

# Taunton Deane Borough Council

## Council Meeting - 22 February 2011

### Part I

To deal with written questions to, and receive recommendations to the Council from, the Executive.

#### (i) Councillor Hall

##### **Proposals to increase Summons and Liability Costs for Council Tax and Business Rate Defaulters**

At its last meeting, the Executive considered a report proposing an increase to the current level of reasonable costs levied for issuing Summonses and Liability Orders in connection with the non-payment of Council Tax and Business Rates. The Council was permitted to add such costs to outstanding debts if recovery is assisted through the Magistrates' Court.

The last time an increase in these costs occurred was in April 2006 when the current costs of £40 for a Summons and £5 for a Liability Order were set.

A recent exercise has shown that the actual cost of issuing Summonses and Liability Orders is now in excess of £73. The Executive therefore accepted that the charge for a Summons should be increased to £63.50 and for a Liability Order to £10 with effect from 1 April 2011.

It is thought that an increase in the level of the Summons cost will act as a deterrent to non-payment or late payment of Council Tax and Business Rates and have the potential to increase the percentage of tax collected. In addition, it is anticipated that the proposed increase will generate further income of £50,000 per annum.

It is therefore **recommended** that:-

- (1) The costs for Summonses and Liability Orders for non-payment of Council Tax and Business Rates be increased to £63.50 (from £40) and £10 (from £5) respectively; and
- (2) These costs be reviewed annually along with the other Fees and Charges.

#### (ii) Councillor Williams

##### **(a) General Fund Earmarked Reserves**

As a follow-on to the initial review of reserves conducted last Autumn which led to

just over £62,000 being transferred to the General Fund Revenue Account, a further thorough review of the reserve accounts has now been completed.

Reserves totalling £126,743.85 relating to Planning compensation, the Smokefree Scheme and three Waste budgets have been identified as no longer being required.

When this matter was considered by the Executive at its January meeting, it was proposed that only a proportion of the surplus reserves should be returned to the General Fund Reserve, with the sum of £60,000 being used as a Revenue Contribution towards Capital Outlay (RCCO) to fund the replacement of thirteen Pay and Display machines in the Council's Car Parks.

It is necessary to bring the machine replacement forward from the 2011/2012 financial year, as the Government has recently announced that new coinage, which cannot be used in connection with the older machines, is to be released from April 2011.

It is **recommended** that:-

- (a) £66,743.85 of surplus earmarked reserves be transferred to the General Fund Reserve in the 2010/2011 financial year; and
- (b) The funding of a Revenue Contribution towards Capital Outlay of £60,000 in 2010/2011, to pay for thirteen new Pay and Display machines, be agreed.

## **(b) General Fund Revenue Estimates 2011/2012**

**(These recommendations need to be read in conjunction with the report submitted to the Executive on 10 February 2011 which includes all the details of the proposed General Fund Budget.)**

The Executive has considered its final 2011/2012 budget proposals which has been prepared in the face of unprecedented financial challenges and uncertainty. It contains details on:-

- (i) the General Fund Revenue Budget proposals for 2011/2012, including the proposed Council Tax increase and the Prudential Indicators;
- (ii) draft figures on the predicted financial position of the Council for the following four years.

The Corporate Scrutiny Committee has also considered the draft budget proposals at its meeting on 27 January 2010. The Committee made two specific recommendations and a number of comments on some of the proposed savings and new initiatives and requested the Executive to take these views into account.

The Council Tax calculation and formal tax setting resolution is to be considered separately. The proposed budget for Taunton Deane contains a proposed Council Tax Freeze for 2011/2012 which will mean that the Band D Council Tax will remain

at £135.19. The Band D taxpayer will, therefore, continue to receive all the services provided by the Council in 2011/2012 at a cost of £2.59 per week.

