

Executive – 9 February 2012

Present: Councillor Williams (Chairman)
Councillors Mrs Adkins, Edwards, Cavill, Hayward, Mrs Herbert,
Mrs Stock-Williams and Mrs Warmington

Officers: Penny James (Chief Executive), Shirlene Adam (Strategic Director), Martin Griffin (Retained HR Manager), David Evans (Economic Development Specialist), James Barrah (Community Services Manager), Stephen Boland (Housing Services Lead), Maggie Hammond (Strategic Finance Officer), Paul Fitzgerald (Financial Services Manager), Tracey Healy (Principal Accountant), Simon Lewis (Strategy and Corporate Manager), Richard Sealy (Client and Performance Manager), Chris Hall (DLO Manager), Phil Webb (Housing Manager – Property Services), Tonya Meers (Legal and Democratic Services Manager) and Richard Bryant (Democratic Services Manager).

Also present: Councillors Coles, Farbahi, Henley, Horsley, R Lees, Morrell, Mrs Smith, Mrs Waymouth and A Wedderkopp.
Graham Love, Taunton Town Centre Manager, Cathy Osborn, Savills (L & P) Limited and Mark Swallow, Arlingclose Limited.

(The meeting commenced at 6.15 pm.)

11. Minutes

The minutes of the meeting of the Executive held on 18 January 2012, copies of which had been circulated, were taken as read and were signed.

12. Public Question Time

(1) Mr Peter Wren asked the following question:-

“In December 2010 Mr Gottlieb, Mrs Wren and myself asked questions about the Bishops Hull Development and were appalled at the apparent reaction from a Councillor, so much so that we decided to complain to the Mayor and Chairman of Full Council.

Following our complaint to the Mayor we were advised to make a written submission and that it would be put in front of the Standards Sub-Committee.

We were not allowed to attend this meeting to both listen to responses or to take part if necessary in the Standards Sub-Committee’s review of our

complaint.

We received a response from Taunton Deane which we found to be both bizarre and unsatisfactory, and we further requested an explanation.

We did however attend a meeting with both the Chairman of the Standards Committee and the Legal and Democratic Services Manager where our views were openly discussed and further action promised. However, even when this was followed up most satisfactorily by the Legal and Democratic Services Manager, no responses were obtained.

It is our opinion that the procedure for this complaint was both unfair and undemocratic on the part of ourselves, and we request that this is formally reviewed and a response given”.

In response the Legal and Democratic Services Manager, Tonya Meers, stated that the process that had been followed had been set down in regulations and guidance from the Standards Board for England.

She added that the Standards regime was changing under the Localism Act 2011 and the Council would therefore need to have new arrangements in place to deal with any future complaints about Councillors. Mr Wren’s concerns would be addressed during this procedure.

- (2) Councillor Horsley stated that whilst he was delighted that the restriction on the availability of confidential papers to Councillors had been lifted, he continued to feel that Members had been disadvantaged over the past few months in not having sight of information they were used to receiving in the past.

He referred particularly to the appendices to the General Fund Revenue Budget Report which had been unavailable to him in the run up to both the Corporate Scrutiny Committee meeting on 26 January 2012 and this evening’s meeting. In his view, the decision making process had been impaired and the restriction had proved counter-productive to what had been intended.

In response, Councillor Williams stated that the leak of confidential information last September was a serious breach which needed to be fully investigated. The restriction on the availability of confidential papers had been an appropriate reaction to the breach.

He added that the investigation, which had now been concluded, had also looked at what more could have been done to prevent the leak of information. It had concluded that the measures that had been put in place such as the signing of confidentiality agreements could not have

prevented the leak and that the Council could not have done more to have controlled the information. He hoped that there would be no future repetition of what had happened.

13. **Localism Act : Pay Policy Statements**

Considered report previously circulated, concerning the requirement to prepare a Pay Policy Statement.

Section 38(1) of the Localism Act 2011 required English and Welsh Local Authorities to produce a Pay Policy Statement for 2012/2013 and for each subsequent year thereafter.

The Statement, which had to be approved by Full Council, had to include policies on which remuneration of its chief officers and its lowest paid employees (and the relationship between them) were based.

In addition to the requirements of the Localism Act, the Council needed to determine if it would monitor salaries and the relationship between salaries through 'pay multipliers'. The Pay Policy Statement also had to:-

- Set out arrangements for the remuneration of chief officers on appointment;
- Set out arrangements for payments on termination of employment for chief officers even if covered by other approved policies;
- Set out arrangements for the re-employment of chief officers; and
- Be published on the Council's website.

Discussions were taking place with South West Councils, neighbouring Local Authorities and the local UNISON Branch regarding the emerging practice and it was clear that, for the vast majority of Councils, 2012/2013 would see Pay Policy Statements developed that met the minimum requirements.

This approach would then allow Councils to fully consider the requirements of the Localism Act and guidance from the Department for Communities and Local Government (DCLG) in a more measured manner.

Submitted for consideration a suggested draft of Taunton Deane's first Pay Policy Statement. This had been drafted without the benefit of the formal guidance from the DCLG, which was still awaited.

The DCLG had indicated though that a provisional Pay Policy Statement would be acceptable as it could be treated as a “living document” – one that could be amended in the future, once the guidance was to hand.

This matter had been considered by the Corporate Scrutiny Committee on 26 January 2012 and comments made by Members were submitted.

Resolved that:-

- (1) The draft Pay Policy Statement be endorsed; and
- (2) Full Council be recommended to approve the draft Pay Policy Statement.

14. Disposal of Land to Registered Providers Task and Finish Group

Councillor Morrell, the Chairman of the Disposal of Land to Registered Providers Task and Finish Review detailed the final recommendations the Group wished to submit to the Executive for endorsement.

In recent years the Council’s approach had been to dispose of suitable land which could be developed for affordable housing for a nominal amount, usually £1. This transfer was completed on the basis that the land was only used for the provision of affordable housing with the Council retaining nomination rights.

At its first meeting, the Task and Finish Review had agreed its terms of reference as follows:-

1. To identify the value of Taunton Deane owned land already gifted to Registered Providers;
2. To seek opinion from Registered Providers, partner agencies and Local Authorities as to the advantages and disadvantages of transferring land on both a freehold and leasehold basis; and
3. To consider and recommend to the Executive the terms of disposal of land to Registered Providers and whether a long leasehold approach was a valid method in supporting the development of affordable and social housing.

The Group had met on five occasions and had taken advice from staff, Registered Providers, partner agencies and other Local Authorities.

The Group felt that the Council should move away from gifting land to Registered Providers for £1, to either provision on a long leasehold

basis or sale at market value.

The Task and Finish Review had discussed the recommendations it wished to make which were:-

(1) The Executive is recommended to agree that Taunton Deane Borough Council should have a flexible policy in determining the gifting of Council land/assets.

(2) Where possible, a 'toolkit' approach should be utilised in determining how the land was disposed of in the future. This "sliding scale" should include:-

(i) An arrangement under a long leasehold agreement for not less than the duration of the build life;

(ii) If this was not possible, to sell the land for a market value, less an agreed Council social contribution; and

(iii) If financial due diligence determined that (i) and (ii) above impeded the process, then a decision to gift the land for a nominal sum be made by the Executive Member and published in the Weekly Bulletin.

During the discussion of this item, Members felt that the following wording should be added to the end of the first recommendation after the words "land/assets":-

"as part of the Asset Management Plan and due regard to the Council's financial plans".

Resolved that the recommendations of the Disposal of Land to Registered Providers Task and Finish Group, as amended above, be approved.

15. **Taunton Business Improvement District (BID) – Formal Request from the Taunton Town Centre Company to Instruct a BID Renewal Ballot**

Reference Minute No. 103/2011, reported that the Council had been formally served notice by the Taunton Town Centre Company (TTCC) to request that a ballot of businesses in Taunton Town Centre was held in relation to an extension to the Business Improvement District (BID) programme.

The request had been made following widespread consultation by the TTCC amongst businesses in the town on a draft BID Business Plan, a copy of which had been circulated to Members of the Executive.

The TTCC played a valuable role in supporting the Council's aim to enhance the vibrancy and vitality of the town centre. The Council's previous support for the BID was alongside financial support offered for the delivery of other Town Centre Management activities.

Reported that in drafting the BID submission due regard had been paid to the requirements set out Schedule 1 of the Business Improvement District (England) Regulations, 2004.

Specifically, the TTCC had given consideration to the following elements of the Schedule:-

- 1(a) A statement of the services to be provided by the TTCC and a description of the company's legal status. The company intended to deliver services "To position Taunton as the first choice destination for business. Creating a vibrant, safe and accessible County Town for retail, leisure and commerce. By 2017 Taunton would be recognised as the premier shopping and leisure destination in South Somerset";
- 1(b) A statement of the existing baseline services provided by the Council, the Avon and Somerset Police Authority and the Avon and Somerset Probation Trust as the statutory agencies that provided services affected by the BID Submission. Baseline Statements would be completed prior to the issue of the ballot papers, and would cover Policing, Events, Marketing and Promotion, Graffiti Clean Up, Business Information, Advice and Guidance, Car Parks, Pedestrian Signage and Town Centre Management;
- 1(c) A description of the geographical area in which the proposed BID arrangements were to have effect;
- 1(d) A statement as to whether all non-domestic ratepayers in the geographical area or a specified class of them were to be liable to the BID levy, an explanation of how the amount of the BID levy to be levied was to be calculated, and an explanation of whether any of the costs incurred in developing the BID proposals, holding of the ballot or implementing the BID were to be recovered through the BID levy.

The Annual BID Levy proposed was 1.25% of the Rateable Value shown in the Local Non-domestic Rates List at the commencement of the new BID term (1 October 2012). The levy rate would be subject to a BID multiplier, increasing the levy each year to keep pace with increasing costs over the five year BID term. The BID multiplier would be measured by the Consumer Price index or 3%, whichever was the lower.

