

# Taunton Deane Borough Council

## Council Meeting – 17 July 2012

### Part I

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

#### (i) Councillor Mrs Warmington

##### **Proposed Crime and Disorder Reduction Partnership Merger**

At its meeting on 5 October 2010, Full Council agreed to the proposed merger of the Safer Somerset West Crime and Disorder Reduction Partnership (CDRP) –which covered Sedgemoor, Taunton Deane and West Somerset - with the Mendip and South Somerset Community Safety Partnership (Somerset East) to form a County-wide CDRP, currently operating as the Safer Communities Group.

This Partnership has operated on an informal basis ever since.

At a recent meeting of the Executive, the possibility of formalising the Partnership was discussed. The following two options were considered:-

- (1) Opposing the countywide merger - instead opting to remain informally merged. However, this option would only be achievable if Sedgemoor and West Somerset also decided to oppose the countywide merger or if Taunton Deane had an appetite for its own CDRP. During the discussion it was noted that the Home Secretary had the power to force a merger, making an order for two or more CDRP areas to work as a combined partnership; and
- (2) The merger of the East and West CDRPs to a County CDRP, currently operating as the Safer Communities Group, could be acknowledged and approved. Further work will then follow to ensure tactical and operational structures beneath reflect the local delivery needs.

Following careful consideration, the Executive decided to support Option (2).

It is **recommended** that the merger of the Safer Somerset West CDRP with Mendip and South Somerset Community Safety Partnership (Somerset East) to form a Countywide CDRP, which was currently operating as the Safer Communities Group, be approved.

#### (ii) Councillor Hayward

##### **New Cremators and Mercury Filtration Project – Taunton Deane Crematorium**

The Executive has recently received an update on the project to install three new cremators at

the Taunton Deane Crematorium along with Mercury filtration equipment to meet the requirements of legislation.

Following a procurement exercise last year, a tender was accepted from Facultatieve Technologies (FT) for the supply and installation of three new cremators and mercury filtration equipment. The tender price was £1,020,937.00.

However the supply and installation of the equipment by FT forms only one part of the project. The securing of professional services to oversee the project, and the appointment of a second contractor to undertake the ancillary building works to the structure of the crematory building to facilitate the installation were also identified.

The total budget for the project is currently £1,320,000. Taking into account the tender costs, ancillary works, fees and a proposed contingency for unforeseen costs during installation, the current budget provision is not sufficient for the project. The following table summarises costs and commitments:-

	£k
Updated Commitments	
Supply and installation of equipment	1,021
Ancillary Works and Professional fees	372
Contingency	40
Total Commitments	1,433
Total Scheme Budget	1,320
<b>Budget Supplement Required</b>	<b>113</b>

Therefore for the scheme to continue, the Council will need to approve a recommended budget increase of £113,000.

The current funding approval for the scheme includes borrowing approval of £770,000 with the balance funded from a combination of revenue earmarked reserves and capital receipts. In order to avoid the need to borrow further to fund the proposed budget increase, it is proposed to fund the additional £113,000 costs and contingency from General Fund Revenue Reserves. There are sufficient funds in the reserve to make this affordable.

It is **recommended** that a supplementary budget of £113,000 be added to the Capital Programme 2012/2013 for the Cremator Replacement Mercury Abatement project, funded from revenue resources by a transfer from General Fund Reserves.

### **(iii) Councillor Williams**

#### **Financial Outturn 2011/2012**

The Executive received a detailed report on the outturn position of the Council on revenue and capital expenditure for the General Fund (GF), Housing Revenue Account (HRA) and trading services for 2011/2012 at its meeting on 11 July 2012.

A number of issues including:-

- the continuing economic climate and the recession in the United Kingdom;
- The Coalition Government's approach to tackling the national debt and the resulting

impact of reduced funding for local authorities - a 13.2% cut in funding for GF services for this Council;

- The Council has prepared for the move to Self Financing for the HRA, and has had to take on debt of some £85,000,000 in March 2012 to 'buy out' of the national Housing Subsidy system.
- The Council has implemented restructuring as agreed for the 2011/2012 budget, and has also undertaken further restructuring in March of this year to respond to further financial reductions in 2012/2013,

have all impacted on Taunton Deane's overall financial position.

The following provides a summary of the 2011/2012 outturn and reserves position for both GF and HRA services:-

- (1) The 2011/2012 Provisional GF Revenue Outturn is a £535,000 underspend against the Final Budget for the year. A Budget Carry Forward of £86,000 is requested, to be funded by this underspend.
- (2) The GF Reserves balance as at 31 March 2012 stands at £3,337,000. This will reduce to £3,251,000 if the above proposed budget carry forward to 2012/2013 is approved. This is above the minimum reserves expectation within the Council's Budget Strategy, and provides sound financial resilience in view of the continuing financial pressures faced by the Council over the medium term.
- (3) The 2011/2012 GF Capital Programme expenditure for the year amounted to £4,331,000, which is £4,222,000 below the budget for the year. The total slippage of planned project expenditure into 2012/2013 is £4,534,000 and a budget carry forward is recommended for the related schemes.
- (4) The 2011/2012 Provisional HRA Outturn is a £86,000 underspend against the Final Budget for the year. The HRA Reserves balance as at 31 March 2012 stands at £1,355,000, which is above the minimum level set within the 2011/2012 Budget Strategy.
- (5) The HRA is 'self-financing' with effect from 2012/2013, however as the related settlement debt of £85,198,000 was undertaken in March 2012 the expenditure is recognised in the outturn for 2011/2012. This cost therefore appears as a major line of expenditure on the face of the HRA revenue account. However this item is treated as capital expenditure under regulations and the impact on the revenue outturn is neutralised by a transfer from the Capital Adjustment Account. Although these sums are huge they 'net off' and therefore do not affect the HRA revenue reserves position.
- (6) The 2011/2012 HRA Capital Programme expenditure for the year amounted to £4,132,000, which is £168,000 below budget for the year. The expenditure relates largely to the Council's continued investment in maintaining 'Decent Homes' standards.

