

# Taunton Deane Borough Council

## Council Meeting - 26 February 2013

### Part I

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

#### **(i) Councillor Williams**

##### **(a) General Fund Revenue Estimates 2013/2014**

**(These recommendations need to be read in conjunction with the report submitted to the Executive on 6 February 2013 which includes all the details of the proposed General Fund Budget to reflect the proposed Council Tax Freeze.)**

The Executive has considered its final 2013/2014 budget proposals which recognises the continuing financial challenge faced by the Council beyond the next financial year and the need for the strategic review of services that will be driven forward through the implementation of the new Corporate Business Plan.

The budget contains details on:-

- (i) the General Fund Revenue Budget proposals for 2013/2014, including the proposed Council Tax rate;
- (ii) draft figures on the predicted financial position of the Council for the following four years.

The Corporate Scrutiny Committee considered the draft budget proposals at its meeting on 24 January 2013. One specific amendment in relation to the Unparished Area Fund was requested, where it was suggested that the fund should not be split into specific ring-fenced 'pots' and that all expenditure should be subject to the bidding process through the Unparished Area Panel.

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 2013/2014 which will mean that the Band D Council Tax will remain at £135.19. The Band D taxpayer will, therefore, receive all the services provided by the Council in 2013/2014 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 2014/2015 and beyond and a summary of this position is reflected in the following table:-

	2013/14 £k	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 £k
Net Expenditure	11,464	11,994	12,724	13,237	13,594
<i>Financed By:</i>					
Retained Business Rates	(2,264)	(2,337)	(2,396)	(2,457)	(2,519)
Revenue Support Grant	(3,556)	(2,731)	(2,047)	(1,610)	(1,260)
Tax Freeze Grant	(57)	(57)	0	0	0
Council Tax	(5,587)	(5,676)	(5,791)	(5,908)	(6,027)
<b>Predicted Budget Gap</b>	<b>0</b>	<b>1,193</b>	<b>2,490</b>	<b>3,262</b>	<b>3,788</b>

These estimates include the following main assumptions relating to funding:-

- Revenue Support Grant for 2013/2014 and 2014/2015 is as set out in the provisional Finance Settlement. Retained Business Rates for 2013/2014 is based on the NNDR1 for the year. Estimated Business Rates funding in subsequent years is projected to increase in line with inflation. Net funding from the two elements combined is estimated to reduce by in the region of 10% year-on-year for the subsequent three years. In addition it is assumed that the £137,000 Freeze Grant relating to 2011/2012 will be removed in 2015/2016; and
- Council Tax will increase by 0% in 2013/2014, then by 2% per year thereafter.

It is proposed that the minimum acceptable reserves position should be increased to £1,500,000 (from £1,250,000), or £1,250,000 if funds are allocated to 'invest to save' initiatives. The Draft Budget for 2013/2014 will maintain reserves well above this minimum, but the MTFP shows that the Council is expected to face significant financial pressures in the medium term as shown in the following table:-

#### **General Reserves Forecast**

	2013/14 £k	2014/15 £k	2015/16 £k	2016/17 £k	2017/18 £k
Estimated Balance B/F	3,079	3,079	1,886	(604)	(3,866)
Predicted Budget Gap	0	(1,193)	(2,490)	(3,262)	(3,788)
<b>Estimated Balance C/F</b>	<b>3,079</b>	<b>1,886</b>	<b>(604)</b>	<b>(3,866)</b>	<b>(7,654)</b>

The estimated expenses chargeable to the non-parished area of Taunton in 2013/2014 amounts to £41,220, which represents a 0% increase in the special expenses per Band D equivalent of £2.92 per property per year in the Unparished Area.

The amount of funding has reduced from the previous year as a result of the Council Tax Support scheme and the related reduction in the tax base. At its recent meeting, Full Council approved an allocation of £6,500 from the Council Tax Support Grant Funding to the Unparished Area which increased the budget for the new financial year to £47,720.

Before the start of each financial year, the Council is required to determine the basis

on which it will make provision from revenue for the repayment of borrowing undertaken for the purpose of financing capital expenditure. This annual provision, known as Minimum Revenue Provision (MRP), is designed to ensure that authorities make prudent provision to cover the ongoing costs of their borrowing.

The proposed Policy for 2013/2014 is for the calculation of MRP to be the same as the current year.

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 2013/2014 budget to be as robust as possible.

