

South Hams Executive



Title:	Agenda
Date:	Thursday, 7th February, 2019
Time:	10.00 am
Venue:	Repton Room - Follaton House
Full Members:	<p style="text-align: center;">Chairman Cllr Tucker</p> <p style="text-align: center;">Vice Chairman Cllr Wright</p> <p><i>Members:</i> Cllr Bastone Cllr Hopwood Cllr Gilbert Cllr Wingate</p>
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
Committee administrator:	Member.Services@swdevon.gov.uk

1. Minutes	1 - 12
to approve as a correct record and authorise the Chairman to sign the minutes of the meeting of the Executive held on 13 December 2018;	
2. Urgent Business	
brought forward at the discretion of the Chairman;	
3. Division of Agenda	
to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;	
4. Declarations of Interest	
Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting;	
5. Public Question Time	13 - 14
a period of up to 15 minutes is available to deal with questions submitted to the Council in accordance with the Executive Procedure Rules;	
6. Executive Forward Plan	15 - 20
7. Customer Satisfaction - verbal update	
8. Reports of Other Bodies	21 - 36
a) Joint Development Management Committee and Overview & Scrutiny Panel – 24 January 2019; and	
b) Overview & Scrutiny Panel – 24 January 2019	
9. Quarter 3 Revenue Budget Monitoring 2018/2019	37 - 52
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13.	Future Governance Arrangements for Frontline Services (Waste and Cleansing)	129 - 168
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17.	Pay & Display review	245 - 252

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD AT FOLLATON HOUSE ON THURSDAY 13 DECEMBER 2018**

Members in attendance:			
* Denotes attendance			
∅ Denotes apologies for absence			
∅	Cllr H D Bastone	*	Cllr R J Tucker (Chairman)
*	Cllr R D Gilbert	*	Cllr S A E Wright (Vice Chairman)
*	Cllr N A Hopwood	*	Cllr K R H Wingate

Also in attendance and participating		
Item 2	E.51/18	Cllrs Baldry, Brazil and Green
Item 7	E.55/18	Cllr Brazil
Item 8	E.56/18	Cllrs Green, Cuthbert and Smerdon
Item 9	E.57/18	Cllrs Pearce, Brazil and Pennington
Item 10	E.58/18	Cllr Brazil
Item 11	E.59/18	Cllrs Smerdon, Pearce and Brazil
Item 12	E.60/18	Cllrs Smerdon, Rowe, Brazil and Steer
Item 13	E.61/18	Cllr Bramble
Item 14	E.62/18	Cllrs Brazil, Pearce, Bramble, Green, May, Brown, Cuthbert, Saltern, Baldry, Steer, Holway, Rowe, Smerdon

Also in attendance and not participating
Cllrs Hodgson and Hitchins

Officers in attendance and participating		
All items		Head of Paid Service, s151 Officer and Specialist – Democratic Services
Item 6	E.54/18	COP Lead Housing, Revenues and Benefits
Item 7	E.55/18	Revenue Specialist
Item 8	E.56/18	Senior Specialist Environmental Health
Item 9	E.57/18	COP Lead Assets
Item 12	E.60/18	Specialist Place Making
Item 14	E.62/18	Group Manager Business Development, COP Lead Assets

E.50/18 MINUTES

The minutes of the Executive meeting held on 22 November 2018 were confirmed as a true and correct record and signed off by the Chairman.

E.51/18 URGENT BUSINESS

The Leader advised that there were two items of urgent business to be considered. The first was an additional item that had been circulated entitled Dartmouth Health and Wellbeing Hub and this would be taken with Agenda Item 14: Commercial Development Opportunities.

The second urgent item was the resolution following the decision to Call In Executive Minute E.46/18 'Public Toilets Review' that had been considered at the special meeting of the Overview and Scrutiny Panel on 12 December 2018.

Members briefly discussed the Panel resolution and it was confirmed that only those areas highlighted at the meeting were included in the amendment.

It was then:

RESOLVED

That an addition be made to Minute E.46/18 to amend that resolution, such that proposals for public conveniences as listed at resolution 1d (Totnes Civic Hall, Coronation Road and Steamer Quay), be finally considered following a further consultation exercise, with the results being reported to the Executive at its meeting on 7 February 2019.

E.52/18 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting but none were made.