It is a requirement for the Council to prepare not only budgets for the following financial year but to also provide indicative figures into future years. The Medium Term Financial Plan (MTFP) provides an indication of the expected budget gap going forward into 2012/2013 and beyond and a summary of this position is reflected in the following table:-

	<b>2011/12</b> <b>£m</b>	<b>2012/13</b> <b>£m</b>	<b>2013/14</b> <b>£m</b>	<b>2014/15</b> <b>£m</b>	<b>2015/16</b> <b>£m</b>
Net Expenditure	11.578	12.237	14.092	14.876	15.609
<i>Financed By:</i>					
External Government Support	5.981	5.310	4.783	4.310	4.416
Council Tax Freeze Grant	0.136	0.136	0.136	0.136	0
Council Tax	<b>5.461</b>	<b>5.598</b>	<b>5.738</b>	<b>5.881</b>	<b>6.028</b>
<b>Predicted Budget Gap</b>	<b>0</b>	<b>1.193</b>	<b>3.435</b>	<b>4.549</b>	<b>5.165</b>

These figures include the following assumptions relating to funding:-

- Government Grant would be reduced by the following rates: 2011/2012 by 13.2%; 2012/2013 by 11.2%; 2013/2014 by 10%; and 2014/2015 by 10%. A 2.5% increase had been assumed for 2015/2016;
- The Council Tax Freeze Grant relating to 2011/2012 would be receivable for four years; and
- Council Tax would increase by 2.5% each year from 2012/2013.

The Proposed Budget for 2011/2012 will maintain reserves well above the acceptable minimum reserves position of £1,250,000 or £1,000,000 if funds were allocated to 'invest to save' initiatives, but the MTFP indicates that the Council will face significant financial pressures in the medium term as shown in the following table:-

#### **General Reserves Forecast**

	<b>2011/12</b> <b>£m</b>	<b>2012/13</b> <b>£m</b>	<b>2013/14</b> <b>£m</b>	<b>2014/15</b> <b>£m</b>	<b>2015/16</b> <b>£m</b>
Estimated Balance B/F	2.163	2.261	1.061	-2.421	-7.017
Transfers – Previous Years commitments	0.301	0.040	0	0	0
RCCO in 2011/12	-0.049	0	0	0	0
Deane Helpline 2011/12	-0.154				
Predicted Budget Gap	0	-1.193	-3.435	-4.549	-5.165
<b>Estimated Balance C/F</b>	<b>2.261</b>	<b>1.108</b>	<b>-2.327</b>	<b>-6.876</b>	<b>-12.041</b>

The estimated expenses chargeable to the non-parished area of Taunton in 2010/2011 amounts to £46,820, which represents a 0% increase in the special expenses per Band D equivalent of £2.92 per property per year in the Unparished Area.

As part of the Prudential Code for Capital Finance there is a requirement for Full Council to approve the indicators as set out in the report to the Executive. These were important as they detail the expected borrowing requirement for both the General Fund and the Housing Revenue Account. They also set the operational boundaries for both the borrowing and investment levels and interest rate exposures for the Council.

The Council's Section 151 Officer has a duty to comment, as part of the budget setting process on the robustness of the budget and the adequacy of reserves. In her response, Shirlene Adam has stated that she believes the Council's reserves to be adequate and the budget estimates used in preparing the 2011/2012 budget to be as robust as possible.

For the first time, Equalities Impact Assessments have been undertaken on proposed budget savings items and other key changes within the proposed budget. Members are recommended to take account of these assessments as part of the budget decision process.

It is therefore **recommended** that the budget for General Fund services for 2011/2012 as outlined in the report to the Executive be agreed and that:-

- (a) The transfer for any potential underspend in 2010/2011 back to General Fund Reserves be agreed;
- (b) The proposed 2011/2012 budget, being Authority expenditure of £11,370,060 and Special Expenses of £46,820 be agreed in accordance with the Local Government Act 1992;
- (c) The projected General Fund Reserve balance of £2,260,000 in 2011/2012 be noted;
- (d) The forecast budget position within the Medium Term Financial Plan be noted; and
- (e) The Prudential Indicators for 2011/2012 as set out in the appendix to these recommendations be agreed.

### **(c) Capital Programme Budget Estimates 2011/2012**

**(These recommendations need to be read in conjunction with the report submitted to the Executive on 10 February 2011 which includes all the details of the proposed Capital Programme.)**

The Executive has also considered the proposed General Fund (GF) and Housing

Revenue Account (HRA) Capital Programmes for the period 2011/2012 to 2015/2016.

Full Council approved a Capital Programme for 2010/2011 General Fund schemes totalling £2,852,000 in February 2010. Slippage from the previous year and supplementary budget approvals during the year had increased the Capital Programme to £6,689,000.

