

TAUNTON DEANE BOROUGH COUNCIL

COUNCIL MEETING 20 FEBRUARY 2007

Part I

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

COUNCILLOR WILLIAMS

1. General Fund Revenue Estimates 2007/08

The Executive have considered its final 2007/2008 budget proposals. It contains details on

- (i) the General Fund Revenue budget proposals for 2007/2008 including the proposed Council Tax increase and the Prudential Indicators and
- (ii) draft figures on the predicted financial position of the Council for the following four years.

The proposals have also been considered in detail by the Review Board and details of its views were submitted. Consultation on the budget has taken place.

The Council Tax calculation and formal tax setting resolution is to be considered separately. The proposed budget for Taunton Deane will result in a Band D Council Tax of £128.05 an increase of £2.51 (2%) on 2006/2007. This represents an increase of 4.8p per week. The Band D tax payer will therefore receive all the services provided by the Council in 2007/2008 at a cost of £2.46 per week.

It is a requirement for the Council to prepare not only budgets for the following financial year but also to provide indicative figures for the two years after that. The Medium Term Financial Plan provides an indication of the expected budget gap going forward into 2008/2009 and a summary of this position was submitted.

These figures have been prepared on the assumption of a 4.5% increase in Council Tax each year including 2008/2009. In addition annual growth of 1% in government support has also been assumed. The figures take into account the ongoing impact of all the Executive budget proposals and the 2007/2008 proposed Council Tax level.

It is expected that despite the work done in recent years to close the budget gap and produce a sustainable revenue budget the increasing cost of staff (pay, pensions etc) and other demands on the Council will mean that there will continue to be a budget gap in future years. A report will be submitted early in the new financial year which will review the Medium Term Financial Plan position. The objective being to draw up a plan to resolve the ongoing budget gap for the medium term.

The estimated expenses chargeable to the non-parished area of Taunton in 2007/2008 amounts to £27,870 an increase of 2% and this forms part of the total net expenditure of the Council. The precept in 2006/2007 was £27,320.

As part of the Prudential Code for capital finance there is a requirement for Council to approve the indicators set out in the report to the Executive. These include the borrowing limits and details of the various indicators where submitted.

The Council's Section 151 Officer has a duty to comment as part of the budget setting process upon the robustness of the budget and the adequacy of reserves. Shirlene Adam (Strategic Director), the Council's 151 Officer has thoroughly reviewed the procedures outputs and outcomes of the budget setting process and feels that the Council's reserves are adequate and that the budget estimate used in preparing the 2007/2008 budget were sufficiently robust.

It is therefore RECOMMENDED that the budget for General Fund services for 2007/2008 as outlined in the report to the Executive be agreed and that :-

- (a) the transfer of any potential underspend in 2006/2007 back to General Fund Reserves be agreed;
- (b) the proposed 2007/2008 budget being an Authority expenditure of £13,245,730 and Special Expenses of £27,870 be agreed in accordance with the Local Government Act 1992;
- (c) the predicted General Fund reserve balance at 31 March 2007 of £1,442,400 be agreed;
- (d) the Prudential Indicators for 2007/2008 as set out in the report to the Executive be agreed;
- (e) the revised forecast budget position for 2008/2009 onwards as outlined in the report to the Executive be noted.

2. Capital Programme 2007/08

The Executive have also considered the proposed General Fund (GF) and Housing Revenue Account (HRA) capital programmes for the period 2007/2008 to 2010/2011.

For the General Fund, the estimated unallocated resources available are £17,000. The proposed new schemes amount to £145,000 but are self funding leaving the same £17,000 of unallocated capital resources available for future schemes.

For all Housing schemes, both GF and HRA, the estimated resources available for 2007/2008 amount to £6593k. The proposed capital programme for 2007/2008 amounts to £6402k. It is proposed that the remaining £191,000 be carried forward to support the HRA Decent Homes capital programme into the future.

Both the Housing Review Panel and the Review Board have considered the draft Housing capital programme and have made no formal recommendations.

It is therefore RECOMMENDED that both the General Fund and Housing Revenue Account Capital Programmes be agreed.

3. Council Tax Setting

The Council is required to make an annual determination which set its gross expenditure (including the Housing Revenue Account and balances brought forward) and gross income (also 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 2007/2008 amounts to £27,870 and this forms part of the total net expenditure of the Council. We have also received details of the parish precepts levied and the appropriate Council Tax at Band D.

The estimated balance on the Council Tax Collection Fund is a deficit of £45,136. Taunton Deane's share of this amounts to £4,830 and this is reflected in the revenue estimates.