E.53/18 PUBLIC QUESTION TIME

It was noted that the following public questions had been received in accordance with the Executive Procedure Rules, for consideration at this meeting:

1. Question received from Mrs Lesley Hughes:

'Ivybridge Neighbourhood Plan policy INP2 sought protections for development to the east of the river.

Glanvilles Mill owners are alarmed by this proposal so how does it meet the adopted Neighbourhood Plan policy without detrimental impact, and with no car parking strategy agreed what will be the longest stay?'

In response, Cllr Tucker asked that specific retailers were not referred to as that information was not in the public domain. He then responded that INP2 stated **no loss of capacity**. No capacity loss was planned as part of the proposal, only more intensive and more appropriate use – with a redesign of tariffs and use of other locations for long stay. Tariff design/fee structures had yet to be agreed, as these would need to be in consultation with community.

The principle of development only would need to be agreed here – parking changes will be determined at a later date if the proposal proceeds.

Mrs Hughes then asked a supplementary question in that if a discount foodstore looked at the situation in Ivybridge and saw that the car park was full, they may see that the proposal could jeopardise the town. How did Members think the proposal could work?

Cllr Tucker responded that more detail would come out when Agenda Item 14: 'Commercial Development Opportunities' was discussed (Minute E.62/18 below refers).

2. Question received from Cllr Elizabeth Silsbury:

'How are you able to justify building on a valuable town centre car parking area, which was already too small for the town's requirements, and wouldn't the proposal be detrimental and counterproductive to the investments that South Hams District Council has recently made to the Leisure Centre and Watermark facilities?'

In response, Cllr Tucker advised that the report set out the justification clearly. There was no intention to affect the sustainability of any Ivybridge facility. Footfall created by any proposed supermarket would provide potential users of the existing town centre facilities.

E.54/18 **COUNCIL TAX REDUCTION SCHEME**

A report was considered in line with the annual requirement for Councils to revisit their existing council tax support scheme and make a decision as to whether to replace or revise it.

The Lead Member for Customer First and Support Services introduced the report.

It was then:

RESOLVED

- (a) That the results to date of the Public Consultation for the Council Tax Reduction Scheme in section 4 of the report be noted; and
- (b) That the proposed approach (to adopt a 4 band scheme ranging from 85% to 25%) for the allocation and management of the new Council Tax Reduction Strategy be endorsed.

E.55/18 **BUSINESS RATES – SECTION 47 DISCRETIONARY RATES RELIEF POLICY**

The Executive considered a report that sought consideration and approval of a policy covering the ability of a Panel to consider and make Discretionary Awards of Relief against Non Domestic Rates demands, under section 47 of the Local Government Finance Act 1988.

The Deputy Leader introduced the report and, during the ensuing discussion, Members asked that a letter be written to the local MPs expressing disappointment that Rural Rate Relief was still only a mandatory 50% reduction.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council to approve the adoption of the Business Rates – Section 47 Discretionary Rates Relief Policy for the consideration and award of applications for Discretionary Rate Relief.

E.56/18 **CONSIDER THE CLEAN AIR STRATEGY FOLLOWING PUBLIC CONSULTATION**

Members considered a report that set out the Clean Air Strategy for South Hams and West Devon including proposed air quality action plans for Totnes, Ivybridge and Dean Prior.

In February 2018, the Council resolved to undertake a public consultation. The responses for Totnes area had highlighted that the community had additional ideas for improving air quality in the area that needed further exploration. There were significant concerns raised by Ivybridge Town Council and residents to the proposals, but no substantial alternative suggestions were brought forward.

The Lead Member for Customer First and Support Services introduced the report.

Members raised questions regarding the situation at Dean Prior, and the Senior Specialist Environmental Health advised that officers were working with Highways England but any solutions may impact on the strategic network.

In response to a question regarding the timeline for resolution of options regarding Totnes, the officer confirmed that it was hoped to have plans in place in time for the proposed adoption of the Joint Local Plan.

Finally, a Member queried the effectiveness of green travel vouchers and how they were assessed. In response, the officer advised that, under the Clean Air Strategy, it was proposed that the district council work with residents and any scheme coming forward would then be assessed by the district council.

It was then:

RECOMMENDED

That Council be **RECOMMENDED** that the Clean Air Strategy for South Hams and West Devon, including proposed air quality action plans for Ivybridge and Dean Prior, be adopted.