The Council's Revenues Service would collect the BID Levy on behalf of the TTCC, making an annual charge to the company for provision of that service.

The Council would contract the Electoral Reform Service to carry out the referendum, via a postal ballot, on behalf of the TTCC;

- 1(e) A statement of the specified class of non-domestic ratepayer for which, and the level at which, any relief from the BID levy was to apply;
- 1(f) The BID Business Plan included a statement of whether the BID arrangements might be altered during the BID term. It included a proposal to include Firepool within the BID area at an appropriate stage in the site's development, and it reserved the opportunity to vire between budget headings during the BID term;
- 1(g) A statement that the duration of the BID arrangement would be five years; and
- 1(h) A statement that the proposed BID would commence on 1 October 2012.

It was the TTCC's intention to hold the BID ballot on 30 March 2012, giving ample notice to businesses of the outcome.

Further reported that the Council was entitled under the BID Regulations to veto the BID submission should it be of the opinion that the BID arrangements were:-

- (i) likely to conflict to a material extent with any policy formally adopted by, and contained in, a document published by the authority; or
- (ii) to be a significantly disproportionate financial burden on any person or class of persons in the BID area, and (i) that burden would be caused by the manipulation of the geographical area of the BID or by the structure of the BID levy; and (ii) that burden would be inequitable.

Close contact with the TTCC had been maintained throughout the past year in order to ensure that the Council's interests were taken into account in the drafting of the BID Business Plan. It was considered that the BID Submission would not conflict to a material extent with any policy formally adopted by the Council.

Discussions had been held over the proposals to include Firepool in the BID area with the outcome that if it was implemented on a phased basis and, if it was subject to the types of end user that the site attracted in due course, its inclusion would be acceptable.

Discussions had also been held over the inclusion of The Deane House and additional car parks in the BID area to create parity with other local authority offices in the BID area.

If the BID programme proceeded the Council would be liable for payment of the BID levy for any Council properties attracting non-domestic rates (hereditaments) within the proposed BID area. That payment (under the first BID programme) was currently £4,500 per annum and it was estimated that this would increase to between £10,000 and £12,000 with the proposed inclusion of The Deane House, Flook House and certain car parks in and adjacent to the town centre. This additional level of contribution would require a future budget increase.

Further financial considerations were detailed in the report as follows:-

- As the ballot holder, the Council had to meet the costs of the ballot in full. Under the BID regulations, the cost of a successful ballot could not be recharged by the billing authority to the BID body. The Electoral Reform Service had quoted the sum of £2,500 to carry out the ballot and it was proposed that this sum be taken from the Economic Development budget.
- As the collecting authority, the Council would be responsible for collecting the BID levy in each year of the BID term but could charge the BID body reasonable collection costs. The TTCC had made budgetary provision within the BID Business Plan for this.
- In previous years the Council had also contributed, on a discretionary basis, £20,000 per year towards administration costs. It was anticipated that the TTCC would seek a similar financial contribution from the Council to benefit the next BID programme. The Company was, however, aware of the financial difficulties facing the Council, and that there was no provision within the Council's budget to make such payments.

Resolved that:-

- (1) The proposal submitted by the Taunton Town Centre Company to instruct the Council to hold a ballot amongst businesses with the intention of extending the BID programme for a period of five years from October 2012 (the BID Submission) was in accordance with the Business Improvement District (England) Regulations, 2004 be acknowledged; and
- (2) Authority be delegated to the Chief Executive to instruct the holding of a ballot in accordance with the BID Submission.

16. **Housing Services and Community Development – Restructure Proposals**

Considered report previously circulated, concerning proposals to change the staffing structure of Housing Services in preparation for issues likely to arise from the Housing Revenue Account (HRA) self-financing and the associated new 30 year Business Plan. Changes to the current Community Development Team were also proposed.

The Council's Housing Service had embarked on a modernisation programme following the creation of the Community Services Theme and the receipt of recommendations from the Audit Commission.

The service was now more outward looking, performance focussed and working to place tenants at the heart of scrutiny and decision making.

Steady progress had been made:-

- The Tenants Services Management Board had recently celebrated a first successful year in operation;
- A recent tenants' survey had produced the best ever results with top quartile performance for overall satisfaction and repairs;
- Performance on current tenant rent arrears was very good;
- The new officers with a specific focus on Anti-Social Behaviour were beginning to have a real impact; and
- Voids performance was improving.

But there was still more to be done.

Preparations for self-financing were going well with a robust project team and plan in place. Stage 1 of this process had been achieved by bringing a report forward for consideration and completing a new 30 year Business Plan following consultation with tenants, elected Members, staff and stakeholders. This Plan would bring forward new strategic objectives and a high level action plan for the service.

The move to HRA self-financing in April 2012, would involve the Council taking on approximately £85,000,000 of national housing debt, based on initial settlement figures.

Whilst modelling suggested self-financing would generally be a good deal for Taunton Deane, it placed a significant responsibility on the HRA to ensure that governance, performance management and financial management arrangements were as good as they could be.

In addition, projections for the repairs and maintenance work required on our housing stock indicated the need for a significant lift in capital expenditure. The service would have to gear up for this increase to ensure additional work was procured and managed effectively.

Lastly, changes to housing policy and potential legislation, particularly around tenure reform, would place new and different requirements on the service in

future years. Essentially self-financing was moving the housing landlord service to be more like a business such as a housing association in its outlook, systems and operation.

The proposals for the Housing Service, outlined in the report, sought to position the structure in a way that supported the new Business Plan and future investment needs of the service. They also formalised some changes already implemented on a trial basis in relation to how void properties were managed.

Specifically these proposals sought to achieve the following:-

- A clearer focus in the service on managing the resources available by the creation of an Income Team;
- Preparation for the need to deliver an increased capital work programme in the housing stock;
- Capacity to more effectively manage the stock condition database;
- Making permanent the successful pilot of changes to improve voids performance;
- Enhancing the HRA's support for Community Development activities and integrating this work in the service; and
- Positioning the service to respond effectively to the proposed new regulatory framework for social housing.

Structure charts for the existing and proposed structures were submitted for the information of the Executive. Noted that the existing structures for the Supported Housing and Tenant Empowerment Teams were unaffected by these proposals.

A detailed summary of the proposed changes which would be made in the Estates and Lettings Teams, the Community Development Team and Housing Property Services together with details of the new Income Team were reported.

The full-year cost to the HRA of the new structure was £1,935,000, 11.9% of the total HRA cost of £16,242,000 and an increase of £256,000 from the 2011/2012 cost of £1,679,000. The increase could be modelled into the 30-year HRA Business Plan.

The report contained a number of implications for existing staff all of whom had been notified directly. Noted that one officer had been put at risk of redundancy due to the proposed new structure. Details of the likely redundancy costs were reported. A summary of all the consultation responses received, along with management responses to the main points raised, was submitted.

In addition, consultation has been undertaken with UNISON who had stated that they supported the comments from staff that had emerged through the process. The proposals had also been considered by the Tenants Services Management Board who were supportive.

Resolved that:-

- (1) the proposed restructuring of Housing Services and the Community Development Team, be approved; and
- (2) Full Council be recommended to approve a Supplementary Budget allocation of up to £22,000 in 2011/2012, funded from Housing Revenue Account reserves, related to likely redundancy costs.

17. **Housing Revenue Account Business Plan 2012-2042 and New Borrowing Requirement**

Reference Minute No 118/2011, submitted report concerning the creation of a new Housing Revenue Account (HRA) Business Plan 2012-2042 which was an integral part of the Council's preparation for the reform of council housing finance.

The HRA Business Plan, a copy of which had been circulated for the information of Members, proposed new strategic objectives for the Housing Service.

The document analysed the current position of the service and the Council stock and set out the actions planned to achieve the Council's objectives. It reflected consultation carried out with tenants, Members and wider stakeholders and provides an action plan to ensure the plan was delivered.

The Business Plan had also been developed to manage the significantly increased level of housing debt and the new associated financial risks following the implementation of the self-financing system. It also aimed to address the new opportunities for freedoms and flexibilities arising from potential changes in Government policy and the opportunity for effective asset management.

The creation of a new HRA business plan is part of the wider Housing Revenue Account Reform Project where the Housing Service was preparing to exit the negative subsidy system and enter into self-financing by April 2012.

The previous Business Plan for Housing Services had been developed in 2004 and there had been many changes since that time. The Council was facing changes in national housing policy that would have fundamental implications for all social landlords. The new Business Plan also reflected how Housing Services would deliver the objectives of the Council's Corporate Strategy and the new financial framework which the HRA would be operating under from 2012 onwards.

The new Business Plan 2012-2042 had updated the strategic objectives of the service in order to reflect the Council's current Corporate Priorities:-

- **Securing a long term future for our Housing Service** - Continuing to invest in the management of the housing stock to ensure it met tenants' needs, who should be at the heart of decision making.
- **Tackling deprivation and sustainable community development** - Taking action so that disadvantaged communities would have better

access to local housing services, training and employment, continuing the Council's support for a range of vulnerable people.

- **Investing in our housing stock, regeneration and affordable housing** - Investing in our existing stock to deliver a standard that met the needs of the stock and local aspirations. It also meant planning and successfully managing the regeneration of our housing estates and communities, providing homes that catered for the needs of an expanding and diverse population within communities that people were proud of.
- **Climate change** - Taking action to reduce carbon emissions across the housing stock through the Council's investment planning, service delivery, partnership and community action.

Reported that the Business Plan reflected the Council's current rent policy which in turn reflected national social rent policy to move council rents to a target rent based on property value and local earnings. The aim of the national social rent policy was that rents charged by all social landlords should converge. Rent convergence would be mandatory in 2015/2016.