The Council's budget requirement including parish precepts and non parished special expenses is £13,630,000. This amount is then reduced by the amount notified in respect of the Borough's Revenue Support Grant amounting to £1,172,035 and the Non Domestic Rates distribution from the pool amounting to £6,983,855.

The net amount, having taken the Collection Fund position into account, of £5,478,940 is used to calculate the Council Tax at Band D reflects the parish precepts by dividing it by the total of the Council Tax Base as approved by the Executive in December 2006.

The Council Tax for the Borough (excluding parish precepts and special expenses for the non parished area) is £128.05, an increase of £2.51 (2%) compared to the 2006/2007 Council Tax. The total Council Tax including the County Council, Police and Fire Authorities precepts is still subject to confirmation.

It is therefore RECOMMENDED that subject to final determination including the Council Tax for Somerset County Council and the Police and Fire Authorities which is still 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).

- 9.2.1 That it be noted that at its meeting on 6 December 2006 the Executive calculated the following amounts for the year 2007/08 in accordance with the regulations made under Section 33(5) of the Local Government Finance Act 1992 (as amended):-

(1) 39,786.35 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.

(2)

Ash Priors	74.00	Neroche	246.02
Ashbrittle	88.39	North Curry	717.91
Bathealton	80.85	Norton Fitzwarren	696.58
Bishops Hull	1,079. 90	Nynehead	153.26
Bishops Lydeard / Cothelstone	1,919. 98	Oake	329.74
Bradford on Tone	278.16	Otterford	166.26
Burrowbridge	203.46	Pitminster	454.24
Cheddon Fitzpaine	643.95	Ruishton / Thornfalcon	620.40
Chipstable	119.73	Sampfard Arundel	131.54
Churchstanton	308.21	Staplegrove	711.86
Combe Florey	122.31	Stawley	120.43
Comeytrowe	2,088. 55	Stoke St Gregory	384.75
Corfe	130.15	Stoke St Mary	210.55
Creech St Michael	943.89	Taunton	15,914.4 0
Durston	57.64	Trull	1,022.07
Fitzhead	123.31	Wellington	4,576.12
Halse	143.54	Wellington (Without)	297.40
Hatch Beauchamp	256.79	West Bagborough	157.33
Kingston St Mary	460.80	West Buckland	405.03
Langford	215.56	West Hatch	141.36

Budville			
Lydeard St Lawrence / Tolland	198.30	West Monkton	1,111.64
Milverton	593.29	Wiveliscombe	1,086.71

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 relate.

9.2.2 That the following amounts be calculated by the Council for the year 2007/08 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-

(a) £69,913,650 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) £55,398,650 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) £13,630,000 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) £8,151,060 being the aggregate of the sums which the Council estimates will 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 will 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 will be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund (Community Charge) directions under Sec. 98(4) of the Local Government Finance Act 1988 made on 7th February 1994 (*Community Charge Surplus*).

(e) £137.71 $\frac{(c) - (d)}{9.2.1(1)} = \frac{13,630,000 - 8,151,060}{39,786.35}$

being the amount calculated at (c) above less the amount at (d) above, all divided by the amount at 9.2.1(a) 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) £384,270 being the aggregate amount of all special items referred to in Section 34(1) of the Act.

(Parish Precepts and Special Expenses).

$$(g) \text{ £128.05} \quad (e) - \frac{(f)}{9.2.1(1)} = 137.71 - \frac{384,270}{39,786.35}$$

being the amount at (e) above less the result given by dividing the amount at (f) above by the amount at 9.2.1(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	131.43	Neroche	141.8 7
Ashbrittle	142.76	North Curry	146.8 5
Bathealton	135.47	Norton Fitzwarren	151.8 2
Bishops Hull	142.87	Nynehead	148.6 0
Bishops Lydeard / Cothelstone	146.42	Oake	140.1 8
Bradford on Tone	145.11	Otterford	128.0 5
Burrowbridge	151.15	Pitminster	141.9 2
Cheddon Fitzpaine	137.37	Ruishton / Thornfalcon	144.1 7
Chipstable	138.91	Sampford Arundel	161.8 0
Churchstanton	150.62	Staplegrove	140.8 3
Combe Florey	142.77	Stawley	139.6 8
Comeytrowe	137.63	Stoke St Gregory	143.6 4
Corfe	136.50	Stoke St Mary	140.9 4
Creech St Michael	143.63	Taunton	129.8 0
	128.74		139.7

Durston		Trull	9
Fitzhead	148.73	Wellington	144.3 1
	144.04	Wellington (Without)	143.1 8
Hatch Beauchamp	141.29	West Bagborough	143.9 4
Kingston St Mary	141.07	West Buckland	148.4 2
Langford Budville	148.93	West Hatch	142.5 5
Lydeard St Lawrence / Tolland	138.19	West Monkton	139.2 9
Milverton	139.01	Wiveliscombe	144.2 5

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 9.2.1(b) 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

NOTE: Since the meeting of the Executive final notification of all parish precepts have been received. This has resulted in a number of minor amendments to the figures previously submitted.