E.57/18 QUARTER 2 REVENUE BUDGET MONITORING 2018/2019

The Executive was presented with a report that enabled Members to monitor income and expenditure variations against the approved budget for 2018/19, and provided a forecast for the year end position.

The Deputy Leader introduced the report and responded to a number of queries.

It was then:

RESOLVED

That the forecast income and expenditure variations for the 2018/19 financial year and the overall projected overspend of £66,000 (0.7% of the total Budget £8.983 million) be endorsed.

E.58/18 CAPITAL PROGRAMME MONITORING

Members were presented with a report that advised them of progress on individual schemes within the approved capital programme, including an assessment of their financial position.

It was noted that the monitoring of the Capital Programme at Month 6 (end of September 2018) had not highlighted any significant areas of concern to report to Members and the anticipated level of expenditure was within the existing capital budget for each individual project.

The Deputy Leader introduced the report.

It was then:

RESOLVED

1. That the content of the report be noted; and
2. That Council be **RECOMMENDED** that £56,601 of the remaining 2017/18 capital programme contingency budget of £155,000 be approved to be allocated to the two capital projects set out in section 3 of the report as shown below:
 - Café, Cliff house Gardens, Salcombe £41,601
 - Air Handling Unit, Council Chamber £15,000

E.59/18 BUDGET PROPOSALS FOR 2019/20 ONWARDS UPDATE REPORT

Members were presented with a report that updated them on the forecasted budget gap for 2019/20 and set out the current options and timescales for closing the budget gap to achieve long term financial sustainability.

The Leader introduced the report. He expressed disappointment that only 15 Members had completed the online budget survey. The s151 Officer advised that an updated budget report would be circulated to Members in time for the joint Development Management and Overview and Scrutiny Panel meeting on 24 January 2019, following publication of the local government Finance Settlement expected later today.

It was then:

RESOLVED

- (i) That the forecast budget gap for 2019/20 of £0.391 million and the position for future years be noted;
- (ii) That the current options identified and timescales for closing the budget gap in 2019/20 and future years, to achieve long term financial sustainability be noted; and
- (iii) That a further budget update report be presented to the meeting on 24 January 2019 of the Joint Overview and Scrutiny Panel and the Development Management Committee for their views. (NB. this will include details of the Draft Finance Settlement).

E.60/18 RELEASE OF S106 FUNDS FOR OPEN SPACE, SPORT AND RECREATION AND ECOLOGICAL PROJECTS

Members were presented with a report that anticipated expenditure of funds already held by South Hams District Council, and those committed in s106 agreements yet to be triggered by development.

The report stated that approval would enable for a long term and comprehensive approach to be taken to projects and allow for Town and Parish Councils, community groups and other organisations to plan and phase projects and maximise chances to gain match funding from other sources.

The Lead Member for Customer First and Support Services presented the report and the Specialist Place Making responded to questions.

Members were advised of a minor correction in that Great Court Farm was showing as within Littlehempston and Marldon Ward when in fact it was situated in Berry Pomeroy parish but Totnes Ward. In addition, in relation to the restriction on pooling planning obligations, information had been received that government intended to lift this restriction, but changes to CIL regulations were awaited before the change could be applied.

It was then

RESOLVED

1. That the release or allocation of s106 funds for Open Space, Sport and Recreation projects (as set out in the presented agenda report) be approved;
2. That, where a project is identified, agreement of specific details be delegated to the relevant Specialist in consultation with the local Ward Member(s) and the Portfolio Holder for Customer First;
3. That, where an Open Space, Sport and Recreation Plan is proposed, agreement of details of specific projects within the plan be delegated to the relevant Specialist in consultation with the local Ward Members(s) and the Portfolio Holder for Customer First; and
4. That any substitution of alternative projects to those identified in Table 1 of the presented agenda report be delegated to the relevant Specialist in consultation with the local Ward Member(s) and Portfolio Holder for Customer First, subject to the alternative being in accordance with the s106 agreement and meeting pooling restrictions.

E.61/18

WRITE OFF REPORT

The Deputy Leader introduced a report that informed Members of the debt written off for revenue streams within the Revenue and Benefits service. Debts up to the value of £5,000 were written off by the s151 Officer under delegated authority. Permission was sought to write off individual debts with a value of more than £5,000.

During discussion, a Member requested that future reports include details of sums previously written off but subsequently collected.