An additional supplementary estimate of £60,000 is required in the current year to fund the cost of replacing thirteen payment machines in the car parks to enable new coinage to be accepted. This scheme has been brought forward as the coinage is due to be introduced from April 2011.

The loss of a significant amount of Government funding for General Fund Housing Capital had been confirmed. £462,000 of Housing Capital Grant has been cut in full and £620,000 of Supported Borrowing has also been cut.

As a result, the predicted funding gap of £123,000 has increased to £1,205,000. This has made it necessary to review and revise the proposed Capital Programme for 2011/2012.

The proposed General Fund Capital Programme for 2011/2012 now totals £1,421,000. This assumes nil slippage from 2010/2011, although it is thought that the majority of costs of the Crematorium Mercury Abatement project will slip into 2011/2012.

The Council approved a Capital Programme for 2010/2011 HRA Schemes totalling £4,560,000 in February 2010. Slippage from the previous year has increased the estimated programme expenditure in 2010/2011 to £6,058,000.

The proposed HRA Capital Programme for 2011/2012 totals £4,299,000 and assumes nil slippage.

The Corporate Scrutiny Committee has considered the draft programme and made no formal suggestions for any changes to the programme. The Housing Tenants Forum has also considered the draft Housing Capital Programme.

Equality Impact Assessments have been undertaken on the proposed cuts to the Housing Services Capital Budget. Members are asked to take these assessments into account in confirming the recommended budget proposals for 2011/2012.

It is therefore **recommended** that:-

- (1) Both the General Fund Capital Programme and Housing Revenue Account Capital Programme for 2011/2012 be approved; and
- (2) The supplementary estimate required in 2010/2011 for the replacement of the car park payment machines be also approved.

## **(d) Council Tax Setting 2011/2012**

The Council is required to make an annual determination, which sets its gross expenditure and gross income (including the Housing Revenue Account and balances brought forward), with the difference as its budget requirement. This determination is set out in the resolution.

The estimated expenses chargeable to the non-parished area of Taunton in 2011/2012 amounts to £46,820 and this forms part of the total net expenditure of the Council. Details of the Parish Precepts levied and the appropriate Council Tax at Band D have also been received.

The estimated balance on the Council Tax Collection Fund is a deficit of £694,745. Taunton Deane's share of this amounts to £71,800 and this is reflected in the General Fund Revenue estimates.

The Council's budget requirement is £11,872,520 including draft Parish Precepts and non-parished Special Expenses. This amount is then reduced by the amount notified in respect of Taunton Deane's Revenue Support Grant (RSG) amounting to £1,412,330 and the Non Domestic Rates Distribution (NDR) from the national pool, amounting to £4,569,120.

The net amount, having taken the collection fund position into account, of £5,962,870 is used to calculate the Council Tax at Band D, reflecting the Parish Precepts by dividing it by the total of the Council Tax Base as approved by the Executive on 19 January 2011.

The Council Tax for the Borough (excluding Parish Precepts and Special Expenses for the non-parished area) is £135.19, which is unchanged from the 2010/2011 Council Tax. The provisional total Council Tax, including the Somerset County Council, Police and Fire Authorities' precepts is £1402.29 subject to confirmation by the County Council and the Fire Authority.

It is therefore **recommended** that subject to final determination including the Council Tax for Somerset County Council, Police and Fire Authorities, which is to be advised:-

(The format of the Council Tax setting resolution which the Council must approve has been previously agreed between the Local Government Association and the then Department of the Environment, Transport and Regions and the following recommendations follow that format.)

That it be noted that at its meeting on 19 January 2011 the Executive calculated the following amounts for the year 2011/2012 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992 (as amended):-

- (1) 40,390.64 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year.