Up until convergence, rents would move gradually to target over three years from 2012, with maximum increases limited to inflation (Retail Price Index (RPI)) + 0.5% + £2. After convergence with target, rents would increase by inflation (RPI) + 0.5%. The financial viability of the Business Plan was based on annual rent increases being agreed in line with this policy.

The Localism Act 2011 would potentially provide the Council with further flexibility to charge higher rents on new build properties and a proportion of re-lets, in order to fund new development. The Council could charge "Affordable Rents" at up to 80% of market value on these properties and the income used to fund new development but this could not be used as a policy to increase business plan resources generally.

Noted that the Council did not currently offer probationary tenancies. As a result of feedback from the consultation undertaken on the Business Plan, the Council had committed to review this policy in the next 12 months to consider the advantages and disadvantages of this scheme for Taunton Deane.

The Localism Act also proposed a new form of tenancy for local authority tenants. These proposals included a new regulatory requirement for all social landlords "to offer and issue the most secure form of tenancy compatible with the purpose of the housing and the sustainability of the community". This meant that Councils would no longer be required to automatically let all new tenancies on long term secure tenancies but would have the option to issue fixed term tenancies in some cases.

Further reported that the total expenditure to improve and maintain stock and related assets over 30 years was currently forecast at £186,900,000. This equated to £31,068 per dwelling over 30 years.

Within the Business Plan capital requirements had been set out in five year bands for the next 30 years with year one capital expenditure in the business plan reflecting the 2012/2013 capital programme. A backlog of £4,200,000

reflected the difference between the projected investment need in 2011/2012 and the actual capital programme. A further £15,000,000 over 30 years had been included for disabled aids and adaptations, reflecting current spend of £500,000 a year.

The profile in the Business Plan indicated a requirement for an increase in the capital programme from 2011/2012 levels of £4,300,000 to over £9,500,000 million in years 1 to 5.

However, a stock condition validation exercise had shown that there were a number of deficiencies in the quality of data held on the database that could have an impact on the extent of the capital programme required. During the course of the next year work to improve the asset management data to allow for more accurate capital expenditure profiling would be undertaken.

The consultation process had revealed an appetite to explore the feasibility of a modest new property development programme. Consequently an annual allocation of funding, a Social Housing Development Fund, was proposed for the purpose of building a small number of new properties at suitable locations.

This would be a new venture for the Council, therefore the intention was to 'start small' developing and learning the skills and systems necessary to complete this work. The outcome would be new properties that were owned and managed by the Council.

What was affordable had been modelled with the impact assessed against the Treasury Management portfolio required to settle the confirmed settlement debt. Activities to achieve this would be built into the Housing Services action plan and would be subject to annual review.

Reported that the financial issues emerging from the HRA Reforms programme were significant. The existing housing subsidy system would be abolished and instead, housing authorities would move to a self-financing system by either taking on additional borrowing to buy themselves out of the Government's subsidy system, or receive a lump sum from the Government to repay existing borrowing.

For Taunton Deane, this meant taking on additional borrowing – confirmed estimated as £85,198,000. The Council's total current housing debt was only £14,000,000 – so this transaction was on a scale not seen before in terms of both value and complexity.

The Council had appointed treasury management advisors (Arlingclose) to help with determining the repayment profile, the number of loans, the source of loans and how existing and new debts should be treated.

The Government was providing a preferential level of interest rate through the Public Works Loan Board (PWLB) for the self financing transaction with a 0.85% discount below current rates. This made the choice for borrowing easy in so much as no other lender could match these rates.

Noted that there had been some changes to the Finance Model that had been presented to Members in late 2011. This included changes to the current level

of minimum reserve balance which had been reconsidered having taken account of all the financial risks. It was proposed to double the minimum reserve balance to £300 per property, equating to £1,800,000 in total.

Since the meeting of the Executive on 7 December 2011, there had been significant work to prepare for the 28 March 2012, which was the date when the Council would be required to pay the Department of Communities and Local Government (DCLG) £85,198,000.

The timetable for the self financing transaction was very tight with the borrowing from the PWLB planned to take place on Monday, 26 March 2012. The amount borrowed would be transferred to the Council's bank on Wednesday, 28 March 2012 and the money due to DCLG would then be paid.

The current economic climate was very volatile and Arlingclose would therefore be advising the Council accordingly as to the borrowing rates for the specific loans required.

Also reported that in October 2011 the Prime Minister had announced the intention to raise Right to Buy discounts in order to make it attractive to tenants. This was expected to substantially increase sales. In making this announcement, the Government said it would ensure that these changes did not have an impact on the viability of self-financing landlords.

The self-financing valuation model included a forecast of Right to Buy sales based on current policy. This adjusted each Council's debt to a level that could be supported from their income after an assumption was made about stock losses each year from Right to Buy sales. DCLG would be retaining this element in the self-financing deal.

Ministers had stated that the first call on the receipts from additional sales arising from a change in Right to Buy policy would be to pay off the housing debt associated with those properties. Government proposals included calculating the amount of housing debt which needed to be paid off and ensuring this was met out of the sales receipt. DCLG would deal with any additional costs to self-financing landlords arising from the change in Right to Buy policy through changes to rules that applied to capital receipts.

Subject to the outcome of consultation and Parliamentary business the Government planned to implement changes to Right to Buy policy in April 2012.

This matter had been considered by the Community Scrutiny Committee on the 8 November 2011. Although the Committee had agreed the draft recommendations within the report, two particular amendments had been suggested for consideration by the Executive, details of which were reported.

Noted that an Equalities Impact Assessment had been undertaken in respect of the proposed Business Plan. A copy of the assessment was submitted to enable it to be taken fully into account by Members.

Resolved that:-

(1) the final version of the Housing Revenue Account Business Plan 2012-2042 be agreed; and

(2) the following recommendations all be agreed:-

Recommendation 1 – That the new four strategic objectives for Housing Services be accepted;

Recommendation 2 – That the Business Plan reflected the Council's current rent policy and assumed rent convergence by 2015/2016 and Retail Price Index +0.5% increases thereafter;

Recommendation 3 – That the use of new "Affordable Rents" in developing its plans for affordable housing be explored;

Recommendation 4 – That the potential use of probationary or introductory tenancies be reviewed in the next 12 months to consider the advantages and disadvantages to Taunton Deane;

Recommendation 5 – That the potential introduction of fixed term tenancies be welcomed and, over the next 12 months, how they might be used by Taunton Deane to better manage the housing stock be explored;

Recommendation 6 – That the principle of the allocation of funds to a Social Housing Development Fund, of Year 1= £300,000, Years 2 and 3 = £500,000, rising to £1,000,000 per year in Year 4 for the purpose of a modest new build programme, be approved;

Recommendation 7 – That an increase in the Housing Revenue Account minimum reserve balance to £1,800,000 from April 2012 be approved;

Recommendation 8 –

- That Taunton Deane be prepared to take on new borrowing in March 2012 to the "settlement" level published by the Government;
- That the new borrowing be taken in line with the timetable for the implementation of Housing Revenue Account Reforms;
- That the source of borrowing for all the funds necessary to pay the Department of Communities and Local Government on 28 March 2012 with regard to self-financing be the Public Works Loan Board;
- That the loan structure be such that the borrowing was paid off as soon as the Business Plan allowed;
- That any surpluses generated by the Housing Revenue Account be used to pay off debt early, providing the Housing Revenue Account with flexibility and headroom to pursue new priorities; and

Recommendation 9 - That the Housing Revenue Account Business Plan be subject to an annual review involving Member scrutiny and agreement as part of the budget setting timetable each year.

(The Democratic Services Manager, Richard Bryant, declared a prejudicial interest in the following item and stated that he would leave the meeting if any detailed discussion of the proposals occurred.)

18. **Theme 5 of the Core Council Review – Legal and Democratic Services**

Reference Minute No 105/2011, submitted report concerning proposals to create a new Corporate Support Unit for the Council which would be required to:-

- Deliver a service that was resilient, flexible and responsive;
- Deliver different ways of working to ensure that stakeholders' needs were met and within resource capacity;
- Deliver a service that met the need of the key stakeholders, namely, the Leader of the Council, the Mayoralty, the Chief Executive, Directors, Theme 1 Managers and Councillors as a whole;
- Deliver a minimum of £50,000 savings per annum.

Details of the posts that had been reviewed as part of the proposed re-structure were reported.

Interviews had been undertaken with all of the staff who would either be part of the unit, as well as the stakeholders who would use the resources in the unit.

It had quickly been established that it would be necessary to ensure not only flexibility and resilience, but also ownership of the tasks assigned to the various staff, if this unit was to be a success. The proposed structure of the unit, which was submitted for the information of Members, aimed to achieve this balance.

It had also become clear that there would be a wide range of work that would need to be catered for and, in some cases the need to understand the work of various officers who would use the service.

It was therefore proposed that throughout the unit officers would be nominated to certain areas in order to provide some consistency and responsibility. However all officers within the unit would be required to understand the different work-streams that the unit needed to support and would have the opportunity to experience these.

Further reported that the proposed structure would permit support to be given in areas that had not previously been supported, due to the restrictions of the current structure.

Therefore the advantages of the proposed structure were:-

- greater flexibility and resilience;
- the range of grades would ensure that work could be done at the correct level rather than lower grade work being carried out at a higher level and vice versa;
- it allowed for rotation of work whilst allowing for officers to maintain responsibility for certain areas; and
- savings of approximately £60,515 per annum

As well as the one to one interviews, a formal consultation exercise had also been carried out and the details of responses received were reported. No comments have been received from UNISON.

Reported that a number of officers had been put at risk of redundancy due to the proposed new structure whilst others had been slotted into new posts. Details of likely redundancy costs were set out in the report.