It was then:

RESOLVED

1. That it be noted that, in accordance with Financial Regulations, the s151 Officer has authorised the write-off of individual South Hams District Council debts totalling £50,042.41 as detailed in Tables 1 and 2 of the presented agenda report; and
2. That the write off of individual debts in excess of £5,000 totalling £53,579.00, as detailed in Table 3 of the presented report, be approved.

E.62/18 COMMERCIAL DEVELOPMENT OPPORTUNITIES

Members were presented with a report that sought approval of eight projects that met the objectives of the Commercial Property Strategy as approved by full Council in September 2018 (Minute 30/18 refers).

Members had a full discussion on this report, and each of the development proposal areas was discussed in turn.

During discussion, the following points were raised:

- (a) The Leader advised that the proposals were designed to support the economy in the South Hams, and all but one of the proposals would need planning permission;
- (b) Some Members, whilst supportive of the projects in principle, raised concerns over the figures and projections contained within the presented agenda report and stated that the proposals should be subject to thorough scrutiny, and an exit strategy should be in place for each proposal. In response, the Head of Paid Service confirmed that Commercial Development was one of the areas that the Internal Auditors had been asked to include on their Audit workplan for the following year;
- (c) Members were generally supportive of the proposal in Kingsbridge;
- (d) Members were supportive of the proposal in Totnes;
- (e) Members supported the proposal for Sherford, and accepted that this was a longer term proposal;
- (f) Members discussed the proposal for Beesands, and were advised that the local parish council had withdrawn support for the scheme once it had been made clear that responsibility for the public conveniences would fall with the parish council.

The importance of public conveniences in a beach location was noted, and Members were supportive of the scheme, whilst accepting that further negotiation would need to take place with the parish council;

- (g) Members supported the proposal at Shadycombe Car Park in Salcombe;
- (h) Members had a lengthy debate on the proposal for Ivybridge. Local Ward Members had raised concerns over the potential loss of car parking, and these concerns had been echoed by the Town Council. Other Members accepted these concerns, but felt that the proposal would bring footfall into the town, which would be of benefit to the economy of the town as a whole. The Leader advised that he would propose deferral of this proposal pending further information. Members supported deferral, but in doing so noted that, if the proposal did not progress quickly, then there was a chance that the opportunity would be lost and the risk that an alternative location, away from the town centre, would be found. This would have an even more detrimental effect on the economy of Ivybridge. Finally, there was discussion around revisiting the car parking strategy to ensure that it supported Ivybridge effectively;
- (i) Members supported the proposal for the Salcombe Harbour Workshop at Batson, although the Chairman of the Harbour Board raised concerns over the annual rental costs;
- (j) Members supported the proposal for the employment units at Batson, Salcombe and a local Ward Member confirmed that there was significant interest locally in this proposal;
- (k) Members discussed the urgent item, Dartmouth Health and Wellbeing Hub, and were generally supportive of the proposal being progressed. Members also recognised the benefits not only to Dartmouth, but to the surrounding villages too.

It was then:

RESOLVED

- 1) a: That the following projects (capital investment of £14.25m as per Exempt Appendix H), including the granting of leases in excess of 15 years where applicable, subject to Recommendation 2 being approved by Full Council on 17th January 2019, be approved:
 - i. Kingsbridge, Rope Walk Resource Centre development;
 - ii. Totnes, Steamer Quay office development;
 - iii. Sherford, commercial land acquisition;
 - iv. Beesands, beach huts;

- v. Salcombe, Shadycombe Car Park capacity increase;
- vi. Workshop for Salcombe Harbour at Batson (subject to consultation with the Salcombe Harbour Board); and
- vii. Employment Units, Batson; and

1) b: That the Ivybridge, Leonard's Rd Car Park supermarket proposal be deferred to a meeting of the Executive in early 2019, with an update being provided to the meeting on 7 February 2019; and

1) c: That, in respect of the urgent item – Dartmouth Health and Wellbeing Hub, that the principle of the scheme as set out in the briefing note, which will be subject to a detailed business case being presented to Executive Members once full financial details are known, be approved and officers instructed to move to the next stage of the project so as to start design work.