Equalities Impact Assessments have again been undertaken on proposed budget savings items in line with the Council's statutory obligations. 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 2013/2014 as outlined in the report to the Executive be agreed and that:-

- (a) The Section 151 Officer's Statement of Robustness, which applies to the whole budget including General Fund, Housing Revenue Account and Capital Budget proposals be noted and that the recommended increase to minimum acceptable level of reserves to £1,500,000, or £1,250,000 if funds were allocated to invest to save initiatives, be approved;
- (b) The Draft General Fund Revenue Budget 2013/2014, including a Basic Council Tax Requirement budget of £5,039,960 and Special Expenses of £41,220 be approved;
- (c) The transfer of any under/overspend in the 2012/2013 General Revenue Account Outturn to/from the General Fund Reserves be approved;
- (d) The Service Options set out in the report be approved and the Equalities Impact Assessments provided in the report and appendices be considered as part of the budget decision process;
- (e) The Minimum Revenue Provision (MRP) Policy with MRP calculated as follows be approved:-
  - for supported borrowing, 4% on outstanding debt; and
  - for unsupported borrowing, the debt associated with the asset divided by the estimated useful life of the asset; and
  - for capital grants and contributions to third parties, 4% (or 1/25<sup>th</sup>) per year on a straight line basis; and
- (f) The General Reserves position and Medium Term Financial Plan projections, and the continuing financial challenge to address the Budget Gap for future years be noted.

## **(b) Capital Programme Budget Estimates 2013/2014**

**(These recommendations need to be read in conjunction with the report submitted to the Executive on 6 February 2013 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 2013/2014 to 2017/2018.

Full Council approved a Capital Programme for 2012/2013 General Fund schemes last February. In December 2012 the Government provided a further allocation of £95,850 Disabled Facilities Grant (DFG) funding to the Council for the current financial year. It is recommended that this sum be allocated as a Supplementary Estimate, increasing the approved 2012/2013 Capital Budget for DFGs to £792,730.

The Draft General Fund Capital Programme totals £3,393,000 within an indicative five year programme totalling £7,337,000. It is proposed that £3,553,000 is budgeted to be spent in 2013/2014 with the remainder in the following three years.

In future years the funding of General Fund capital priorities will rely upon a variety of sources including Capital Receipts, Grant Funding, Capital Contributions, Revenue Budgets or Reserves and through Borrowing.

The Council approved the Housing Revenue Account (HRA) Capital Programme for 2012/2013 totalling £5,500,000, in February 2012. There are no changes to the approved budget so far this year.

The HRA Capital Programme totals £19,572,000 within a five year programme totalling £50,168,200 which reflects the priorities set out in the updated 30-Year HRA Business Plan. It is proposed that £14,805,000 is budgeted to be spent in 2013/2014 with the remainder in the following two years.

The continuing capital maintenance and improvement will be fully funded from the Major Repairs Reserve and the Social Housing Development Programme Capital Budget will be funded through a combination of:-

- Revenue Contributions – from the Social Housing Development Fund;
- Capital Receipts – from Right to Buy and other HRA asset sales; and
- Borrowing.

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

Equality Impact Assessments have been undertaken on the proposed Housing Services Capital Budget. Members are asked to take these assessments into account in confirming the recommended budget proposals for 2013/2014.

It is therefore **recommended** that:-

- (a) A Supplementary Estimate of £95,850 in the 2012/2013 Capital Programme for Disabled Facilities Grants, to be funded by additional Government grant received in December 2012 be approved;
- (b) The General Fund Capital Programme Budget of £3,930,000 be approved. Of this amount, £3,553,000 be budgeted to be spent in 2013/2014 with the remainder in the following three years; and
- (c) The Housing Revenue Account Capital Programme of £19,572,000 be also approved. Of this amount, £14,805,000 be budgeted to be spent in 2013/2014 with the remainder in the following two years.

### **(c) Council Tax Setting 2013/2014**

The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a Council Tax requirement for the year, not its Budget Requirement, as previously.

The Town and Parish Council Precepts for 2013/2014 total £520,441. The increase in the average Band D Council Tax for Town and Parish Councils, including Special Expenses for the Unparished Area, is 8.6% and results in an average Band D Council Tax figure of £13.96 for 2013/2014.

Under the new governance arrangements for the Police, the Police and Crime Commissioner announced before Christmas the intention to freeze Council Tax for 2013/2014. This has recently been confirmed.

