Executive – 13 November 2013

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

Officers: Penny James (Chief Executive), Shirlene Adam (Strategic Director), Heather Tiso (Head of Revenues and Benefits Service), Tim Burton (Planning and Development Manager), Phil Bisatt (Policy Officer), Paul Fitzgerald (Financial Services Manager (Southwest One), Roy Pinney (Legal Services Manager) and Richard Bryant (Democratic Services Manager and Corporate Support Lead)

Also present: Councillors Coles and Horsley

(The meeting commenced at 6.15 pm.)

45. **Apologies**

Councillors Cavill and Hayward.

46. **Minutes**

The minutes of the meeting of the Executive held on 9 October 2013, copies of which had been circulated, were taken as read and were signed.

47. **Review of the Council Tax Support Scheme**

Reference Minute 85/2012, reported that on 1 April 2013 Council Tax Benefit (CTB) was abolished and replaced with a locally designed "Council Tax Support Scheme" (CTS). Each billing authority was responsible for designing and approving a CTS Scheme for its area. Only 90% of funding previously granted by the Government for CTB was now provided for localised CTS.

Councils were not allowed complete freedom on the design of its CTS Schemes. The Government had stipulated that pensioners should be fully protected under the same criteria that previously applied to CTB. Pensioners made up 48% of the Council's CTS caseload, but accounted for 55% of spending on CTS. This meant any cut in the support paid under CTS would be borne by the remaining 52% of working age claimants

The Government had also stipulated that, as far as possible, CTS for vulnerable groups should be protected too. Although there was no definition as to which groups should be counted as "vulnerable", the Government had highlighted Local Authority statutory duties regarding:-

- Children and duties under the 2010 Child Poverty Act to reduce and mitigate the effects of child poverty;
- Disabled people and duties under the Equality Act 2010; and
- Homelessness Prevention and duties under the 1996 Housing Act to prevent homelessness with special regard to vulnerable groups.

It was up to Billing Authorities to decide how they applied any such protection. Taunton Deane's scheme considered disabled people's needs and those responsible for children.

Full Council had adopted the Local CTS Scheme for 2013/2014 at its meeting on 11 December 2012. For people of working age, the scheme had the following key elements:-

- Maximum support was 80% of Council Tax - everyone of working age had to pay something;
- Non-dependant deductions were increased;
- Second adult rebate was stopped;
- Child maintenance was counted as income;
- Earned income disregards were increased;
- A hardship fund was set up for short-term help.

There were approximately 8,300 people of working age who had moved from the CTB Scheme to the localised CTS Scheme. The average weekly CTS award for a Pension Age claim was £15.80, whilst for people of Working Age, it was £12.06.

The CTS scheme had been designed to consider ability to pay and the collectability of the resultant Council Tax liability. As of September 2013 it appeared that collection had decreased by 0.54% compared with last year. The volume of recovery action (reminders and summons) had greatly increased to ensure collection levels remained high.

Although a decision to alter the scheme for 2014/2015 could be taken, it was recommended to leave the localised CTS Scheme unchanged in 2014/2015. It was currently within budget and operating within the collection parameters used at tax setting. National funding and demand was expected to be similar in 2014/2015 as now. If this recommendation was accepted this would need approval by Full Council by 31 January 2014.

Further reported that Members could decide now if they wished to consider changing the scheme from the start of the 2015-2016 financial year.

The main options available were:-

- Option 1 - To leave the scheme unchanged as now but make efficiency savings/ cuts in services, and/or use reserves to meet the funding gap either in full or part;
- Option 2 - To pass on any further funding shortfall in full to all working age residents receiving localised CTS, reducing their financial help;
- Option 3 - To offset some of the effects of any further funding shortfall by increasing revenue, specifically using discretionary changes to Council Tax discounts and exemptions as in 2013/2014; or
- Option 4 - A combination of the above.

The implications and the risks involved resulting from the introduction of such changes were detailed in the report.

If the Council wished to amend localised CTS beyond 2014/2015, public consultation on any proposed amendments had to be undertaken before the scheme could be adopted.