Ash Priors	78.84	Neroche	251.93
Ashbrittle	97.37	North Curry	748.27
Bathealton	88.08	Norton Fitzwarren	820.30
Bishops Hull	1,075.48	Nynehead	157.34
Bishops Lydeard / Cothelstone	1,116.85	Oake	333.62
Bradford on Tone	290.50	Otterford	170.04
Burrowbridge	205.44	Pitminster	458.91
Cheddon Fitzpaine	639.63	Ruishton/Thornfalcon	614.50
Chipstable	128.01	Sampford Arundel	132.51
Churchstanton	335.61	Staplegrove	713.43
Combe Florey	121.40	Stawley	130.08
Comeytrowe	2,092.08	Stoke St Gregory	389.61
Corfe	132.48	Stoke St Mary	204.23
Cotford St Luke	800.55	Taunton	16,033.53
Creech St Michael	946.10	Trull	1,029.79
Durston	59.57	Wellington	4,683.53
Fitzhead	123.27	Wellington (Without)	302.74
Halse	141.39	West Bagborough	168.06
Hatch Beauchamp	260.51	West Buckland	444.62
Kingston St Mary	452.76	West Hatch	141.96
Langford Budville	236.73	West Monkton	1,116.84
Lydeard St Lawrence/ Tolland	204.07	Wiveliscombe	1,119.67
Milverton	598.41		

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items related.

- (2) That the following amounts be calculated by the Council for the year 2010/2011 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
- (a) £77,375,400 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) of the Act.  
*(Gross Expenditure including amount required for working balance).*
- (b) £65,502,880 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.

*(Gross Income including reserves to be used to meet Gross Expenditure).*

(c) £11,872,520

being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council in accordance with Section 32(4) of the Act, as its budget requirement for the year.

(d) £5,909,650

being the aggregate of the sums which the Council estimates would be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates, Revenue Support Grant, additional grant or SSA reduction grant (increased by the amount of the sums which the Council estimates would be transferred in the year from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (*Council Tax Surplus*) and increased by the amount of any sum which the Council estimates would be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund (Community Charge) directions under Section 98(4) of the Local Government Finance Act 1988 made on 7 February 1994 (*Community Charge Surplus*).

(e) £147.63

$$\frac{(c) - (d)}{(1) \text{ above}} = \frac{11,872,520 - 5,909,650}{40,390.64}$$

being the amount calculated at (c) above less the amount at (d) above, all divided by the amount at (1) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year. (*Average Council Tax at Band D for Borough including Parish Precepts and Special Expenses*).

(f) £502,465

being the aggregate amount of all special items referred to in Section 34(1) of the Act. (*Parish Precepts and Special Expenses*).

(g) £135.19

$$\frac{(e) - (f)}{(1) \text{ above}} = \frac{147.63 - 502,465}{40,390.64}$$

being the amount at (e) above less the result given by dividing the amount at (f)



above by the amount at (1) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relate. (*Council Tax at Band D for Borough Excluding Parish Precepts and Special Expenses*).

(h)

Ash Priors	135.19	Neroche	151.07
Ashbrittle	153.68	North Curry	157.24
Bathealton	140.87	Norton Fitzwarren	165.83
Bishops Hull	155.65	Nynehead	160.61
Bishops Lydeard / Cothelstone	157.74	Oake	149.43
Bradford on Tone	154.12	Otterford	135.19
Burrowbridge	154.66	Pitminster	155.41
Cheddon Fitzpaine	146.13	Ruishton/Thornfalcon	154.72
Chipstable	149.64	Sampford Arundel	169.90
Churchstanton	156.79	Staplegrove	149.21
Combe Florey	151.66	Stawley	153.64
Comeytrowe	147.14	Stoke St Gregory	151.87
Corfe	154.06	Stoke St Mary	149.92
Cotford St Luke	153.93	Taunton	138.11
Creech St Michael	159.64	Trull	148.79
Durston	145.26	Wellington	154.99
Fitzhead	159.49	Wellington (Without)	151.87
Halse	147.57	West Bagborough	147.09
Hatch Beauchamp	152.46	West Buckland	153.18
Kingston St Mary	148.44	West Hatch	151.60
Langford Budville	152.09	West Monkton	163.48
Lydeard St Lawrence / Tolland	152.34	Wiveliscombe	153.95
Milverton	154.41		

being the amounts given by adding to the amount at (g) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (2) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

*(Council Taxes at Band D for Borough, Parish and Special Expenses).*

(i) See overleaf

being the amounts given by multiplying the amounts at (h) above by the number which, in proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which is that proportion applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands. (Council Tax for Individual Parishes and the Borough)

(a)