The confirmed precept is £6,264,441 which resulted in a Band D Council Tax of £168.03. The precept will be adjusted by a Collection Fund contribution of £25,600.

The Devon and Somerset Fire and Rescue Authority approved its tax requirement on 18 February 2013. The amount of precept includes a 1.99% increase and has been set at £2,810,584, which results in a Band D Council Tax of £75.39. The Precept will be adjusted by a Collection Fund contribution of £11,260.

The Somerset County Council approved its tax requirement on 20 February 2013. The amount of precept includes a 0% increase and has been set at £38,298,366.34, which results in a Band D Council Tax of £1,027.30. The Precept will be adjusted by a Collection Fund contribution of £156,520.

The estimated balance on the Council Tax Collection Fund is forecast on 15 January each year. Any surplus or deficit was shared between the County Council, the Police and Crime Commissioner, the Fire Authority and Taunton Deane, in shares relative to our precept levels.

This year the estimated balance is a surplus of £215,940. Taunton Deane's share of this amounts to £22,560, and this has been reflected in the General Fund Revenue Estimates.

It is **recommended** that:-

(a) The following formal Council Tax Resolution for 2013/2014 be approved:-

(1) That it be noted that on 24 January 2013 the Council calculated the Council Tax Base for 2013/2014:-

(i) for the whole Council area as 37,280.60 - Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"); and,

(ii) for dwellings in those parts of its area to which a Parish precept related as in the attached Appendix B to these Minutes;

(2) That the Council Tax requirement for the Council's own purposes for 2013/2014 (excluding Parish precepts) be calculated as £5,039,960;

(3) That the following amounts be calculated for the year 2013/2014 in accordance with Sections 31 to 36 of the Act:-

- (i) £86,043,671 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils. (*Gross Expenditure including amount required for working balance*)
- (ii) £80,483,270 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (*Gross Income including reserves to be used to meet Gross Expenditure*)
- (iii) £5,560,401 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act). (*Total Demand on Collection Fund.*)
- (iv) £149.15 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). (*Council Tax at Band D for Borough Including Parish Precepts and Special Expenses*)
- (v) £520,441 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B). (*Parish Precepts and Special Expenses*).

(vi) £135.19 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) 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 Parish precept relates. (*Council Tax at Band D for Borough Excluding Parish Precepts and Special Expenses*);

(4) To note that Somerset County Council, Avon and Somerset Police and Crime Commissioner and Devon and Somerset Fire Authority would issue precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area;

(5) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate provisional amounts shown in the table in Appendix A to these Minutes as the amounts of Council Tax for 2013/2014 for each part of its area and for each categories of dwellings;

(6) Determine that the Council's basic amount of Council Tax for 2013/2014 was not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992; and

(b) Note that if the above formal Council Tax Resolution was approved the total Band D Council Tax would be as follows:-

	2012/13	2013/14	Increase
	£	£	%
Taunton Deane Borough Council	135.19	135.19	0.00%
Somerset County Council	1,027.30	1,027.30	0.00%
Avon and Somerset Police Authority / Police and Crime Commissioner	168.03	168.03	0.00%
Devon and Somerset Fire Authority	73.92	75.39	1.99%
<b>Sub-Total</b>	<b>1,404.44</b>	<b>1,405.91</b>	<b>0.10%</b>
Town and Parish Council (average)	12.85	13.96	8.64%
<b>Total</b>	<b>1,417.29</b>	<b>1419.87</b>	<b>0.18%</b>

**APPENDIX A**

**Valuation Bands**

Council Tax Schedule 2013/14	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Taunton Deane Borough Council*	90.13	105.15	120.17	135.19	165.23	195.27	225.32	270.38
Somerset County Council *	684.87	799.01	913.16	1,027.30	1,255.59	1,483.88	1,712.17	2,054.60
Police & Crime Commissioner *	112.02	130.69	149.36	168.03	205.37	242.71	280.05	336.06
Devon & Somerset Fire & Rescue Authority *	49.28	57.49	65.71	73.92	90.35	106.77	123.20	147.84
Parish / Town only (a) *	9.31	10.86	12.41	13.96	17.06	20.16	23.27	27.92
Parish / Town & District (b) *	99.43	116.01	132.58	149.15	182.29	215.44	248.58	298.30
<b>Total (c)</b>	<b>945.60</b>	<b>1,103.20</b>	<b>1,260.81</b>	<b>1,418.40</b>	<b>1,733.60</b>	<b>2,048.80</b>	<b>2,364.00</b>	<b>2,836.80</b>