To provide options to Members for 2015/2016, public and preceptor consultation had to be completed by the end of August 2014. This would provide enough time to evaluate the responses and gather more information on Council Tax collection rates. However, without a decision on the money available to pay out in CTS, any consultation had to contain the following three basic options:-

i. **Pass on the full amount of the anticipated grant cut**
   - This would increase the amount working age recipients had to pay by £4 a week on average.
   - Such a large cut could cause significant defaults in Council Tax payments and mean the Council collected less Council Tax than currently as people decided they could not afford to pay the amount sought and stop paying anything at all.

ii. **Absorb the cost in full**
   - Taunton Deane and the other preceptors could jointly fund the difference between CTS paid out and the grant expected to be received in 2015/2016 with a consequential loss of income.
   - This had the potential for objections from preceptors and non-CTS recipients as these were the people who could be viewed as "subsidising" CTS recipients.

iii. **Pass on some of the cut**
   - The problem was discovering the "tipping point" at which CTS recipients might decide the amount they were being asked to pay was simply unaffordable.

The final decision on scheme design would still rest with Full Council.

Proposals for changing the CTS scheme from 2015/2016

Whilst it might be necessary to reduce spending for CTS, the Council had to consider the impact on "vulnerable" groups. The following proposals therefore sought to mitigate the effect on these groups as well as align income considered for CTS purposes with Department of Work and Pensions (DWP) rules for other welfare benefits to ease any administration burden in future.

Although the Council was not legally required to include transitional protection for claimants moving from one CTS scheme to a replacement scheme, the legislation stated that Councils had a duty to consider if transitional arrangements might be needed and if protection should apply to all groups or just certain groups.

Proposal 1 – Maximum CTS limit - It was proposed to limit the maximum support a working age person could receive, from 80% to between 50% and 70% (final percentage dependant on expected Government grant).

Proposal 2 – Disregard Child Maintenance as Income - Maintenance received for a child, was disregarded in the default and prescribed CTS Schemes as well as in the DWP's calculations for many other state benefits. To align Taunton Deane's CTS Scheme more closely with DWP benefits and therefore provide for simple administration, maintenance received for a child or children would be ignored.

Proposal 3 – Flat Rate Non-Dependant Deductions - If the person claiming CTS had any non-dependants who were in work living in their home, the Council would usually make a deduction from their CTS entitlement. These non-dependant adults were assumed to give the claimant some money towards their Council Tax, regardless of whether they did so. It was proposed to introduce one flat rate non-dependant deduction of £5 for each non-dependant in the property.

Proposal 4 – Maximum CTS limit increased where the claimant or their partner received Disability Living Allowance for care at the higher or middle rate – The Council proposed to increase the maximum support if a working age person or their partner received Disability Living Allowance for care at the higher or the middle rate. Our current scheme limited the maximum help available to 80% of the Council Tax liability. The proposal was that from 2015/2016 the maximum help would be increased from 80% to 85%.

Proposal 5 – Maximum CTS limit increased where the claimant was a single parent and was responsible for a child (children) under five years old – The Council proposed to increase the maximum support if a working age person who was a single parent had responsibility for a child or children under five years old. The current scheme limited the maximum help available to 80% of the Council Tax liability. The proposal was that from 2015/2016 the maximum help would be increased from 80% to 85%.

The Government had stated that they would keep localised CTS funding unchanged in cash terms from its 2014-2015 total level. However funding for localised CTS was incorporated in the total Local Government Finance Settlement (LGFS) and was not separately identified. This was the grant Taunton Deane received from Central Government as a contribution towards the cost of the Council's services. Indicative figures had shown that the LGFS would reduce not only in 2014/2015 but in future years too. Therefore, the application of cuts to localised CTS spending might need to be considered.

A decision not to change the money paid out by CTS would leave a greater cut in the remaining LGFS. A decision to decrease the money paid out by CTS by the same proportion the LGFS was reduced would mean significant cuts in CTS available to working age recipients. The indicative figures for the LGFS had shown a cut by 14.3% in 2015/2016. If it was decided to decrease the money paid out by the localised CTS at the same level, this would reduce CTS for working age recipients by £876,000.