2011/12 by Parish by Band

Shaded figures represent indicative data only

Valuation Band	A	B	C	D	E	F	G	H
Ash Priors	90.13	105.15	120.17	135.19	165.23	195.27	225.32	270.38
Ashbrittle	96.97	113.14	129.30	145.46	177.78	210.11	242.43	290.92
Bathealton	93.91	109.56	125.21	140.87	172.17	203.47	234.78	281.73
Bishops Hull	103.76	121.06	138.35	155.65	190.23	224.82	259.41	311.29
Bishops Lydeard/Cothelstone	105.16	122.69	140.21	157.74	192.79	227.85	262.90	315.48
Bradford on Tone	102.75	119.87	137.00	154.12	188.37	222.62	256.87	308.25
Burrowbridge	103.11	120.29	137.48	154.66	189.03	223.40	257.77	309.32
Cheddon Fitzpaine	97.42	113.66	129.90	146.13	178.61	211.08	243.56	292.27
Chipstable	99.76	116.39	133.02	149.64	182.90	216.15	249.40	299.28
Churchstanton	104.53	121.95	139.37	156.79	191.64	226.48	261.32	313.58
Combe Florey	101.11	117.96	134.81	151.66	185.37	219.07	252.77	303.33
Comeytrowe	98.09	114.44	130.79	147.14	179.84	212.54	245.23	294.28
Corfe	102.71	119.83	136.94	154.06	188.30	222.53	256.77	308.12
Cotford St Luke	102.62	119.72	136.82	153.93	188.13	222.34	256.55	307.85
Creech St Michael	106.43	124.17	141.90	159.64	195.12	230.60	266.07	319.29
Durston	96.84	112.98	129.12	145.26	177.54	209.82	242.10	290.52

Fitzhead	106.32	124.04	141.77	159.49	194.93	230.37	265.81	318.97
Halse	98.38	114.77	131.17	147.57	180.36	213.15	245.95	295.13
Hatch Beauchamp	101.64	118.58	135.52	152.46	186.34	220.23	254.11	304.93
Kingston St Mary	98.96	115.45	131.95	148.44	181.43	214.42	247.40	296.88
Langford Budville	101.39	118.29	135.19	152.09	185.88	219.68	253.48	304.17
Lydeard St Lawrence/Tolland	101.56	118.49	135.41	152.34	186.19	220.05	253.90	304.68
Milverton	102.94	120.09	137.25	154.41	188.72	223.03	257.35	308.82
Neroche	100.71	117.50	134.28	151.07	184.64	218.21	251.78	302.13
North Curry	104.83	122.30	139.77	157.24	192.18	227.13	262.07	314.48
Norton Fitzwarren	110.55	128.98	147.40	165.83	202.68	239.53	276.38	331.65
Nynehead	107.08	124.92	142.77	160.61	196.30	232.00	267.69	321.23
Oake	99.62	116.22	132.82	149.43	182.63	215.84	249.05	298.86
Otterford	90.13	105.15	120.17	135.19	165.23	195.27	225.32	270.38
Pitminster	103.61	120.87	138.14	155.41	189.95	224.48	259.02	310.82
Ruishton/Thornfalcon	103.15	120.34	137.53	154.72	189.10	223.48	257.86	309.44
Sampford Arundel	113.27	132.15	151.03	169.90	207.66	245.42	283.17	339.81
Staplegrove	99.47	116.05	132.63	149.21	182.36	215.52	248.68	298.41
Stawley	102.43	119.50	136.57	153.64	187.78	221.92	256.07	307.28

Stoke St Gregory	101.25	118.12	135.00	151.87	185.62	219.37	253.12	303.75
Stoke St Mary	99.95	116.60	133.26	149.92	183.23	216.55	249.86	299.84
Taunton	92.07	107.42	122.76	138.11	168.80	199.49	230.18	276.22
Trull	99.19	115.72	132.25	148.79	181.85	214.91	247.98	297.57
Wellington	103.33	120.55	137.77	154.99	189.43	223.87	258.32	309.98
Wellington Without	101.25	118.12	135.00	151.87	185.62	219.37	253.12	303.74
West Bagborough	98.06	114.40	130.75	147.09	179.78	212.46	245.15	294.18
West Buckland	102.12	119.14	136.16	153.18	187.22	221.26	255.30	306.37
West Hatch	101.07	117.91	134.76	151.60	185.29	218.98	252.67	303.21
West Monkton	108.99	127.15	145.32	163.48	199.81	236.14	272.47	326.97
Wiveliscombe	102.63	119.74	136.84	153.95	188.16	222.37	256.58	307.89

Being the amounts given by multiplying the amounts at (h) above by the number which, in proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which is that proportion applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (Council Tax for individual Parishes and the Borough)

**(b) (Provisional)**

That it be noted that for the year 2011/12 the Somerset County Council, the Avon and Somerset Police Authority and the Somerset and Devon Fire & Rescue Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwelling shown below.