**Parish:**

Ash Priors	936.30	1,092.34	1,248.40	1,404.44	1,716.54	2,028.63	2,340.74	2,808.88
Ashbrittle	951.67	1,110.28	1,268.90	1,427.50	1,744.72	2,061.94	2,379.17	2,855.00
Bathealton	940.23	1,096.92	1,253.64	1,410.33	1,723.74	2,037.14	2,350.56	2,820.66
Bishops Hull	949.45	1,107.68	1,265.93	1,424.16	1,740.64	2,057.11	2,373.61	2,848.32
Bishops Lydeard/Cothelstone	954.89	1,114.02	1,273.18	1,432.32	1,750.62	2,068.90	2,387.21	2,864.64
Bradford on Tone	949.17	1,107.35	1,265.56	1,423.74	1,740.13	2,056.51	2,372.91	2,847.48
Burrowbridge	952.27	1,110.97	1,269.69	1,428.39	1,745.81	2,063.22	2,380.66	2,856.78
Cheddon Fitzpaine	947.26	1,105.13	1,263.01	1,420.88	1,736.63	2,052.38	2,368.14	2,841.76
Chipstable	947.34	1,105.22	1,263.12	1,421.00	1,736.78	2,052.55	2,368.34	2,842.00
Churchstanton	952.09	1,110.77	1,269.46	1,428.13	1,745.49	2,062.85	2,380.22	2,856.26
Combe Florey	949.17	1,107.36	1,265.56	1,423.75	1,740.14	2,056.52	2,372.92	2,847.50
Comeytrowe	944.19	1,101.55	1,258.92	1,416.28	1,731.01	2,045.73	2,360.47	2,832.56
Corfe	943.87	1,101.18	1,258.50	1,415.80	1,730.42	2,045.04	2,359.67	2,831.60
Cotford St Luke	949.85	1,108.15	1,266.47	1,424.77	1,741.39	2,058.00	2,374.62	2,849.54
Creech St Michael	955.17	1,114.35	1,273.56	1,432.74	1,751.13	2,069.51	2,387.91	2,865.48
Durstun	943.21	1,100.40	1,257.61	1,414.80	1,729.20	2,043.59	2,358.01	2,829.60
Fitzhead	952.93	1,111.74	1,270.57	1,429.38	1,747.02	2,064.65	2,382.31	2,858.76

Halse	944.93	1,102.41	1,259.91	1,417.39	1,732.37	2,047.34	2,362.32	2,834.78
Hatch Beauchamp	947.00	1,104.82	1,262.67	1,420.49	1,736.16	2,051.81	2,367.49	2,840.98
Kingston St Mary	944.93	1,102.40	1,259.90	1,417.38	1,732.36	2,047.32	2,362.31	2,834.76
Langford Budville	949.60	1,107.86	1,266.13	1,424.39	1,740.92	2,057.45	2,373.99	2,848.78
Lydeard St Lawrence/Tolland	949.16	1,107.34	1,265.55	1,423.73	1,740.12	2,056.49	2,372.89	2,847.46
Milverton	951.29	1,109.83	1,268.39	1,426.93	1,744.03	2,061.12	2,378.22	2,853.86
Neroche	948.69	1,106.80	1,264.92	1,423.03	1,739.26	2,055.48	2,371.72	2,846.06
North Curry	951.10	1,109.61	1,268.13	1,426.64	1,743.67	2,060.70	2,377.74	2,853.28
Norton Fitzwarren	955.39	1,114.62	1,273.86	1,433.08	1,751.54	2,070.00	2,388.47	2,866.16
Nynehead	953.43	1,112.33	1,271.24	1,430.14	1,747.95	2,065.75	2,383.57	2,860.28
Oake	946.81	1,104.60	1,262.41	1,420.20	1,735.80	2,051.39	2,367.01	2,840.40
Otterford	936.30	1,092.34	1,248.40	1,404.44	1,716.54	2,028.63	2,340.74	2,808.88
Pitminster	949.91	1,108.22	1,266.55	1,424.86	1,741.50	2,058.13	2,374.77	2,849.72
Ruishton/Thornfalcon	952.54	1,111.29	1,270.05	1,428.80	1,746.31	2,063.82	2,381.34	2,857.60
Sampfurd Arundel	962.54	1,122.95	1,283.39	1,443.80	1,764.65	2,085.48	2,406.34	2,887.60
Staplegrove	945.71	1,103.31	1,260.94	1,418.55	1,733.79	2,049.01	2,364.26	2,837.10
Stawley	948.71	1,106.81	1,264.94	1,423.05	1,739.29	2,055.51	2,371.76	2,846.10
Stoke St Gregory	955.02	1,114.18	1,273.36	1,432.52	1,750.86	2,069.19	2,387.54	2,865.04
Stoke St Mary	946.41	1,104.14	1,261.88	1,419.61	1,735.08	2,050.54	2,366.02	2,839.22
Taunton *	938.25	1,094.61	1,251.00	1,407.36	1,720.11	2,032.85	2,345.61	2,814.72
Trull	948.39	1,106.45	1,264.52	1,422.58	1,738.71	2,054.83	2,370.97	2,845.16
Wellington	951.43	1,110.00	1,268.58	1,427.14	1,744.28	2,061.42	2,378.57	2,854.28
Wellington Without	948.79	1,106.91	1,265.05	1,423.17	1,739.44	2,055.68	2,371.96	2,846.34
West Bagborough	947.07	1,104.90	1,262.76	1,420.59	1,736.28	2,051.96	2,367.66	2,841.18
West Buckland	948.19	1,106.22	1,264.26	1,422.28	1,738.34	2,054.40	2,370.47	2,844.56
West Hatch	947.71	1,105.65	1,263.62	1,421.56	1,737.46	2,053.36	2,369.27	2,843.12
West Monkton	953.41	1,112.31	1,271.22	1,430.11	1,747.91	2,065.71	2,383.52	2,860.22
Wiveliscombe	951.54	1,110.12	1,268.72	1,427.30	1,744.48	2,061.65	2,378.84	2,854.60