Such a reduction should be considered against the cuts already applied to people of working age when CTB was replaced with CTS in 1 April 2013.

In 2012/2013, CTB of £3,540,000 was paid to working age recipients. From 1 April 2013, CTS for this group was reduced to £2,710,000 - a cut of approximately 23%.

Cutting CTS by £876,000 in 2015/2016 would reduce help available to working age recipients to £1,830,000.

This equated to a cut of 48% in comparison to help previously available through CTB in 2012/2013. Such a reduction in support would impact upon working age people already affected by significant cuts through Welfare Reform, for example the overall Benefit Cap and removal of the spare room subsidy ("bedroom tax").

Further reported that within the 2013/2014 LGFS the Government had included funding for CTS that included a proportion related to parishes and Special Expenses. The Council had decided to pass on a proportion of this funding to parishes to reflect their reduction in funding as a result of CTS. For 2013/2014, a grant was given to parishes based on the tax base reduction attributable to CTS in each parish multiplied by their 2012/2013 Band D Charge.

The Funding Settlement for 2014/2015 and beyond would not separately identify the proportion of funding for CTS for any preceptors. The Council therefore needed to determine the policy for providing any CTS Grant funding to parishes for 2014/2015, and it was recommended this was approved at this stage to give the Council and parishes some certainty for financial planning and budget setting purposes.

For 2014/2015 there were two proposed options, based on available information:-

Option 1: Use the same formula that was used for 2013/2014, so each parish grant for CTS would be calculated as CTS Tax Base Adjustment x 2012/2013 Parish Band D Tax rate; and

Option 2: Use the same formula that was used for 2013/2014, but apply the same reduction to parish grant funding as that experienced by Taunton Deane in the Funding Settlement. Provisional figures indicated a 13.6% cut in funding for 2014/2015, so each parish grant for CTS would be calculated as CTS Tax Base Adjustment x 2012/13 Parish Band D Tax rate x [1-0.136].

Option 1 was recommended for approval as it would provide protection for parish budgets. However, this did mean that Taunton Deane would need to find savings from its own service budgets to subsidise CTS costs for parishes.

It was proposed the same funding principle agreed for parishes should be applied to the Council budget for the Unparished Area Fund.

Reported that the above proposals and recommendations were considered by the Corporate Scrutiny Committee on 19 September 2013. No changes had been requested. The Committee had unanimously supported the recommendations.

Resolved that:-

(1) Full Council be recommended that:-

(a) The current Council Tax Support Scheme, as outlined in the report, be continued from 1 April 2014;

(b) Option 1 be the preferred route in providing and calculating Council Tax Support Grant funding for Parish Councils in 2014/2015; and

(c) The Council continued to provide discretionary help through the Discretionary Council Tax Assistance (DCTA) policy to give extra short-term help towards Council Tax costs for those in hardship.

(Funding of DCTA would be from Council Tax receipts and shared between the various local precepting bodies. The exact amount of the DCTA fund for 2014/2015 had not yet been agreed but was expected to be in the range of £30-£35,000); and

(2) The proposals outlined in the report as a basis for formal consultation for changing the Council Tax Support Scheme for 2015/2016 be agreed. A further report on the outcome of consultation to develop the Council Tax Support Scheme for 2015/2016 to be presented to the Corporate Scrutiny Committee in September 2014.

(Councillor Edwards declared a personal interest during the discussion of the above item as Taunton Deane's representative on the Police and Crime Panel for Avon and Somerset.)

48. **Introduction of the Community Infrastructure Levy in Taunton Deane – Examiner's Report and Adoption**

Reference Minute Nos 3 and 31/2013, considered report previously circulated, concerning the adoption and subsequent introduction of the Community Infrastructure Levy (CIL).

Following consultation on the Preliminary Draft Charging Schedule, a Draft Charging Schedule had been prepared and submitted for independent Examination, which was held on 24 July 2013. The draft Instalment Policy was also put forward for comments at the CIL Examination.