Resolved that Full Council be recommended to approve:-

- (1) the proposed structure of the new Corporate Support Unit; and
- (2) a Supplementary Budget allocation of up to £72,000 in 2011/2012, funded from reserves, related to likely redundancy costs.

19. **2012/2013 Further Savings Plans and Fees and Charges Proposals**

Considered report previously circulated, concerning additional savings options that had been identified to close the projected budget gap for 2012/2013.

The savings previously presented in the Initial Savings Plans totalled £453,000 and were included in the main budget report.

Officers had continued to work with the Executive to prioritise additional savings options to address the budget gap. As a result, the following further savings had been proposed:-

Ref	Proposed Savings	£'000
1	Reduced maintenance of general open spaces	64
2	Reduction of discretionary Arts Development Grants	8
3	Cease discretionary contribution to Somerset County Council re Slinky Bus service	30
4	Cease discretionary top up of SCC highways maintenance (grass, hedgerows)	17
5	Parking Strategy additional fee income	75
6	Pest Control Fees	4
	Total	198

In addition to the Fees and Charges approved by Full Council on 13 December 2011, the additional income from the Parking Strategy and Pest Control Fees were expected to generate additional income which, if approved,

could be included within the 2012/2013 Budget.

The updated Taunton Car Parking Strategy 2011-2021 had been approved by the Executive in October 2011. The accepted Package 2 included a number of options to increase car park efficiency and manage the potential shortfall in short-term parking during any central retail redevelopment scheme. Work would now commence on:-

- Adjusting the charging scheme by moving to two tariffs from three;
- Restricting some car parks to short-stay only (maximum 5 hours);
- Increasing fees for long-stay parking (continuation of the previous Strategy); and
- Changing the management and charging criteria for designated disabled spaces.

These options would be subject to the formal public consultation processes required to amend the Off-Street Parking Places Traffic Regulation Order.

The proposals within the Car Parking Strategy to adjust the charging scheme and continue the previous policy in relation to long-stay parking were intended to affect driver behaviour.

It was anticipated that the effect of this would result in an additional income of £150,000 in a full financial year. However, for the 2012/2013 Budget it was proposed to only increase the parking income budget by £75,000 to allow for the part year effect and a risk adjustment of driver behaviour projections.

The proposal for Pest Control Fees would yield an additional £11,300 per year. This increase in income, if achieved, would reduce the income budget gap for this service and provide an increased budget by an additional £4,000 in 2012/2013.

Members noted that the proposed savings exceeded the estimated budget gap included within the internal Budget Consultation Pack issued in December 2011. There were some residual areas of uncertainty for the final budget that could also impact on the gap, as well as concerns over funding for capital requirements such as car parks and The Deane House.

This would be covered as part of the Executive's final Proposed Budget for 2012/2013.

Reported that the Corporate Scrutiny Committee had considered this matter at its meeting on 26 January 2012 and its comments were submitted for consideration.

Resolved that Full Council be recommended to approve the further Savings Plans and incorporate them into the General Fund Revenue Budget 2012/2013.

(Councillors Coles and R Lees, as Blue Badge Holders, declared prejudicial interests and left the meeting during the consideration of the off-street parking proposals.)

(Prior to consideration of the following item the Chairman, Councillor Williams, announced that having re-considered the situation and having listened to the views of Members across the Council, the Executive was no longer proposing to increase the rate of Council Tax.)

20. **Draft General Fund Revenue Estimates 2012/2013**

Considered report previously circulated regarding the Executive's final 2012/2013 budget proposals, prior to submission to Full Council on 21 February 2012 for approval.

Each year the Council set an annual budget which detailed the resources needed to meet operational requirements. It was prepared within the context of the Medium Term Financial Plan (MTFP) which included the 2012/2013 proposals within a 5-year rolling forecast.

Full Council had approved a Budget Strategy at its meeting on 5 October 2010. This had described the need to set a four year balanced budget for the period 2012/2013 to 2015/2016 in the face of unprecedented financial challenges and funding uncertainty for local government. The savings target over this period was in the region of 40%.

An update on the Budget Strategy had been reported to Members and this had confirmed that the Strategy, which contained updated financial projections, remained relevant. It had initially included an estimated budget gap of £1,200,000 for 2012/2013. However, subsequent updates of budget estimates and assumptions for the MTFP had further increased the projected budget gap to around £2,100,000.

The Council had undertaken a significant Budget Review Project to identify options for achieving the savings target over the medium term and the Executive had previously approved the High Level Principles to support the Project moving forward.

Initial Savings Plans for 2012/2013 had been formulated taking into account feedback from all the political Groups and incorporating proposals where Members had indicated a general consensus to accept them.

A Budget consultation Pack had been issued to all Members on 21 December 2011 and included the Initial Savings Plans and other updated information related to the 2012/2013 budget requirements. The Budget Gap at that stage had been reduced to £63,000, but there were still some areas of uncertainty.

A proposed Further Savings Plan to reduce the gap completely had since been produced and had been considered by the Executive earlier in the meeting (Minute No 19/2012 refers).

The General Fund Revenue Account was the Council's main fund and showed the income and expenditure relating to the provision of services. The Council charged for some of its services which meant that less had to be funded from local taxpayers and Central Government. The expenditure that remained was funded by Central Government via the Revenue Support Grant and Business Rates, other non-ringfenced grants and the Council Taxpayer.

Following the Comprehensive Spending Review (CSR) the Government had announced details of the Local Government funding settlement for 2011/2012 and 2012/2013. The CSR had set out real term reductions of 28% across Local Authority 'spending powers' over the four year period starting in 2011/2012.

This represented the national average and based on the current settlement information, it was evident that District Councils would face much deeper cuts than this.

Based on the provisional settlement announced before Christmas, the General Revenue Grant funding from Central Government would reduce by £671,000 (11.2%) in 2012/2013, in line with the Council's estimate within the MTFP. The following set out a summary of the current 2-year settlement:-

	2011/12 Actual £'000	% Change	2012/13 Provisional £'000	% Change
Base	6,890		5,981	
Funding Cut	-909	-13.2%	-671	-11.2%
Funding 2011/2012 and 2012/2013	5,981		5,310	

Reported that it was possible to see a link in the Government's funding policy, with reducing 'need-based' formula grant and increased funding based on housing growth through the New Homes Bonus (NHB). Formula grant had reduced cumulatively by £1,580,000 over 2011/2012 and 2012/2013, whereas the Council was receiving £1,040,000 in "new" funding through the NHB Grant.

In terms of later years, the Government had indicated its intention to implement changes to the way Local Council's were funded through a system of Business Rates Retention from April 2013. The Government's response to the consultation in this regard had been released and officers would be analysing the implications of this during the coming weeks.

A summary of the final settlements made to the other Local Authorities in Somerset was submitted for comparative purposes.

The provisional grant allocation for Housing Benefit and Council Tax Administration Grant for 2012/2013 was £732,805. This represented a reduction of £50k (6.4%) compared to the grant for 2011/2012. This reduction had been taken into account within the MTFP and did not affect the Budget Gap figures.

The New Homes Bonus (NHB) Scheme was a grant from the Government which incentivised or 'rewarded' housing growth. The NHB grant was non-ringfenced.

The NHB for 2011/2012 was £391,980. The scheme design set out that each year's Grant allocation would be payable for 6 years, therefore the 2011/2012

allocation would be received by the Council each year until 2016/2017.

For the purposes of budgeting over the medium term, the “Year 1” (2011/2012) NHB Grant was proposed to be built into the Base Budget for 2012/2013 onwards. By retaining NHB within the Council’s General Fund Budget it would allow the Council to continue to support service delivery and ensure that the benefits of growth were maximised for local residents.

The provisional “Year 2” allocation was £647,745. This funding took into account a net increase of 510 occupied homes between October 2010 and October 2011. The funding was also based on there being 238 additional affordable homes in the year to March 2011. It was proposed to set this funding aside as a transfer into an earmarked reserve along with the £392,000 received in 2011/2012, which offered flexibility to make choices for investment in service priorities in the coming and future years.

The following table was submitted and summarised the income and use based on the first two years’ allocations:-

	2011/12 Actual £'000	2012/13 Proposed £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
Year 1 Grant	392	392	392	392	392	392	-
Year 2 Grant	-	648	648	648	648	648	648
Total Income	392	1,040	1,040	1,040	1,040	1,040	648
Annual Budget		392	392	392	392	392	392
Earmarked Reserve	392	648					
<i>To be determined</i>			648	648	648	648	256
Total Use of Grant	392	1,040	1,040	1,040	1,040	1,040	648

Reported that a Council Tax Freeze for 2012/2013 had again been proposed.

Noted that the Council Tax calculation and formal tax setting resolution was to be considered separately. However, a Council Tax Freeze would mean that the Band D Council Tax would remain at £135.19. The Band D taxpayer would therefore receive all the services provided by the Council in 2012/2013 at a cost of £2.59 per week.

As part of the Finance Settlement, the Government had incentivised Local Authorities to voluntarily freeze Council Tax by offering a grant equivalent to a 2.5% increase in Council Tax. Whereas last year there had been an assumption that this grant would be available for up to four years, the grant would only be payable again for one year only.

If the proposal to freeze Council Tax was accepted by Members, the Council was expected to receive a grant of approximately £139,000.

Freezing Council Tax and only receiving the grant for one year meant services

could be harder hit in the future as the Council would not be able to recover the loss of potential income in future years. It would have the impact of increasing the gap from 2013/2014 by £198,000 a year. The compound impact of this over 10 years would be lost revenue of almost £2,100,000.

Despite this, the Council Tax Freeze had been recommended.

The proposed Special Expenses Budget for 2012/2013 was £47,380, which represented a 0% increase in the special expenses per Band D equivalent of £2.92 per property per year in the Unparished Area.

It was proposed to use the money as follows:-

- £15,000 for Youth Initiatives; and
- £32,380 for minor works and capital projects.