Also since the meeting, draft figures in relation to the Police Authority precept, the Fire Authority precept and the likely level of the Council Tax for Somerset County Council have been received. Attached as Appendix A and B are the tables which indicate the revised figures.

4. Proposals to refresh the Corporate Management of the Council

Consideration has been given by the Executive to a report which set out details of the drivers for change which will require a refresh of the Council's corporate management structure. The report reflects on the current arrangements and makes proposals for the future. These include personnel changes including proposed early retirements/redundancies. A second phase further review of the entire organisation is also proposed.

The proposals are within existing budgets and could, in large parts, be carried out under the Chief Executives delegated powers. However, elements of the proposals require the agreement of Council and it is also important that the proposal in its entirety is supported by Members.

It is anticipated that the proposed changes will reflect the external and internal drivers for change. The proposals can be met within existing budget levels and after paying back the initial up front cost will return ongoing budget savings of approximately £61,000 per annum to the Council's General Fund. In addition there will be ongoing savings to the Councils Housing Revenue Account which will be detailed in a future report.

The total cost of the proposal is £302,000. The majority of this cost falls in 2006/2007 with the remainder falling in 2007/2008. Savings will start to accrue immediately and will be earmarked for paying back the upfront costs of the General Fund reserve. This will be fully achieved by 2011/2012 meaning that the proposal has a pay back period of 4.9 years.

It is intended that the proposals will ensure that Corporate Management Team remains fit for future as the Council proceeds through a period of unprecedented change and the local government landscape shifts to reflect the issues arising from the local government White Paper.

It is therefore RECOMMENDED that:

- (1) the proposals to refresh Corporate Management Team be agreed;
- (2) the early retirements and voluntary redundancies contained within the proposal for the posts of
 - (a) Head of Housing
 - (b) Head of Environment and Leisure
 - (c) Head of Development be agreed;
- (3) a Supplementary Estimate of £263,000 from General Fund Reserves be agreed. This will be fully paid back to the General Fund reserve by 2011/2012 and thereafter the Council's general fund budget would benefit by approximately £61,000 a year.

Councillor John Williams

COUNCILLOR GARNER

Housing Revenue Account, Revenue Estimates and Rent Levels, Helpline and Deane Building DLO Account 2007/08

The Executive have given consideration to the proposed Housing Revenue Account for 2007/2008 including the new rent levels, service charges and other Housing related charges such as garage rents. We have also looked at information on the Deane Helpline Trading Account and the Deane Building DLO Trading Account.

Following the recent ballot on the future of the Housing stock there is a gap between the funding needed to deliver the Decent Homes Standard to the Council's Housing stock and the funding available of £1.85m per year. We looked at details of how the service will deliver Decent Homes.

Both the Housing Review Panel and the Review Board have considered the 2007/2008 budget report and details of their views were submitted to the Executive. The Housing Review Panel have proposed no formal amendments to the report but have asked that Officers mitigate the removal of the grant to Neighbourhood Care of £11,000 by finding further equivalent savings elsewhere in the Housing Revenue Account.

The Review Board has supported this suggestion that the Neighbourhood Care grant be re-instated and have recommended that Officers identify funding within the HRA to support this. Members of the Review Board have also commented on the increase staffing costs within the Deane Helpline and the effect that this has had on the Helpline's working balance.

It is therefore RECOMMENDED that the Housing Revenue Account budget for 2007/2008 be agreed.

Councillor Greg Garner

COUNCILLOR BISHOP

Provision of Information Technology in Development Control

The Executive has considered the replacement of the current in-house software package for planning application recording, monitoring and historic data retention software with an established external software package.

The national planning system is currently undergoing significant changes and unfortunately the existing software is not suitable.

The quality of the Service which is being provided has declined and Best Value Performance Indicators have fallen. This has resulted in a reduction in Planning Delivery Grant received. The Council has gone from being one of the best performing authorities in the south west to being in the bottom quartile. In view of the problems currently being experienced it is felt necessary to develop an external Planning software package. This will not only improve the Planning function but will assist greatly in delivery of a number of the Council's Corporate Priorities.

It is RECOMMENDED that:-

- (i) the proposal to replace the current in-house software applications for planning application recording, monitoring and historic data retention be agreed in principle;
- (ii) a Supplementary Estimate from General Fund Reserves of £80,000 be agreed. The ongoing revenue costs would be funded from within existing Development budgets.

Councillor Cliff Bishop