

Executive – 21 June 2006

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

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

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

(The meeting commenced at 7.00 pm)

49. Apologies

Councillor Cavill.

50. Minutes

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

51. Public Question Time

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

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

52. Issues surrounding Housing Stock Transfer and Retention

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

53. Annual Report 2006/07

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

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

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

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

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

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

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

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

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

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

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

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

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

RESOLVED that

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

55. Exclusion of Press and Public

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

56. Purchase of Property at Stoke Road, Taunton

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

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

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

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

(The meeting ended at 8.06 pm)