Although the Localism Act abolished Central Government's power to cap Council Tax increases, these local powers meant that Councils that did not take up the freeze and instead sought to increase Council Tax above 3.5% would trigger a referendum. If the local electorate voted against that increase the Council would have to revert to a Council Tax level that was compliant.

The Draft Budget Proposals for 2012/2013 incorporated the impact of cuts in Government funding and the measures that were proposed to address the overall Budget Gap was in line with the approved Budget Strategy.

The Draft Budget had closed the Budget Gap in full as shown in the following table:-

	Change £000	Gap £000
Budget Gap Corporate Scrutiny 24 November 2011		699
<i>New Income and Savings</i>		
Council Tax Base: additional tax raised through population changes	-32	
Collection Fund Surplus From Previous Year (one-off in 2012/13)	-184	
Provision for repayment of Capital Debt	-90	
Planning Income increased demand estimate per current trend	-70	
Southwest One Contract update (price indexation/contract changes)	-34	
Net Movement in Recharges to the HRA (draft)	-148	
Corporate Business Unit (CCR) updated savings	-10	
DLO Transformation updated savings estimate	-16	
License Fees (per Executive 7 December 2011)	-12	
Deane Helpline net costs reduced	-23	
Various minor changes moving to detailed estimates	-42	
<i>New Costs</i>		
Pension provision	25	

	636	<u>63</u>
Estimated Budget Gap as at 21 December 2011 (Per Members' Budget Consultation Pack)		

	Change £000	Gap £000
<i>New Income and Savings</i>		
Further Savings Plans (see separate report)	-198	
Other final detailed estimates changes	-160	
Council Tax at 0%	0	
<i>New Costs</i>		
Youth Initiatives – add to Base Budget	5	
Economic Development Funding	30	
Final Net Movement in Recharges to the HRA	96	
RCCO one-off in 2012/13 for unfunded Capital Priorities	164	
	<hr/>	
Budget Gap – Executive Report 9/2/2012		0
Council Tax at 0% - TDBC Basic Tax Rate	192	192
Council Tax Income – Special Expenses at 0%	2	194
2012/13 Council Tax Freeze Grant	-139	55
Reduction in RCCO for Provision for Capital Priorities	-53	2
Special Expenses Budget reduction	-2	0
Proposed Budget Gap		0

Noted that a detailed explanation for all of the proposals listed in the two tables above were included in the report.

The Executive had previously received comments from the Corporate Scrutiny Committee regarding the Initial Savings Plans, which totalled £453,000. As no firm proposals to vary the plans were made by the Committee, the Initial Savings Plans had now been included in the draft proposed Budget for 2012/2013. Further information in respect of the proposals in the form of Equalities Impact Assessments and feedback from UNISON and staff had been included as appendices to the report.

Approved Fees and Charges would generate an increase to income budgets of £72,000 in total. It was anticipated a further £75,000 income would be raised through anticipated changes to car parking fees in 2012/2013, which were proposed in the Further Savings Plan, and proposals to increase Pest Control fees would provide an additional £4,000.

Deane DLO Trading Account

The DLO internal transformation programme had continued to make good progress. The restructuring undertaken during 2011 had enabled the DLO to reduce management and supervision costs by some £246,000 within the 2012/2013 budget. The General Fund impact of this reduction was a net saving of £173,000 per year, as these efficiencies resulted in lower costs within client budgets.

The DLO had also updated its underlying cost budgets and had introduced efficiency within its vehicle fleet arrangements, resulting in a further saving of £39,000 per year on running costs.

Reported that a proportion of the DLO trading reserve would be earmarked for vehicle replacement in the next couple of years. In addition, an annual budget of £202,000 for a capital replacement fund was also being created which should provide the DLO with a sustainable funding position for its vehicle stock and other capital equipment requirements in the foreseeable future.

Taking this into account, the DLO Trading Account continued to budget for a net surplus of £101,000, as follows:-

<i>DLO Trading Unit Estimates for</i>	Costs	Income	Net
<i>2012/2013</i>	£000	£000	£000
Highways	652	(693)	(41)
Grounds	2,625	(2,675)	(50)
Building	4,208	(4,170)	38
Cleansing	754	(795)	(41)
Nursery	111	(118)	(7)
Grand Totals	8,350	(8,451)	(101)

The forecast reserves position was positive, and provided some resilience to volatility in trading performance and future investment needs.

Deane Helpline Trading Account

The Deane Helpline's estimated deficit of £77,000 would need to be funded by the General Fund.

The draft budget was based on charges increasing by 5.6%, as approved by Full Council, and which was in line with the increases applied to service charges under the direction of the Government. This increased the weekly charges for existing clients by 22p to £4.15. Weekly charges for new clients would be increased by 24p to £4.43.

Noted that the service had made good progress in improving its business processes and financial controls in the current year, enabling more robust arrangements for collecting income and managing costs. Improvements to the

business model had been made which would encourage its long term sustainability.

The price increase in November 2010 would continue to adjust the financial position and correct the loss making problems in the service over the next three years as the ratio of customers on the old charges was reduced and those on the new charges increased.

The summary trading account was as follows:-

Deane Helpline Trading Unit Estimates	2011/12	2012/13
	£000	£000
Direct Operating Costs	909	915
Recharges	71	94
Income	(880)	(932)
Estimated Deficit	100	77

The following table compared the proposed budget with the original budget for the current year. The table had been completed based on the recommended Council Tax Freeze:-

	Original Estimate 2011/2012 £	Forward Estimate 2012/2013 £
Total Spending on Services	12,810,950	13,222,910
Capital Charges Credit	(1,930,000)	(2,434,180)
Interest payable on Loans	226,430	264,430
Minimum Revenue Provision	370,500	319,650
Interest Income	(69,000)	(69,000)
Transfer to Reserves – Previous Years commitments	300,700	39,900
Transfer from Reserves – One off for 2011/12 (RCCO, Deane Helpline)	(203,000)	0
AUTHORITY EXPENDITURE	11,506,580	11,343,710
Less: Revenue Support Grant	(1,412,330)	(103,600)
Less: Contribution from NNDR Pool	(4,569,120)	(5,206,870)
Less: 2011/12 Council Tax Freeze Grant	(136,520)	(277,000)
(Surplus)/Deficit on Collection Fund	71,800	(184,200)
Expenditure to be financed by District Council Tax	5,460,410	5,572,040
Divided by Council Tax Base	40,390.60	41,216.39
Council Tax @ Band D	£135.19	£135.19
Cost per week per Band D equivalent	£2.59	£2.59

As stated above, the Council prepared its annual budget within the context of the MTFP. This provided estimates of the budget requirement and budget gap into future years. The following table provided a summary of the current indicative MTFP:-

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Net Expenditure	11,342	12,561	14,145	15,042	15,728
<i>Financed By:</i>					
External Government Support	5,310	4,779	4,301	4,301	4,301
Council Tax Freeze Grant	277	137	137	0	0
Council Tax	5,755	5,740	5,913	6,091	6,275
Predicted Budget Gap	0	1,905	3,794	4,650	5,152

Noted that the above estimates included the following assumptions related to funding:-

- Government Grant would be reduced by the following rates: 2012/2013 by 11.2%; 2013/2014 by 10%; and 2014/2015 by 10%. No change had been

- assumed for 2015/2016 onwards;
- 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 2013/2014.

Further reported that the reserves position was always considered as part of the overall financial framework that underpinned the Budget Strategy. This framework included an acceptable minimum reserves position of £1,250,000 or £1,000,000 if funds were allocated to 'invest to save' initiatives.

The Proposed Budget for 2012/2013 would maintain reserves well above this minimum, but the MTFP indicated that the Council was expected to face significant financial pressures in the medium term as shown in the following table:-

General Reserves Forecast

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Estimated Balance B/F	2,793	2,833	928	(2,866)	(7,516)
Transfers – Previous Years commitments	40	0	0	0	0
Predicted Budget Gap	0	(1,905)	(3,794)	(4,650)	(5,152)
Estimated Balance C/F	2,833	928	(2,866)	(7,516)	(12,668)

Beyond 2012/2013, the MTFP included anticipated inflationary pressures related to staffing pay awards, price inflation on services and major contracts, and possible further cuts in Government funding. There was also a significant estimated reduction in Government funding for Council Tax Benefit in 2013/2014 and a potential reduction of parking income in 2014/2015 linked to Project Taunton town centre developments.

Clearly the Council would not end up with a financial deficit of almost £13,000,000 in 2016/2017, although in view of the ongoing financial pressures, the Council would need to consider how to address the estimated budget gap in future years.

A significant amount of work had already been undertaken as part of the Budget Review Programme in 2011, and it was anticipated this would help to inform future budget proposals in order to address the financial challenges ahead.

Further reported that before the start of each financial year, the Council was required to determine the basis on which it would 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), was designed to ensure that authorities made prudent provision to cover the ongoing costs of their borrowing.

In 2008, the Government had become less prescriptive offering Councils a number of options for calculating MRP. The proposed Policy for 2012/2013

was for the calculation of MRP to be fundamentally the same as the current year, but for added clarity had been slightly amended as follows:-

- 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 1/25th) per year on a straight line basis.

The Chartered Institute of Public Finance and Accountancy (CIPFA) had recently updated the Prudential Code for Capital Finance in Local Authorities (the Prudential Code), which underpinned the system of capital finance.

Local authorities determined their own programmes for capital investment in long term assets that were central to the delivery of quality public services. The Prudential Code had been developed as a professional code of practice and the Council was required to have regard to the Code when carrying out their duties under Part 1 of the Local Government Act 2003.

Prudential Indicators required by the Code had been designed to support and record local decision making in a manner that was publicly accountable. Those which were applicable to Taunton Deane were included in the report and required approval by Full Council as part of the Budget.