The Examiner had endorsed the Council's proposals for the levels of CIL within Taunton Deane and the zones within which they would apply. This included the proposed zero rates for all development in Taunton and Wellington Town Centres and for the wider urban area of Wellington. He had however recommended two relatively minor modifications that the Council would need to include in the Charging Schedule:-

1. Clarification that the rate of CIL for the Taunton urban area would apply in the 'broad locations' for future growth at Taunton (Staplegrove and Comeytrowe) identified in the Core Strategy and the Site Allocations (Preferred Options) planning documents; and

2. Clarification that retail development included uses within Classes A1-A5 as defined in the Town and Country Planning (Uses Classes Order) 1987, as amended.

Overall, the Examiner had concluded that the Council's proposed Charging Schedule provided an appropriate basis for the collection of the levy and the charges were set at a level which would not put the overall development of the area at risk.

With regard to the instalment policy it was proposed to introduce an additional payment band for sums in excess of £1,000,000. This was in response to comments made by developers.

Reported that it would be important that systems were in place and functioning ahead of CIL implementation. It was therefore proposed to appoint a CIL administration officer early in 2014. Members had previously agreed to fund this post for two years on the basis that the costs would be recouped. This could be achieved using the provisions that allowed up to 5% of CIL receipts to be 'top sliced' to cover the costs of administration.

Once CIL was in place, money would begin to come in, although receipts would take time to build up given that CIL would only apply to schemes that were granted planning permission after its introduction.

Under Regulation 62, the Council had to publish an annual report on its website setting out the following:-

- Total CIL receipts for the year;
- Total CIL expenditure for the year;
- A summary of CIL expenditure during the reported year including:-

  a. The items of infrastructure to which CIL had been applied;
  b. The amount of CIL on each item;
  c. The total amount of CIL receipts retained at the end of the reported year.

Further reported that delivering infrastructure was one of the major challenges facing the Council in support of its growth agenda. Receipts from CIL and New Homes Bonus were likely to be the two largest sources of funding for this.

A process was required to determine how the CIL receipts should be spent, to agree on the timing of spend and to arrange the distribution of funds to partner organisations.

Under Regulation 123 of the CIL Regulations, the Council was required to publish a list of the projects that it intended to finance using CIL receipts. The Regulation 123 list would need to be reviewed on a regular basis and reported on annually.

The Council was statutorily required to pass 25% of CIL receipts to the parish council in areas where there was a Neighbourhood Plan in place, and where there was no such plan, 15% of CIL receipts up to a maximum of £100 per extant dwelling.

In areas with unitary local government, all decisions could be negotiated and agreed within one group of elected Members. In Taunton Deane however, it would be necessary to also involve County Council Members, specifically those with responsibility for spending on transport and education, which would be major elements of infrastructure to be delivered using CIL receipts.

The process of preparing to introduce CIL would take some time – for example, owing to the need to install computer software to issue documents and process information and to train staff in its use. It was therefore proposed that CIL be introduced in Taunton Deane with effect from 1 April 2014. An announcement to this effect would also provide the development industry with time to adapt to this forthcoming change.

Resolved that Full Council be recommended to approve:-

(1) The introduction of the Community Infrastructure Levy in Taunton Deane from 1 April 2014;

(2) The Charging Schedule, set out in the report, which incorporated the modifications recommended by the Examiner; and

(3) The proposed Instalment Policy set out in the report.

49. **Business requiring to be considered as a matter of urgency**

The Chairman certified that the item of business covered by Minute No. 50 below was urgent and required a decision before the next scheduled meeting of the Executive.

50. **Revised Capital Programme Budget Estimates 2013/2014 – 2017/2018**

Considered report previously circulated, which provided updated information on the Council's capital investment priorities and funding position.

In February 2013, Full Council had approved an interim capital programme pending a more fundamental review of Taunton Deane's capital spending priorities, including infrastructure requirements. This was felt appropriate to ensure the limited amount of funding available to the Council was targeted at the true priority areas. In order to do this, a different approach was needed than that traditionally followed at each budget setting round.

A comprehensive review of the Council's capital spending needs had now been undertaken, taking into account growth agenda projects, the more traditional non-growth capital projects and infrastructure needs that would not be met via the Community Infrastructure Levy regime. This had captured the scale of the spending "need" ahead and had provided clarity as to what projects should and should not be progressed in light of the limited amount of funding available.