Somerset County Council	684.87	799.01	913.16	1,027.30	1,255.59	1,483.88	1,712.17	2,054.60
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Avon & Somerset Police Authority	112.02	130.69	149.36	168.03	205.37	242.71	280.05	336.06
Devon & Somerset Fire & Rescue Authority	47.85	55.82	63.80	71.77	87.72	103.67	119.62	143.54

Valuation Band	A	B	C	D	E	F	G	H
Ash Priors	934.86	1,090.67	1,246.48	1,402.29	1,713.91	2,025.53	2,337.15	2,804.58
Ashbrittle	941.71	1,098.66	1,255.61	1,412.56	1,726.46	2,040.36	2,354.27	2,825.12
Bathealton	938.64	1,095.09	1,251.53	1,407.97	1,720.85	2,033.73	2,346.61	2,815.93
Bishops Hull	948.50	1,106.58	1,264.66	1,422.75	1,738.91	2,055.08	2,371.24	2,845.49
Bishops Lydeard/Cothelstone	949.89	1,108.21	1,266.52	1,424.84	1,741.47	2,058.10	2,374.73	2,849.68
Bradford on Tone	947.48	1,105.40	1,263.31	1,421.22	1,737.05	2,052.88	2,368.70	2,842.45
Burrowbridge	947.84	1,105.81	1,263.79	1,421.76	1,737.71	2,053.65	2,369.60	2,843.52
Cheddon Fitzpaine	942.16	1,099.18	1,256.21	1,413.23	1,727.29	2,041.34	2,355.39	2,826.47
Chipstable	944.49	1,101.91	1,259.33	1,416.74	1,731.57	2,046.41	2,361.24	2,833.48
Churchstanton	949.26	1,107.47	1,265.68	1,423.89	1,740.31	2,056.73	2,373.15	2,847.78
Combe Florey	945.84	1,103.48	1,261.12	1,418.76	1,734.05	2,049.33	2,364.61	2,837.53
Comeytrowe	942.83	1,099.96	1,257.10	1,414.24	1,728.52	2,042.79	2,357.07	2,828.48
Corfe	947.44	1,105.35	1,263.25	1,421.16	1,736.97	2,052.79	2,368.60	2,842.32
Creech St Michael	951.16	1,109.69	1,268.22	1,426.74	1,743.80	2,060.85	2,377.91	2,853.49
Durston	941.57	1,098.50	1,255.43	1,412.36	1,726.22	2,040.08	2,353.94	2,824.72