The indicators had been updated to reflect the move to Self Financing for the Housing Revenue Account (HRA), so that indicators for things such as affordability were split between costs that fell on Council Tax and those that fell on rental income.

The Council's S151 Officer had a duty in accordance with The Local Government Act 2003 to comment, as part of the budget setting process, on the robustness of the budget plans. In her response, Shirlene Adam had stated that she believed the Council's reserves to be adequate and the budget estimates used in preparing the 2012/2013 budget to be robust.

Noted that Equalities Impact Assessments had been undertaken on proposed budget savings items in line with the Council's statutory obligations. Copies of the assessments were submitted to enable them to be taken fully into account by Members in confirming the recommended budget proposals for 2012/2013.

Reported that the Corporate Scrutiny Committee had considered the draft budget proposals at its meeting on 26 January 2012 and its comments were submitted. There were no formal recommendations from the Committee to change the draft Budget.

Resolved that Full Council be recommended to agree the Draft General Fund Revenue Budget for 2012/2013 as amended to reflect the proposed Council Tax Freeze and that:-

- (a) the S151 Officer's Statement of Robustness, which applied to the whole budget including General Fund, Housing Revenue Account and Capital Budget proposals be noted;

- (b) the transfer of any under/overspend in the 2011/2012 General Fund Revenue Account Outturn to/from the General Fund Reserves be approved;
- (c) the Equalities Impact Assessments provided in the report and appendices be considered as part of the budget decision process;
- (d) the Draft General Fund Revenue Budget 2012/2013, including a Basic Council Tax Requirement budget of £5,572,040 and Special Expenses of £47,380 be approved;
- (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 1/25th) per year on a straight line basis;
- (f) the Prudential Indicators for 2012/2013 as set out in the appendix to these minutes be agreed;
- (g) the projected General Fund Reserve balance of £2,800,000 in 2012/2013, which was above the recommended minimum balance within the S151 Officer's Statement of Robustness, be noted; and
- (h) the forecast budget position within the Medium Term Financial Plan, as amended to reflect the proposed Council Tax Freeze in 2012/2013, be noted.

21. **Draft Housing Revenue Account Estimates 2012/2013**

Considered report previously circulated, which set out in detail the proposed Housing Revenue Account (HRA) Estimates for 2012/2013 which showed a working balance of £1,312,070.

The 2011/2012 budget had been set using that year's data from the Government's Draft Subsidy Determination and in the expectation that HRA self-financing would be introduced under the Localism Act.

With the move to a 'self-financing' model from 2012/2013 now happening, the Council's annual payment of 'negative subsidy' would end on 28 March 2012.

The first figures from the Department of Communities and Local Government (DCLG) had suggested that Taunton Deane's HRA would take on debt of £87,100,000 as the estimated cost of the move to self-financing, with the Council considering repaying this over 22 years. Final settlement figures issued by the DCLG in January 2012 set the debt at £85,198,000, and the subsequent loan portfolio provided by the Council's Treasury Advisors allowed settlement debt to be repaid in 18 years (by 2029/2030).

The Proposed Budget was based on assumptions and estimates on expenditure requirements and income projections. This included assumptions to match the Draft HRA Business Plan 2012-2042 but also updated budget

requirements through detailed costings that would need to be reflected in the final Business Plan for the HRA.

Dwelling rents for more than 6,000 properties provided annual income of over £21,000,000 for the HRA.

Local authorities had both the power and duty to set their own rent. However, in December 2000 Central Government set out a policy for social rents in England to be fair, affordable and less confusing for tenants. Local Authorities and Housing Associations were required 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.

Under the complex 'housing subsidy' formula used to set annual rents before self-financing, many authorities had to pay 'negative subsidy' to Central Government - Taunton Deane had paid annual amounts varying between £5,000,000 to £7,000,000 - whilst still being required to raise rents to the national formula levels.

The 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 DCLG assumed should be charged, but to avoid unaffordable increases in any one year must not exceed the 'limit rent'.

This Central Government rent policy was unchanged despite the move to self-financing and abolition of the subsidy system.

With the Retail Price Index for 2011 at 5.60%, increasing the actual average weekly rent paid by tenants by the amount set under the subsidy determination would make the rent paid higher than the guideline rent.

It was therefore proposed that the average weekly rent for dwellings for 2012/2013 should be set at the guideline rent of £73.68. This was an increase of 7.45% or £5.11 per week.

This would provide Taunton Deane with the funds expected to repay its settlement debt and keep rents charged within self-financing principles. It also met the rent policy set out in the draft Housing Revenue Account Business Plan 2012-2042. Details of the various rents for 2012/2013 calculated from the Government's formulae were submitted.

The Council could decide not to increase rents to the guideline amount. However, it was noted that each 0.5% rent change could reduce HRA income by around £105,000 per year. If the rent increase for 2012/2013 was lower, then either savings in HRA costs would need to be made, or dwelling-rent increases in future years would need to be higher.

Details of the effect of increasing rents below the guideline amounts were reported.

Around 6% of HRA income, in 2012/2013 came from non-dwelling rents, charges for services and facilities and contributions to HRA costs from

leaseholders and others. It was proposed to increase these budget lines by 5.6%.

Reported that a 5.6% increase in charges to individual subscribers to the 'Supporting People' service was also proposed.

Somerset County Council received a grant from the DCLG and used it to purchase services from a range of providers including Taunton Deane. After reductions in the national grant, the County Council had imposed a significant reduction in payments to providers in 2011/2012. It was anticipated that further cuts of 6% to the 2012/2013 and 2013/2014 contracts would also be made.

The HRA expenditure budgets were reported and significant changes included the following:-

- Management Expenses – these included the costs of the teams administering tenancies, collecting rents and arranging or planning maintenance work as well as a share of the Council's other relevant costs. Key points for 2012/2013 were:-
 - (a) The budget included standard corporate inflation assumptions; and
 - (b) A proposal to restructure the Housing Service, in response to the aspirations and objectives of the new 30-year Housing Business Plan had been considered by the Executive earlier in the meeting (Minute No 16/2012 refers). This would concentrate staff in areas that improved services to tenants and the estimated financial impact of these proposals had been included within the 2012/2013 Draft Budget.
- Maintenance – the cost for 2012/2013 was around £900 per property, based on the service's best estimate of work that could realistically be carried out and rising from 2011/2012 by inflation only (5.6%). The Business Plan allowed for an increase in the value of completed works of approximately £150,000 per year from 2013/2014 onwards, fully funded from rent increases within Central Government "fair rent" guidelines;
- Provision for Bad Debts – this matched the Business Plan's progressive rise from a historical 0.24% to 0.5% of income within three years;
- Depreciation – until HRA self-financing reforms, depreciation was calculated using a formula set by Central Government based on the value of social housing stock. After HRA self-financing, new national accounting rules would apply based on the value of the income stream produced by renting social housing;
- Payment of Interest – figures for 2012/2013 onwards added in the interest cost of the £85,198,000 self-financing debt settlement at 3.64%. This was lower than the 6% shown in the Draft Housing

Business Plan, since the Public Works Loans Board (PWLB) was expected to lend at much lower rates specifically to fund housing debt (each 0.5% saved on interest rates saved around £430,000 in interest costs); and

- Interest receivable – was based on an estimated interest rate of 0.5% on investments.

Also reported on appropriations, in the form of Revenue Contributions to Capital, transfers to Reserves/transfers to the General Fund and provision for repayment of borrowing and Social Housing Development Fund.

Further reported that the Council's current financial strategy included an expectation that the HRA would maintain its 'working balance' reserves at a minimum in the region of £900,000 (£150 per property).

As referred to in the S151 Officer's Robustness Statement, it was proposed to increase minimum reserves to £1,800,000 (£300 per property). This took into account the additional risk to the HRA Business Plan following the move to self-financing. The 2012/2013 Draft Budget included provision to increase reserves to this level.

Reported that the Corporate Scrutiny Committee had considered the draft budget proposals at its meeting on 26 January 2012. There were no formal recommendations from the Committee to change the draft Budget.

Noted that an Equalities Impact Assessment had been undertaken on the proposed rent increase. A copy of the assessment was submitted to enable it to be taken fully into account by Members in confirming the recommended budget proposals for 2012/2013.

Resolved that Full Council be recommended to:-

- (1) approve the average rent increase of 7.45%; and
- (2) agree the Draft Housing Revenue Account Budget for 2012/2013.

22. **Draft Capital Programme Budget Estimates 2012/2013**

Considered report previously circulated, concerning the proposed General Fund and Housing Revenue Account (HRA) Capital Programmes for 2012/2013 to 2016/2017.

The Council approved the Capital Programme for 2011/2012 General Fund schemes totalling £1,421,000 in February 2011. Slippage from the previous year plus supplementary budget approvals during the year, including recognising Project Taunton schemes as part of the formal Taunton Deane Programme, had increased the Current Budget to £8,660,000.

The Draft General Fund Capital Programme for 2012/2013 totalled £1,793,940. This updated the initial programme in the Consultation Pack to include revenue-funded Members IT capital equipment and updated DLO

vehicles capital provision funded from DLO reserves. Schemes included in the 2012/2013 Draft Programme were as follows:-

	£'000	£'000
Recurring Schemes (2012/13 onwards unless stated)		
Grants to Clubs	46	
Play Equipment – Grants to Parishes	20	
Replacement Play Equipment	20	
IT Improvements	60	
Members IT Equipment	7	
Taunton Canal Grant	10	
Waste Containers	50	
Disabled Facilities Grants – Private Sector	450	
Private Sector Housing Projects	239	
DLO Vehicle Replacement	280	
Total Recurring Schemes		1,182
Updated Existing Schemes		
Paul Street Car Park – Major Repairs	218	
Total Updated Existing Schemes		218
New One Off Schemes		
Acolaid Planning Fees Upgrade	20	
DLO Plant	20	
Total New One Off Schemes		40
Project Taunton Schemes		
Longrun Meadow Bridge C	40	
Centre for Outdoor Activities and Community Hub (COACH) Project	40	
High Street Project	100	
Health and Safety in Public Areas	10	
Total Project Taunton Schemes		190
Provision for Capital Priorities		164
Grand Total		1,794

Reported that the amount of funding available had increased since the report to the Corporate Scrutiny Committee on 26 January 2012. The Government had announced an additional housing grant allocation of £47,000 which would be received before the end of the current financial year. As the current year's capital budget was fully funded it was proposed to carry over this available funding and allocate it to General Fund housing projects in 2012/2013.