(\* provisional figures)

## APPENDIX B

### TOWN AND PARISH COUNCIL PRECEPTS

Parish/Town Council	2012/13			2013/14			Council Tax Increase
	Tax Base	Precept Levied	Council Tax Band D	Tax Base	Precept Levied	Council Tax Band D	
		£	(£)		£	(£)	
Ash Priors	84.83	-	-	81.46	-	-	0.00%
Ashbrittle	95.72	1,800	18.80	86.74	2,000	23.06	22.62%
Bathealton	89.28	500	5.60	84.83	500	5.89	5.25%
Bishops Hull	1,114.92	22,000	19.73	1,052.00	20,750	19.72	-0.04%
Bishops Lydeard/Cothelstone	1,120.81	25,185	22.47	1,021.90	28,489	27.88	24.07%
Bradford on Tone	293.94	5,500	18.71	285.01	5,500	19.30	3.13%
Burrowbridge	205.99	4,200	20.39	196.21	4,700	23.95	17.48%
Cheddon Fitzpaine	643.53	10,203	15.85	598.80	9,843	16.44	3.68%
Chipstable	133.31	1,950	14.63	129.81	2,150	16.56	13.23%
Churchstanton	337.87	7,299	21.60	342.98	8,126	23.69	9.67%
Combe Florey	122.05	2,250	18.44	116.50	2,250	19.31	4.76%
Comeytrove	2,111.95	25,000	11.84	1,967.11	23,290	11.84	0.02%
Corfe	133.48	2,500	18.73	132.02	1,500	11.36	-39.34%
Cotford St Luke	821.67	16,000	19.47	752.62	15,300	20.33	4.40%
Creech St Michael	999.23	28,275	28.30	937.95	26,543.99	28.30	0.01%
Durstun	59.10	600	10.15	58.64	607.37	10.36	2.02%
Fitzhead	122.29	2,995	24.49	113.55	2,832	24.94	1.83%
Halse	142.58	1,800	12.62	139.03	1,800	12.95	2.55%
Hatch Beauchamp	268.82	4,500	16.74	249.16	4,000	16.05	-4.10%
Kingston St Mary	463.52	6,000	12.94	424.73	5,496	12.94	-0.03%
Langford Budville	238.94	5,000	20.93	225.54	4,500	19.95	-4.65%