Funding for capital investment undertaken by the Council could come from a variety of sources including Capital Receipts; Grant Funding; Capital Contributions (for example from a local authority, third party, Section 106 Agreements); Revenue budgets/reserves (often referred to as "RCCO" – Revenue Contributions to Capital Outlay); and Borrowing.

The current uncommitted funding balances held in various reserve accounts were shown in the table below. This funding was available for allocation to new projects.

Table 1: Current available uncommitted funding

General Fund	**Affordable Housing £k**	**DLO £k**	**Growth Funding £k**	**General £k**	**TOTAL £k**
Capital Reserve				393	393
Growth Point Grant				157	157
Capital Receipts				1,014	1,014
General Fund "non additional" Right to Buy Receipts				197	197
Firepool Receipts				320	320
Affordable Housing Receipts (S106 / developer contributions)	624				624
DLO Vehicle Sales		7			7
Growth and Regeneration Reserve (NHB)			519		519
Total	**624**	**7**	**519**	**2,081**	**3,231**

Noted that following the decision of Full Council on 12 November 2013 to proceed with the West Somerset Project, the above total would be reduced by £800,000 to fund the likely transition costs involved.

In addition to the funding shown in Table 1 there was further estimated/projected funding availability over the next 5 years:-

Table 2: Projected funding 2013/2014 – 2017/2018 (Illustrative Only)

RCCO Funding	**13/14 £k**	**14/15 £k**	**15/16 £k**	**16/17 £k**	**17/18 + £k**	**Total £k**
General Fund RCCO	0	200	200	200	150	750
DLO RCCO	0	203	203	203	202	811
Disabled Facilities Grant Income	0	300	310	320	310	1,240
General Fund “non additional” Right To Buy Receipts	100	100	100	100	100	500
New Homes Bonus (NHB)	0	1,825	2,305	2,779	2,856	9,765
Potential Capital Receipts	1,300	500	0	0	0	1,800
Total	**1,400**	**3,128**	**3,118**	**3,602**	**3,618**	**14,866**

There were a number of projects that had been traditionally funded from revenue resources (“RCCO”), and the above projections assumed the funding would continue in the Council’s revenue budgets. If Members chose not to fund some of these capital projects the revenue funding could be used for other capital projects, or could be taken as a revenue budget saving.

The Disabled Facilities Grant income was a yearly grant received from Central Government which had to be used to fund the cost of Disabled Facilities Grants in private sector housing. The funding was not guaranteed and was not normally confirmed until late into the current financial year.

Right to Buy (RTB) receipts had, in the past, been used to fund housing related projects but this was not a mandatory requirement. The proposal was to split the RTB receipts between the General Fund and Housing Revenue Account. As the Council had entered the ‘One for One Replacement’ Agreement with the Government, a higher proportion of the income from RTB sales was retained. Details of the proposed split in this income between the two funds was reported.

With regard to the New Homes Bonus (NHB), Members had previously shown a commitment to use future NHB grant funding for growth and regeneration purposes. The current projections included in the Medium Term Financial Plan of future NHB was shown in the table below:-

Table 3: Expected New Homes Bonus Funding

	2014/15 £k	**2015/16 £k**	**2016/17 £k**	**2017/18 £k**	**Total £k**
Estimated New Homes Bonus Funding	2,217	2,697	3,171	3,248	11,333

Transfer to LEP*		(510)	?	?	(510)
Assumed use for annual budget	(392)	(392)	(392)	(392)	(1,568)
Amount unallocated	**1,825**	**1,795**	**2,779**	**2,856**	**9,255**

* Following the recent Spending Review, the Secretary of State had consulted on a potential 40% top slice of NHB to push funding towards growth via Local Enterprise Partnerships from 2015/16. The Government's response to the consultation feedback was awaited.