Fitzhead	951.06	1,109.57	1,268.08	1,426.59	1,743.61	2,060.62	2,377.64	2,853.17
Halse	943.11	1,100.30	1,257.48	1,414.67	1,729.04	2,043.41	2,357.78	2,829.33
Hatch Beauchamp	946.38	1,104.11	1,261.83	1,419.56	1,735.02	2,050.48	2,365.94	2,839.13
Kingston St Mary	943.69	1,100.98	1,258.26	1,415.54	1,730.11	2,044.67	2,359.24	2,831.08
Langford Budville	946.12	1,103.81	1,261.50	1,419.19	1,734.56	2,049.94	2,365.31	2,838.37
Lydeard St Lawrence/Tolland	946.29	1,104.01	1,261.73	1,419.44	1,734.87	2,050.30	2,365.73	2,838.88
Milverton	947.67	1,105.62	1,263.56	1,421.51	1,737.40	2,053.29	2,369.18	2,843.02
Neroche	945.44	1,103.02	1,260.59	1,418.17	1,733.32	2,048.46	2,363.61	2,836.33
North Curry	949.56	1,107.82	1,266.08	1,424.34	1,740.86	2,057.38	2,373.90	2,848.68
Norton Fitzwarren	955.28	1,114.50	1,273.71	1,432.93	1,751.35	2,069.78	2,388.21	2,865.85
Nynehead	951.81	1,110.44	1,269.08	1,427.71	1,744.98	2,062.25	2,379.52	2,855.43
Oake	944.35	1,101.74	1,259.14	1,416.53	1,731.31	2,046.10	2,360.88	2,833.06
Otterford	934.86	1,090.67	1,246.48	1,402.29	1,713.91	2,025.53	2,337.15	2,804.58
Pitminster	948.34	1,106.40	1,264.45	1,422.51	1,738.62	2,054.74	2,370.85	2,845.02
Ruishton/Thornfalcon	947.88	1,105.86	1,263.84	1,421.82	1,737.78	2,053.74	2,369.70	2,843.64
Sampford Arundel	958.00	1,117.67	1,277.34	1,437.00	1,756.34	2,075.67	2,395.01	2,874.01
Staplegrove	944.20	1,101.57	1,258.94	1,416.31	1,731.04	2,045.78	2,360.51	2,832.61
Stawley	947.16	1,105.02	1,262.88	1,420.74	1,736.46	2,052.18	2,367.90	2,841.48

Stoke St Gregory	945.98	1,103.65	1,261.31	1,418.97	1,734.30	2,049.63	2,364.96	2,837.95
Stoke St Mary	944.68	1,102.13	1,259.57	1,417.02	1,731.91	2,046.80	2,361.70	2,834.04
Taunton	936.81	1,092.94	1,249.08	1,405.21	1,717.48	2,029.75	2,342.02	2,810.42
Trull	943.92	1,101.24	1,258.56	1,415.89	1,730.53	2,045.17	2,359.81	2,831.77
Wellington	948.06	1,106.07	1,264.08	1,422.09	1,738.11	2,054.13	2,370.15	2,844.18
Wellington Without	945.98	1,103.64	1,261.31	1,418.97	1,734.30	2,049.62	2,364.95	2,837.94
West Bagborough	942.79	1,099.93	1,257.06	1,414.19	1,728.46	2,042.72	2,356.98	2,828.38
West Buckland	946.86	1,104.66	1,262.47	1,420.28	1,735.90	2,051.52	2,367.14	2,840.57
West Hatch	945.80	1,103.44	1,261.07	1,418.70	1,733.97	2,049.24	2,364.51	2,837.41
West Monkton	953.72	1,112.68	1,271.63	1,430.58	1,748.49	2,066.40	2,384.31	2,861.17
Wiveliscombe	947.36	1,105.26	1,263.15	1,421.05	1,736.83	2,052.62	2,368.41	2,842.09



### **(iii) Councillor Mrs Adkins**

#### **(a) Halcon North Regeneration Project**

Over the past twelve months, Councillors have become involved in proposals to regenerate the Halcon North area of Taunton which features in the top 10 per cent of the most deprived wards in the country.

Housing is deemed to be a contributory factor to current deprivation, not only due to the fabric, but also the high proportion of two bedroom dwellings. This has resulted in overcrowding, leading to other social problems.

The Council's aspiration is to redevelop the area to make Halcon a place that residents are proud of, but it is understood that a multi-agency approach is going to be required to achieve this.

It has become clear, during the consideration of initial proposals, that strong governance and project management arrangements need to be put in place, as well as the development of a full business case in order to explore all potential delivery options and risks.

The two key strands currently being finalised are the Business Plan and the procurement process. With regard to the latter, work has begun towards tendering for consultants to work with the Council on the overall project. The engagement of consultants does however require funding to be allocated.

It is **recommended** that a sum of up to £50,000 from the Housing Revenue Account be allocated to meet the cost of consultancy fees required to progress the Halcon North Regeneration Project.

#### **(b) Housing Revenue Account Estimates 2011/2012**

**(These recommendations need to be read in conjunction with the report submitted to the Executive on 10 February 2011 which includes all the details of the proposed Housing Revenue Account Budget.)**

The Executive has given consideration to the proposed Housing Revenue Account (HRA) estimates for the 2011/2012 Financial Year which shows a working balance of £1,467,520. It also includes details of the proposed increase in Average Weekly Rent for the year where a 6.87% (£4.41) increase has been recommended.