Lydeard St Lawrence/Tolland	208.84	3,582	17.15	199.03	3,839.23	19.29	12.47%
Milverton	624.11	12,650	20.27	562.51	12,650	22.49	10.95%
Neroche	255.27	4,500	17.63	239.15	4,446	18.59	5.46%
North Curry	741.43	16,500	22.25	692.23	15,366	22.20	-0.25%
Norton Fitzwarren	931.94	25,060	26.89	903.16	25,871	28.64	6.53%
Nynehead	164.15	4,250	25.89	165.34	4,250	25.70	-0.72%
Oake	333.34	5,000	15.00	317.34	5,000	15.76	5.04%
Otterford	174.06	-	-	165.11	-	-	0.00%
Pitminster	464.42	9,500	20.46	435.08	8,885	20.42	-0.17%
Ruishton/Thornfalcon	624.94	12,000	19.20	574.63	14,000	24.36	26.88%
Sampford Arundel	127.60	4,600	36.05	121.94	4,800	39.36	9.19%
Staplegrove	748.42	10,710	14.31	708.57	10,000	14.11	-1.38%
Stawley	128.82	2,400	18.63	132.17	2,460	18.61	-0.10%
Stoke St Gregory	384.63	7,000	18.20	356.14	10,000	28.08	54.28%
Stoke St Mary	210.86	3,008	14.27	198.25	3,008	15.17	6.36%
Taunton	16,226.62	47,382	2.92	14,115.83	41,218	2.92	0.00%
Trull	1,032.39	14,000	13.56	992.02	18,000	18.14	33.80%
Wellington	4,852.37	104,798	21.60	4,290.56	97,396	22.70	5.11%
Wellington Without	304.54	5,200	17.08	293.61	5,500	18.73	9.70%
West Bagborough	169.77	2,500	14.73	154.78	2,500	16.15	9.68%
West Buckland	448.31	8,000	17.84	424.77	7,580	17.84	0.00%
West Hatch	143.00	2,330	16.29	136.11	2,330	17.12	5.06%
West Monkton	1,184.22	27,664	23.36	1,077.78	27,664	25.67	9.88%
Wiveliscombe	1,128.51	23,500	20.82	1,027.90	23,500	22.86	9.79%

Totals	41,216.39	<b>529,689</b>	<b>12.85</b>	37,280.60	<b>520,441</b>	<b>13.96</b>	8.64%
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## **(iv) Councillor Mrs Adkins**

### **Housing Revenue Account Estimates 2013/2014**

**(These recommendations need to be read in conjunction with the report submitted to the Executive on 6 February 2013 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 2013/2014 Financial Year. It also includes details of the proposed increase in Average Weekly Rent for the year where a 4.9% increase has been recommended.

2013/14 would be the second year of operating the HRA under self-financing arrangements. The Council remains on course to repay the settlement debt of £85,200,000 by 2030. The lower cost of borrowing this sum is reflected in the Budget and has enabled the Council to fund the updated proposals in the HRA Business Plan and increase funding for housing development.

The Proposed Budget is based on assumptions and estimates on expenditure requirements and income projections, in order to deliver the updated Business Plan that was approved by Full Council in December 2012.

Dwelling rents for approximately 6,000 properties provides annual income of over £23,000,000 for the HRA.

Local authorities have both the power and duty to set their own rent. However, the Government had previously set out a policy for social rents in England to be fair, affordable and less confusing for tenants. Local Authorities and Housing Associations have therefore been requested to bring rents into line over several years, using a national formula to set a target rent (also called 'formula rent') based on property values and average manual earnings in each area.

The previous 'negative subsidy' system required Local Authorities to raise their 'average weekly rent' to meet the 'target' or 'formula' rent by the convergence date of 2015/2016, with a 'guideline rent' being the amount the Department for Communities and Local Government assumed should be charged. The Council continues to work towards the convergence date of 2015/2016 and has taken this into account in the draft rent calculations.

It is therefore proposed that the average weekly rent for dwellings for 2013/2014 should be set at the guideline rent of £77.21. This is an increase of 4.9% or £3.61 per week.

The Dwelling Rents form the major element of income for the HRA. Each ½% rent increase is equivalent to approximately £114,600. If the average rent is set lower than the current proposal, the loss of income will have to be met by reducing expenditure.

The budget for non-dwelling rents and charges for services and facilities is based on a 2.6% increase.

The Corporate Scrutiny Committee considered the 2013/2014 draft budget at its meeting on 24 January 2013 where no formal recommendations to change the HRA budget were made.

The Tenants Services Management Board 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 2013/2014.

It is therefore **recommended** that:-

- (1) The Average Weekly Rent increase of 4.9% be approved; and
- (2) The Housing Revenue Account budget for 2013/2014 be agreed.