In recognition of the challenges ahead for the Council, the Directors had reviewed and prioritised the entire list of capital schemes within the following categories:-

Priority	
1	Business Continuity (corporate/organisational)
2	Statutory Service Investment (to get to statutory minimum/ contractual/continuity)
3	Growth (Top 5)
4	Transformation
5	Others

This priority list reflected the issues flagged by Members as being important during the Corporate Business Plan review process. In addition to the above prioritisation, the Directors also propose the general principle that schemes would only be supported if they were "invest to save". This reflected the need for the Council to invest in schemes that would improve the Council's revenue position in light of the pressure on the General Fund Revenue Budget.

First priority had to be given to schemes that ensured Business Continuity (BC). The Corporate BC schemes were those that ensured the doors remained open irrespective of what services the Council chose to deliver. The Organisational BC schemes were more around service continuity and in this regard if the Council chose to no longer deliver any of these services the need for capital investment would also fall away.

Second priority had to be given to investment that was unavoidable with respect to maintaining our statutory services to a minimum level.

Growth schemes were considered to be first priority (but third overall) over what was effectively our first opportunity to consider discretionary spend. This is in line with the Business Plan priorities.

Transformation had been recommended as second priority (but fourth overall) again in line with the Business Plan. Taunton Deane needed to change not only to respond to our changing environment and the demands on the Council, but also to reduce costs and generate revenue to support ambitions.

Noted that the schemes included in 'Others' were a catch all. It was suggested that within this group the only schemes considered would be those that met "invest to save" criteria set out in the Capital Strategy.

Further reported that the results of the prioritisation review were shown in the tables below. Tables 4 and 5 showed the costs of the continuing non-growth schemes for both general schemes and Deane DLO schemes. These schemes had traditionally been funded from RCCO or Government Grants. For 2013/2014 these schemes had already been approved but there had been no approvals beyond this financial year.

Table 4: Existing Ongoing Non-Growth Schemes

	Annual	**Priority**				
	£k	**1**	**2**	**3**	**4**	**5**
PC Refresh	60	30				
Members IT Equipment	4	4				
Waste Containers (3 years)	50		50			
Grants to Clubs	46					46
Play Equip Grants to Parishes	20					20
Play Equip - Replacement	20		20			
Disabled Facilities Grants	490		310			180
Enabling (affordable housing) [see 6.6 below]	425					425
Taunton & Bridgwater Canal	10					10
Total	**1,125**	**34**	**410**	**0**	**0**	**681**

It was proposed that the Deane DLO schemes should be funded from DLO resources so they effectively became 'self-financing'. The continuing DLO annual capital requirements were shown below. Funding had already been approved for 2013/2014 but there was currently no funding approved beyond this financial year.

Table 5: Existing Ongoing Non-Growth DLO Schemes

	Annu	**Priority**				
	£k	**1**	**2**	**3**	**4**	**5**
DLO Vehicles	180		180			
DLO Plant and Equipment	23		23			
Total	**203**		**203**			

The following table showed the bids for new non-growth schemes. These spanned over the next five years and included one off schemes and yearly schemes.

Table 6: New Non-Growth Schemes

		Priority				
	£k	**1**	**2**	**3**	**4**	**5**
Wellington Cemetery	50					50
Taunton Cemetery	100					100
Crematorium Cabinet	15					15
Chapel Roof	180		180			
Private Housing - Landlord Accreditation / Loans etc	1,735					1,735
Private Housing - Category 1 Hazards	130					130
Website Development	30				30	

Cycle Path (Hankridge)	50					50
ICT Infrastructure	?	?				
Customer Access / Accommodation	?				?	
Deane House Improvements	?				?	
B Plan – Trans & Restructuring	?				?	
Gypsy Provision	?					?
West Somerset Project*						
DLO Relocation – subject to BC						
DLO Refurb – subject to BC						
Deane Helpline – subject to BC						
	2,290	**0**	**180**	**0**	**30**	**2,080**

Based on the above prioritisation exercise it was suggested that schemes within either Priority 1 or 2 should be funded. This would mean that £180,000 of the £2,081,000 'general' available funding would be used leaving a remaining general funding balance of £1,901,000.