The Dwelling Rents form the major element of income for the HRA. Each ½% rent increase is equivalent to approximately £100,000. If the average rent is set lower than the current proposal, the loss of income would have to be met by reducing expenditure.

The budget for non-dwelling rents and charges for services and facilities is based on a 4.6% increase.

The Negative Subsidy for 2011/2012 is based on the Final Determination figures and represents payments to Central Government under the subsidy system. For Medium Term

Financial Plan purposes, it has been assumed that the HRA will move to a 'self financing' model from 2012/2013 and therefore no subsidy would be payable. It has also been assumed that the Council will take on a debt of £86,000,000 from the Government as the estimated cost of the move to self-financing. It is hoped that final figures will be confirmed shortly.

Based on the budget contained within the report submitted to the Executive, the expected deficit for 2011/2012 is forecast to be in the region of £175,000. This is after making a revenue contribution to capital of £361,000.

The Corporate Scrutiny Committee considered the 2011/2012 draft budget at its meeting on 27 January 2011 where no formal recommendations to change the HRA budget were made.

The Tenants Forum has also considered the report.

An Equality Impact Assessment has been undertaken on the proposed rent increase. Members are asked to take this assessment into account in confirming the recommended budget proposals for 2011/2012.

It is therefore **recommended** that:-

- (1) The Average Weekly Rent increase of 6.87% be approved; and
- (2) The Housing Revenue Account budget for 2011/2012 be agreed.

# Appendix

## PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000	£'000	£'000	£'000	£'000
	<b>outturn</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
<b>Capital Expenditure</b>					
General Fund	£4,562	£6,689	£1,421	£1,910	£1,875
HRA	£5,142	£6,231	£4,300	£4,399	£4,020
<b>TOTAL</b>	<b>£9,704</b>	<b>£12,920</b>	<b>£5,721</b>	<b>£6,309</b>	<b>£5,895</b>
<b>Ratio of financing costs to net revenue stream</b>					
General Fund	0.14%	1.08%	1.32%	1.70%	1.75%
HRA	1.89%	1.81%	2.28%	2.17%	2.07%
<b>Net borrowing projection</b>					
brought forward 1 April	£9,900	£7,786	£11,710	£11,710	£12,753
Carried forward 31 March	£7,786	£11,710	£11,710	£12,753	£14,103
in year borrowing requirement	<b>-£2,114</b>	£3,924	£0	£1,043	£1,350
<b>Capital Financing Requirement as at 31 March</b>					
General Fund	£8,586	£12,260	£12,015	£12,796	£13,864
HRA	£14,451	£14,451	£14,451	£14,451	£14,451
<b>TOTAL</b>	<b>£23,037</b>	<b>£26,711</b>	<b>£26,466</b>	<b>£27,247</b>	<b>£28,315</b>
<b>Incremental impact of capital investment decisions</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>
Increase in council tax (band D)	1.54	2.90	-0.84	0.00	0.16
<b>Authorised limit for external debt -</b>					
<b>TOTAL</b>	<b>£40m</b>	<b>£40m</b>	<b>£40m</b>	<b>£40m</b>	<b>£40m</b>
<b>Operational boundary for external debt -</b>					
<b>TOTAL</b>	<b>£30m</b>	<b>£30m</b>	<b>£30m</b>	<b>£30m</b>	<b>£30m</b>
<b>Upper limit for fixed interest rate exposure</b>					
Net interest re fixed rate borrowing/ investments	100%	100%	100%	100%	100%
<b>Upper limit for variable rate exposure</b>					
Net interest re variable rate borrowing/ investments	50%	50%	50%	50%	50%
<b>Maturity Structure of Fixed Rate Borrowing</b> (Upper and lower limits)					
under 12 months	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
12 months and within 24 months	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
24 months and within 5 years	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
5 years and within 10 years	0% to 50%	0% to 50%	0% to 50%	0% to 50%	0% to 50%
10 years and above	20% to 100%	20% to 100%	20% to 100%	20% to 100%	20% to 100%
<b>Upper limit for total principal sums invested for over 364 days</b> (per maturity date)					
	£2m or 20%	£2m or 20%	£2m or 20%	£2m or 20%	£2m or 20%