There are several matters which require the approval of Full Council to formally transfer or carry forward funding within the respective budgets.

It is therefore **recommended** that:-

- a) The transfer of the net underspend on the General Fund Revenue Account to General Fund Reserves, and the transfer of the net underspend on the Housing Revenue Account to HRA Working Balance Reserves be approved;
- b) The net transfer of £258,000 from earmarked reserves for use on General Fund services and capital financing, and £85,000 from earmarked reserves for use on Housing Revenue Account services and capital financing, as set out in the detailed report to the Executive be approved;
- c) Recommend that Full Council transfers The surplus earmarked reserves of £87,000 be transferred to General Reserves as referred to in the detailed report to the Executive;
- d) A Carry Forward of the General Fund Revenue Budget of £86,000 to support expenditure specifically related to Economic Development and Insurance Costs in 2012/2013 be approved; and
- e) The Carry Forward of the General Fund Capital Programme Budget totalling £4,534,000 for slippage into 2012/2013 as set out in the detailed report to the Executive be also approved.

#### **(iv) Councillor Cavill**

### **Potential Relocation of Council Depot and Disposal of the Priory Way Site, Taunton**

At its meeting on 11 July 2012, the Executive considered the potential relocation of the Council's depot and the marketing of the site at Priory Way, Taunton.

This followed the meeting of the Corporate Scrutiny Committee on 24 May 2012 where two recommendations were made to the Executive:-

- (i) That the DLO should be supported in its ongoing transformation; and
- (ii) That a marketing exercise of the current depot site should be undertaken.

The view of the Corporate Scrutiny Committee was that the result of any marketing exercise would establish the value of the depot site and provide an important context for considering the business case for potential depot relocation. This view was accepted by the Executive.

The Deane DLO site covers approximately 3.85 acres in total, which includes approximately 0.2 acres currently occupied by three emergency housing accommodation units. The whole site would be subject to any marketing process, meaning that alternative provision would be required for these units.

At this stage, a number of options for depot relocation are being looked at including:-

- 'Squeezing up' operations on the current site, releasing the more visible (and valuable) part of the site adjacent to Priory Way for disposal. This option would also leave open the possibility of a phased withdrawal at a later date, releasing the remainder of the site for disposal;

- Relocating all operations to a suitable site elsewhere; and
- Spreading Deane DLO operations across a number of sites.

A marketing exercise would take between 8 weeks and five months to complete, depending on the Council's appetite to test the market. Therefore, assuming that marketing activity started in August 2012, bids for the depot site would be expected by January 2013 and potentially earlier.

Should a marketing exercise be approved, it is proposed that a senior responsible group of Members is established to oversee the process at key stages, consider any bids and advise the Executive and Full Council on potential depot disposal and relocation options. The proposed Member Group would comprise:-

- The Leader of the Council;
- The Leader of the Liberal Democrat Group;
- The Portfolio and Shadow Portfolio Holders for Economic Development and Property; and
- The Chairman of the DLO Transformation Members Steering Group.

In the circumstances, it is **recommended** that:-

- (i) the marketing of the Deane DLO depot site at Priory Way, Taunton be proceeded with; and
- (ii) the establishment of a senior responsible group of Members to oversee the marketing process, as set out above be approved.

(The following further recommendation does not feature on the agenda for the Full Council meeting as it only arose as an additional required approval at the meeting of the Executive on 11 July 2012. The Mayor will need to certify that he is prepared to allow this recommendation to be considered on the basis that a decision is needed before the next scheduled meeting of Full Council.)

## **(v) Councillor Mrs Stock-Williams**

### **Non-Domestic Rates – Discretionary Rate Relief**

Section 69 of the Localism Act has amended the Local Government Finance Act 1988 to allow local authorities to reduce the business rates of any local ratepayer for any reason, not just those that can currently be granted discretionary rate relief.

When the Executive considered this matter at its recent meeting it accepted a recommended procedure for dealing with future requests for non-domestic, discretionary rate relief, details of which are as follows:-

- All requests for relief must be made in writing.
- If the ratepayer does not provide the required evidence, the Council will reserve the right to either treat the application as withdrawn or to consider the application in the absence of the missing evidence.

- The Council may in any circumstances verify any information or evidence provided by the ratepayer by contacting third parties, other organisations and the ratepayer.
- The authority to decline applications for relief under these provisions should be delegated to the Section 151 Officer.
- If the Section 151 Officer declines an application any appeal should be made to the Executive Portfolio Holder.
- Where the Section 151 Officer decides there is sufficient merit in awarding relief under these provisions, a recommendation will be made to the Executive to decline or award relief. Where it supports the recommendation, the Executive will also need to make the necessary budget arrangements to meet the commitment.

This system of delegation should ensure that proper and consistent consideration is given to all applications and that the financial implications are considered. This is consistent with our approach to dealing with Hardship Relief applications for Business Rates as well as for the corresponding discretionary powers relating to Council Tax.

It is **recommended** that the above policy for considering applications for relief under Section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act) be approved.