The following table set out the planned funding for the Proposed Capital Programme:-

Funding Source	£000
Revenue Funding – Annual Budget recurring schemes	213
Revenue Funding – Annual Budget 2012/13 one-off	217
Revenue Funding – DLO Reserves	300
Revenue Funding – Earmarked Reserves	192
Government Grant Reserves	480
Housing Capital Receipts	412
General Capital Receipts	33
Grand Total	1,794

The Council's 2012/2013 grant allocation for Disabled Facilities Grants had not yet been announced by Government so the assumption for budget setting was that it would remain at £270,000.

One-off additional revenue funding of £164,250 was included in the proposed budget to support emerging capital priorities. These included remodelling The Deane House and potential works at Orchard Car Park, Taunton.

The planned disposal of sites at the former nursery at Mount Street, Taunton and land at Bindon Road, Taunton continued to be pursued. Any potential capital receipt had not been included in the projections of available funding. Part of any capital receipt would need to be set aside to repay the costs related to the acquisition of the new nursery.

A further capital receipt was expected from the sale of HRA land and any proceeds from this would be used to fund affordable housing projects. The potential use of this funding had not been reflected in the budget due to the uncertainty around the timing of the capital receipt.

The funding position for General Fund capital priorities continued to rely on local resources, with ongoing reductions in external funding from the Government.

The Council had approved the HRA Capital Programme 2011/2012 totalling £4,299,000, in February 2011. There were no changes to the approved budget so far this year.

The proposed Draft HRA Capital Programme 2012/2013 totalled £5,500,000. This did not include slippage from the current financial year, although currently no slippage had been forecast. Any slippage on the current year programme would be recommended for a Budget Carry Forward.

Work had been done to prepare for the move to HRA Self Financing and the Draft 30 Year Business Plan included capital investment requirements over the long term. The following table showed the schemes included in the 2012/2013 proposed Programme:-

Scheme	Proposed Budget 2012/13 £'000
Maintaining Decent Homes	
Bathrooms	740
Roofing	960
Windows	415
Heating Improvements	1,200
Doors	120
Sub-total	3,435
Other Works	
Fire Safety Works in Communal Areas	150
Cladding	500
Fascias and Soffits	505
Air Source Heat Pumps	225
Door Entry Systems	75
Aids and Adaptations	200
Soundproofing	20
DDA Work	20
Asbestos Works	50
Sub-total	1,745
Other Schemes	
IT Development	15
Tenants Improvements	5
Disabled Facilities (HRA Stock)	300
Sub-total	320
Total Proposed HRA Capital Programme 2012/2013	5,500

The proposed HRA Capital Programme for 2012/2013, including the 2011/2012 Current Budget for comparative purposes, was submitted for the information of Members.

Indicative allocations for later years were being considered as part of the development of the Business Plan. The Draft Business Plan 2012-2042 included affordable capital expenditure of £7,320,000 per year from 2013/2014 to 2016/2017.

It was proposed that the HRA capital programme for 2012/2013 was fully funded from the Major Repairs Reserve. No borrowing was required to support expenditure in 2012/2013.

Reported that the Corporate Scrutiny Committee had considered the draft Capital Programme proposals at its meeting on 26 January 2012. No comments were submitted for consideration by the Executive.

Noted that Equalities Impact Assessments had been undertaken on budget

savings items, where appropriate. Copies of the assessments were submitted to enable them to be taken fully into account by Members in confirming the recommended budget proposals for 2012/2013.

Resolved that Full Council be recommended to approve:-

- (a) the General Fund Capital Programme 2012/2013 Budget of £1,793,940, including a Revenue Contribution from the 2012/2013 Annual Budget of £164,250 toward a Provision for Capital Priorities; and
- (b) the Housing Revenue Account Capital Programme budgets for 2012/2013 of £5,500,000.

23. **Council Tax Setting 2012/2013**

Considered report previously circulated, which made recommendations on the level of Council Tax for 2012/2013.

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

Submitted details of the Town and Parish Council Precepts for 2012/2013 which totalled £529,689. The increase in the average Band D Council Tax for Town and Parish Councils was 3.33% and resulted in an average Band D Council Tax figure of £12.85 for 2012/2013.

Avon and Somerset Police Authority met on 8 February 2012 and had set their precept at £6,925,542.70, adjusted by a Collection Fund contribution of £209,624. This resulted in a Band D Council Tax of £168.03.

Noted that at this stage, the precept figures for the Somerset County Council and the Devon and Somerset Fire Authority were shown as provisional amounts, assuming a 0% increase, pending their respective approval processes. It was likely this element of the total Council Tax determination would have to be advised to Members at the meeting of Full Council on 21 February 2012.

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

The estimated balance on the Council Tax Collection Fund was a surplus of £1,764,952. Taunton Deane's share of this amounted to £184,199, and this had been reflected in the General Fund Revenue Estimates.

Resolved that Full Council be recommended to:-

- (a) Approve the following formal Council Tax Resolution, amended to reflect the proposed Council Tax Freeze in 2012/2013:-

- (1) That it be noted that on 7 December 2011 the Council calculated the Council Tax Base for 2012/2013:-
- (i) for the whole Council area as 41,216.39 [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;
- (2) That the Council Tax requirement for the Council's own purposes for 2012/2013 (excluding Parish precepts) be calculated as £5,572,040;
- (3) That the following amounts be calculated for the year 2012/2013 in accordance with Sections 31 to 36 of the Act:-
- (i) £84,575,640 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) £78,473,910 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) £6,101,730 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) £148.04 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) £529,690 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 Authority, and Devon and Somerset Fire Authority had not yet issued 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 as indicated in the table in Appendix A;

(5) To note that Avon and Somerset Police Authority had issued their precept 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 as indicated in the table in Appendix B.

(6) 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 as the amounts of Council Tax for 2012/2013 for each part of its area and for each categories of dwellings;

(7) Determine that the Council's basic amount of Council Tax for 2012/2013 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, amended to reflect the proposed Council Tax Freeze in 2012/2013, was approved the total Band D Council Tax would be as follows:-

	2011/12 £	2012/13 £	Increase %
Taunton Deane Borough Council	135.19	135.19	0.00%
Somerset County Council*	1,027.30	1,027.30	0.00%
Avon & Somerset Police Authority	168.03	168.03	0.00%
Devon & Somerset Fire Authority*	71.77	71.77	0.00%
Sub-Total*	1,402.29	1,402.29	0.00%
Town & Parish Council (average)	12.46	12.85	3.13%
Total *	1,414.75	1,415.14	0.03%

(* provisional figures for 2012/13)

24. Executive Forward Plan

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

(The meeting ended at 8.59 p.m.)

Appendix

PRUDENTIAL INDICATORS

PRUDENTIAL INDICATOR	2010/11	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000	£'000
	outturn	estimate	estimate	estimate	estimate
Capital Expenditure					
General Fund	£4,884	£8,660	£1,847	£1,807	£2,014
HRA	£6,653	£4,300	£5,500	£7,316	£7,316
TOTAL	£11,537	£12,960	£7,347	£9,123	£9,330
Ratio of financing costs to net revenue stream					
General Fund	0.74%	0.67%	0.86%	0.89%	1.79%
HRA	2.85%	3.33%	17.05%	17.01%	16.60%
Net borrowing projection					
brought forward 1 April	£7,786	£3,670	£4,990	£4,990	£6,392
Carried forward 31 March	£3,670	£4,990	£4,990	£6,392	£8,001
in year borrowing requirement	-£4,116	£1,320	£0	£1,402	£1,609
Capital Financing Requirement as at 31 March					
General Fund	£8,240	£9,369	£9,181	£10,372	£11,741
HRA	£14,451	£14,451	£100,151	£100,151	£100,151
TOTAL	£22,691	£23,820	£109,332	£110,523	£111,892
Incremental impact of capital investment decisions	£ p	£ p	£ p	£ p	£ p
Increase in council tax (band D)	-1.36	5.47	-0.05	-0.05	0.19
Authorised limit for external debt -					
TOTAL	£40,000,000	£139,200,000	£139,200,000	£139,200,000	£141,200,000
Operational boundary for external debt -					
TOTAL	£30,000,000	£103,020,000	£103,020,000	£104,422,000	£106,031,000
Upper limit for fixed interest rate exposure					
Upper Limit for Fixed Interest Rate Exposure on Debt	100%	100%	100%	100%	100%
Upper Limit for Fixed Interest Rate Exposure on Investments	-100%	-100%	-100%	-100%	-100%
Upper limit for variable rate exposure					
Upper Limit for Variable Interest Rate Exposure on Debt	30%	30%	30%	30%	30%
Upper Limit for Variable Interest Rate Exposure on Investments	-50%	-50%	-50%	-50%	-50%
Maturity Structure of Fixed Rate Borrowing (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%
Upper limit for total principal sums invested for over 364 days (per maturity date)					
	£2m or 20%	£3.5m or 20%	£3.5m or 20%	£3.5m or 20%	£3.5m or 20%

Gross and Net Debt					
Outstanding Borrowing (at nominal value)	15,973,000	96,993,000	96,993,000	98,395,000	100,004,000
Other Long-term Liabilities (at nominal value)	45,417,000	45,417,000	45,417,000	45,417,000	45,417,000
Gross Debt	61,390,000	142,410,000	142,410,000	143,812,000	145,421,000
Less: Investments	12,300,000	6,000,000	6,000,000	6,000,000	6,000,000
Net Debt	49,090,000	136,410,000	136,410,000	137,812,000	139,421,000

Credit Risk

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution
- Sovereign support mechanisms
- Credit default swaps (where quoted)
- Share prices (where available)
- Economic Fundamentals
- Corporate developments, news, articles, markets sentiment and momentum
- Subjective overlay

This report was produced after the Executive Meeting on 9 February 2012 to reflect the final decisions taken at the meeting. The figures have been updated to reflect the final budget proposals of the Executive.

