspective, the Business Plan continued to forecast a healthy position over the long term. However, the future reserve investment in the HRA had reduced significantly, largely due to changes in rent policy and the increase in Right to Buy sales. The current spending plans would create a budget pressure in the medium term, which would need to be managed in order to produce an affordable budget forecast for the HRA Medium Term Financial Plan.

Resolved that:-

- (1) The proposed changes to the Housing Revenue Account Business Plan be approved; and
- (2) The voluntary Code of Practice for a self-financed Housing Revenue Account be adopted.

11. **Growth Prospectus for Taunton**

Considered report previously circulated, concerning the draft Growth Prospectus for Taunton, a copy of which was appended to the report for the information of the Executive.

One of the drivers for developing a Growth Prospectus for Taunton was the feedback from the LGA 'Peer Challenge' of Autumn 2012. A key message from the Peer Challenge process was the need for Taunton to review its growth ambitions and create a strong sense of economic identity and direction, based on current strengths, opportunities and challenges.

As well as being the County Town, Taunton was Somerset's largest settlement and was set for further major growth over the period to 2028. Taunton therefore had a major and vital contribution to make to the wider prosperity of Somerset and the United Kingdom.

The Growth Prospectus had three main purposes:-

- To establish the vision, commitment and clear direction for the Growth of Taunton's economy over the period to 2028;
- To outline the key schemes needed to deliver Taunton's full economic potential; and
- To generate commitment and secure the necessary investment from key partners locally, regionally, nationally and internationally.

A key feature of the Growth Prospectus was its shared ownership with Somerset County Council. The partnership approach that had underpinned the development of the document would be further developed and strengthened as the Councils moved forward to delivery. The Prospectus had also had valuable input from the local business community.

Further reported that there was a close relationship between the Taunton Growth Prospectus and the wider Somerset Growth Plan. The latter was currently being finalised and would be the key document influencing the spending priorities of the Heart of the South West Local Enterprise Partnership. The priorities contained within the Growth Prospectus were reflected in the emerging Somerset Growth Plan.

Noted that both the Taunton Growth Prospectus and emerging Somerset Growth Plan had recently been endorsed by the Taunton Economic Advisory Board.

At this stage, comments were sought for the overall vision and ambitions provided in the Growth Prospectus. If supported by Members, detailed governance and project delivery arrangements would be set up involving key partner organisations. More detailed delivery plans (including timetables, costs and benefits) for each of the projects listed in the document would be drawn up and monitored through these arrangements.

During the discussion of this item, Members agreed that the current indicative list of key projects should be changed so that the delivery of a long term flood solution was not shown as the 'first' priority. If left as it was, this could be interpreted by potential developers as a major issue which might prevent them investing in Taunton.

Resolved that Growth Prospectus for Taunton document be approved.

12. **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 8.21 pm.)