The Council received funding through Section 106 Agreements that must be spent on Affordable Housing Schemes. Through the prioritisation, affordable housing had been allocated a Priority 5. Nevertheless, it was recommended that Members agree the principal that any funding received for affordable housing should be approved to spend on affordable housing.

Noted that the growth schemes were overall allocated a Priority 3. Within this priority group a number of potential investment needs had been considered and ranked in order to provide a steer on which schemes should be supported as funds became available. These schemes were set out in the following table:-

Table 7: Growth Schemes

Project	**Rank**	**14/15 £k**	**15/16 £k**	**16/17 £k**	**17/18+ £k**	**Total £k**
Firepool Access	1	1,500	0	0	0	1,500
Firepool Infrastructure and Planning	2	0	3,500	0	0	3,500
Toneway Corridor Improvements (incl Creech Castle)	3	23,120	0	0	0	23,120
J25 Improvements	4	0	0	9,240	0	9,240
Taunton Strategic Flood Alleviation Work	5	0	0	0	15,000	15,000
Total		**24,620**	**3,500**	**9,240**	**15,000**	**52,360**

The top Growth priority was Firepool Access as Members had expressed a wish to progress this.

Reported that having funded Priority 1 and 2 non-growth schemes, a balance of unallocated general funding of £1,901,000 and £519,000 of Growth Reserve existed.

It was however, reasonable to assume that the top growth scheme identified above could be progressed within existing funding streams. This would reduce the unallocated general funding to £920,000 and the Growth Reserve to £0 (pending receipt of any 2014/2015 New Homes Bonus).

It was important that this sum was not fully allocated at this point, considering the potential capital investment requirements included in the Joint Management and Shared Services Business Case, and other Priority 1 and 2 Projects from the non-growth area.

Assuming the prioritisation methodology was accepted, the Priority 1 and 2 schemes would be funded along with the Affordable Housing Schemes and the top Growth Scheme. The additions to the capital programme and funding of additions would be as shown in the table below:-

Table 8: Planned additions to the capital programme

Project	**14/15 £k**	**15/16 £k**	**Total £k**
Chapel Roof	90	90	180
Affordable Housing (S106 / developer conts)	450	174	624
Firepool Access	1,500	0	1,500
Total	**2,040**	**264**	**2,304**
Funded by:			
Capital Receipts	594	90	684
Growth Point Capital	157	0	157
Firepool Receipts	320	0	320
Growth and Regeneration Reserve (NHB)	519	0	519
Affordable Housing Receipts (S106 / developer contributions)	450	174	624
Total	**2,040**	**264**	**2,304**

Assuming the schemes proposed were approved remaining funding would be as shown in the table below:-

Table 9: Remaining Funding

General Fund	**Total £k**	**Funding Used £k**	**Remaining Total £k**
Affordable Housing			
Affordable Housing Receipts (S106 / developer contributions)	**624**	**(624)**	**0**
DLO			
DLO Vehicle Sales	**7**	**0**	**7**
Growth Funding			
Growth and Regeneration Reserve (NHB)	**519**	**(519)**	**0**
General Funding			
Capital Reserve	393	0	393
Growth Point Grant	157	(157)	0
Capital Receipts	1,014	(684)	330

General Fund "non additional" RTB	197		197
Firepool Receipts	320	(320)	0
Sub Total: General Funding	**2,081**	**(1,161)**	**920**
TOTAL Remaining Funding	**3,231**	**(2,304)**	**927**

Noted that following the decision of Full Council on 12 November 2013 to proceed with the West Somerset Project, the above total would be reduced by £800,000 to fund the likely transition costs involved. The above balance would therefore be reduced to £127,000.

Resolved that:-

(1) The Prioritisation Framework set out in this report be noted; and

(2) Full Council be recommended to approve:-

(i) The Supplementary Budget in the General Fund Capital Programme of £2,304,000 to fund Priority 1 and 2 Non-Growth Schemes, funded Affordable Housing Schemes and the highest ranked Growth Scheme detailed in the report; and

(ii) The principle that future external funding received specifically for affordable housing should be allocated to affordable housing projects in line with funding conditions and automatically added to the Capital Programme.

51. **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 7.28 pm.)