Appendix A

Valuation Bands

Council Tax Schedule 2012/13	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
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
Parish / Town only (a)	8.57	9.99	11.42	12.85	15.71	18.56	21.42	25.70
Parish / Town & District (b)	98.69	115.14	131.59	148.04	180.94	213.84	246.73	296.08
Total (c)	943.43	1,100.66	1,257.90	283.23	1,729.62	2,044.09	2,358.57	2,830.28
<u>Parish:</u>								
Ash Priors	934.87	1,090.67	1,246.49	1,402.29	1,713.91	2,025.53	2,337.16	2,804.58
Ashbrittle	947.40	1,105.29	1,263.20	1,421.09	1,736.89	2,052.69	2,368.49	2,842.18
Bathealton	938.60	1,095.03	1,251.47	1,407.89	1,720.75	2,033.62	2,346.49	2,815.78
Bishops Hull	948.02	1,106.02	1,264.03	1,422.02	1,738.02	2,054.03	2,370.04	2,844.04
Bishops Lydeard/Cothelstone	949.85	1,108.15	1,266.46	1,424.76	1,741.37	2,057.99	2,374.61	2,849.52
Bradford on Tone	947.34	1,105.22	1,263.12	1,421.00	1,736.78	2,052.56	2,368.34	2,842.00
Burrowbridge							2,371.14	

	948.46	1,106.53	1,264.61	1,422.68	1,738.83	2,054.98		2,845.36
Cheddon Fitzpaine	945.44	1,103.00	1,260.58	1,418.14	1,733.28	2,048.42	2,363.58	2,836.28
Chipstable	944.62	1,102.05	1,259.49	1,416.92	1,731.79	2,046.66	2,361.54	2,833.84
Churchstanton	949.27	1,107.47	1,265.69	1,423.89	1,740.31	2,056.73	2,373.16	2,847.78
Combe Florey	947.16	1,105.01	1,262.88	1,420.73	1,736.45	2,052.17	2,367.89	2,841.46
Comeytrowe	942.76	1,099.88	1,257.01	1,414.13	1,728.38	2,042.63	2,356.89	2,828.26
Corfe	947.36	1,105.24	1,263.14	1,421.02	1,736.80	2,052.58	2,368.38	2,842.04
Cotford St Luke	947.85	1,105.81	1,263.80	1,421.76	1,737.71	2,053.65	2,369.61	2,843.52
Creech St Michael	953.74	1,112.68	1,271.65	1,430.59	1,748.50	2,066.41	2,384.33	2,861.18
Durston	941.64	1,098.56	1,255.51	1,412.44	1,726.32	2,040.19	2,354.08	2,824.88
Fitzhead	951.20	1,109.72	1,268.26	1,426.78	1,743.84	2,060.90	2,377.98	2,853.56
Halse	943.28	1,100.49	1,257.71	1,414.91	1,729.33	2,043.76	2,358.19	2,829.82
Hatch Beauchamp	946.03	1,103.69	1,261.37	1,419.03	1,734.37	2,049.71	2,365.06	2,838.06
Kingston St Mary	943.50	1,100.73	1,257.99	1,415.23	1,729.73	2,044.22	2,358.73	2,830.46
Langford Budville	948.82	1,106.95	1,265.09	1,423.22	1,739.49	2,055.76	2,372.04	2,846.44
Lydeard St Lawrence/Tolland Milverton	946.30	1,104.01	1,261.73	1,419.44	1,734.87	2,050.30	2,365.74 2,370.94	2,838.88

	949.27	1,107.47	1,265.69	1,423.89	1,740.31	2,056.73		2,847.78
Wellington Without	946.26	1,103.95	1,261.67	1,419.37	1,734.79	2,050.20	2,365.63	2,838.74
West Bagborough	944.69	1,102.13	1,259.58	1,417.02	1,731.91	2,046.81	2,361.71	2,834.04
West Buckland	946.76	1,104.55	1,262.35	1,420.13	1,735.71	2,051.30	2,366.89	2,840.26
West Hatch	945.73	1,103.34	1,260.97	1,418.58	1,733.82	2,049.06	2,364.31	2,837.16
West Monkton	950.44	1,108.84	1,267.25	1,425.65	1,742.46	2,059.27	2,376.09	2,851.30
Wiveliscombe	948.75	1,106.86	1,265.00	1,423.11	1,739.36	2,055.60	2,371.86	2,846.22

This report was produced after the Executive Meeting on 9 February 2012 to reflect the final decisions taken at the meeting. The figures have been updated to reflect the final budget proposals of the Executive.

Appendix

B

TOWN & PARISH COUNCIL PRECEPTS

Parish/Town Council	2011/12			2012/13			Council Tax Increase
	Tax Base	Precept Levied £	Council Tax Band D (£)	Tax Base	Precept Levied £	Council Tax Band D (£)	
Ash Priors	78.84	-	-	84.83	-	-	0.00%
Ashbrittle	97.37	1,800	18.49	95.72	1,800	18.80	1.72%
Bathealton	88.08	500	5.68	89.28	500	5.60	-1.34%
Bishops Hull	1,075.48	22,000	20.46	1,114.92	22,000	19.73	-3.54%
Bishops Lydeard/Cothelstone	1,116.85	25,185	22.55	1,120.81	25,185	22.47	-0.35%
Bradford on Tone	290.50	5,500	18.93	293.94	5,500	18.71	-1.17%
Burrowbridge	205.44	4,000	19.47	205.99	4,200	20.39	4.72%
Cheddon Fitzpaine	639.63	7,000	10.94	643.53	10,203	15.85	44.87%
Chipstable	128.01	1,850	14.45	133.31	1,950	14.63	1.22%
Churchstanton	335.61	7,250	21.60	337.87	7,299	21.60	0.00%
Combe Florey	121.40	2,000	16.48	122.05	2,250	18.44	11.90%

Comeytrowe	2,092.08	25,000	11.95	2,111.95	25,000	11.84	-0.94%
Corfe	132.48	2,500	18.87	133.48	2,500	18.73	-0.75%
Cotford St Luke	800.55	15,000	18.74	821.67	16,000	19.47	3.92%
Creech St Michael	946.10	23,135	24.45	999.23	28,275	28.30	15.72%
Durston	59.57	600	10.07	59.10	600	10.15	0.79%
Fitzhead	123.27	2,995	24.30	122.29	2,995	24.49	0.81%
Halse	141.39	1,750	12.38	142.58	1,800	12.62	2.00%
Hatch Beauchamp	260.51	4,500	17.27	268.82	4,500	16.74	-3.09%
Kingston St Mary	452.76	6,000	13.25	463.52	6,000	12.94	-2.32%
Langford Budville	236.73	4,000	16.90	238.94	5,000	20.93	23.84%
Lydeard St Lawrence/Tolland	204.07	3,500	17.15	208.84	3,582	17.15	0.00%
Milverton	598.41	11,500	19.22	624.11	12,650	20.27	5.47%
Neroche	251.93	4,000	15.88	255.27	4,500	17.63	11.03%
North Curry	748.27	16,500	22.05	741.43	16,500	22.25	0.92%
Norton Fitzwarren	820.30	25,130	30.64	931.94	25,060	26.89	-12.22%
Nynehead	157.34	4,000	25.42	164.15	4,250	25.89	1.84%

Oake	333.62	4,750	14.24	333.34	5,000	15.00	5.35%
Otterford	170.04	-	-	174.06	-	-	0.00%
Pitminster	458.91	9,279	20.22	464.42	9,500	20.46	1.17%
Ruishton/Thornfalcon	614.50	12,000	19.53	624.94	12,000	19.20	-1.67%
Sampford Arundel	132.51	4,600	34.72	127.60	4,600	36.05	3.84%
Staplegrave	713.43	10,000	14.02	748.42	10,710	14.31	2.09%
Stawley	130.08	2,400	18.45	128.82	2,400	18.63	0.98%
Stoke St Gregory	389.61	6,500	16.68	384.63	7,000	18.20	9.09%
Stoke St Mary	204.23	3,008	14.73	210.86	3,008	14.27	-3.15%
Taunton	16,033.53	46,820	2.92	16,226.62	47,380	2.92	-0.01%
Trull	1,029.79	14,000	13.59	1,032.39	14,000	13.56	-0.25%
Wellington	4,683.53	92,734	19.80	4,852.37	104,798	21.60	9.08%
Wellington Without	302.74	5,050	16.68	304.54	5,200	17.08	2.36%
West Bagborough	168.06	2,000	11.90	169.77	2,500	14.73	23.74%
West Buckland	444.62	8,000	17.99	448.31	8,000	17.84	-0.82%
West Hatch	141.96	2,330	16.41	143.00	2,330	16.29	-0.73%

West Monkton	1,116.84	31,599	28.29	1,184.22	27,664	23.36	-17.43%
Wiveliscombe	1,119.67	21,000	18.76	1,128.51	23,500	20.82	11.03%
TOTAL / AVERAGE	40,390.60	503,265	12.46	41,216.39	529,689	12.85	3.33%