[NOTE. that, in line with the Executive Procedure Rules, preventing Members of the Executive from voting on matters within their own ward, please note the following abstentions in relation to recommendation 1 a: above:

i) Cllrs Gilbert and Wingate abstained from this vote; and

v), vii) and viii) Cllr Wright abstained from these votes]

2) That Council be **RECOMMENDED** to finance the following sums as set out within the Appendices of this report, subject to project approval above in Recommendation 1:

- i. To fund the acquisition of 10 acres of employment land at Sherford from the Business Rates Retention Earmarked Reserve (as set out in Appendix C of the presented agenda report);
- ii. To allocate £500,000 from S106 funding from Land at Torhill farm, Godwell Lane, Ivybridge (27_57/1347/14/F) to fund the Ermington Employment Units (thereby freeing up £0.5m of capital receipts funding); and
- iii. To fund the £610,215 upfront borrowing costs during the construction period of the projects (as set out in Exempt Appendix H) from a combination of the Business Rates Retention Earmarked Reserve (£285,215) and the Business Rates Pilot gain for 2018/19 (£325,000).

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.55/18, E.56/18, E.58/18 (2), and E.62/18 (2) WHICH WERE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 17 JANUARY 2019, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY 24 DECEMBER 2018 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 10.00 am and concluded at 12.35 pm)

Chairman

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PUBLIC QUESTIONS AT EXECUTIVE MEETINGS

The Council at its meeting on 21 June 2001 agreed that 15 minutes should be set aside at the beginning of the Council's monthly Executive meetings to allow members of the public to ask questions.

Any member of the public who wants to raise a question at a meeting should:-

- (a) submit the question in writing to the Democratic Services Manager by 5.00 pm on the Monday prior to the Executive meeting. This will allow a detailed answer to the question to be given at the meeting. If advance notice of the question cannot be given, the Chairman of the meeting has the discretion to allow questions on matters which are felt to be urgent;
- (b) ensure that normally questions are no longer than 50 words in length;
- (c) ensure that the question does not relate to a specific planning matter (this is specifically excluded from the public question time);
- (d) ensure that the question relates to something over which the Council has some control and is suitable to be considered, ie, that it is not derogatory to the Council or relates to matters which the Council could consider confidential.

For any further advice on questions for Executive meetings, please contact Kathryn Trant (Member Services Manager).

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SOUTH HAMS DISTRICT COUNCIL: EXECUTIVE LEADER'S FORWARD PLAN

This is the Leader of Council's provisional forward plan for the four months starting January 2019. It provides an indicative date for matters to be considered by the Executive. Where possible, the Executive will keep to the dates shown in the plan. However, it may be necessary for some items to be rescheduled and other items added.

The forward plan is published to publicise consultation dates and enable dialogue between the Executive and all councillors, the public and other stakeholders. It will also assist the Council's Overview and Scrutiny Panel in planning their contribution to policy development and holding the Executive to account.

Local authorities are required to publish updated forward plans on a monthly basis. The Plan is published in hard copy and on the Council's website (www.southhams.gov.uk)

Members of the public are welcome to attend all meetings of the Executive, which are normally held at Follaton House, Totnes, and normally start at 10.00 am. If advance notice has been given, questions can be put to the Executive at the beginning of the meeting.

The Executive consists of six Councillors. Each has responsibility for a particular area of the Council's work.

Cllr John Tucker – Leader of the Council

Cllr Simon Wright – Deputy Leader

Cllr Keith Wingate – lead Executive Member for Business Development

Cllr Rufus Gilbert – lead Executive Member for Commercial Services

Cllr Hilary Bastone – lead Executive Member for Customer First

Cllr Nicky Hopwood – lead Executive Member for Customer First and Support Services

Further information on the workings of the Executive, including latest information on agenda items, can be obtained by contacting the Member Services Section on 01803 861185 or by e-mail to member.services@southhams.gov.uk

All items listed in this Forward Plan will be discussed in public at the relevant meeting, unless otherwise indicated

KEY DECISIONS TO BE TAKEN BY THE EXECUTIVE

Portfolio Area	Report Title and Summary	Lead Officer/ Member	Documents to be considered in making decision	Date of Decision	Consultees and means of Consultation
Leader	Title: Ivybridge Development Proposal Purpose of report: To consider & update on commercial property development proposals for Ivybridge following the last update on 13 December 2018	DA/ CBrook Leader	Report of Head of Assets Practice and Group Manager Business Development	14 March 2019	
OTHER DECISIONS					
Deputy Leader Page 16	Title: Revenue Budget Monitoring for 2018/19 (9 month position) Purpose of report: A revenue budget monitoring report to monitor income and expenditure variations against the approved revenue budget for 2018/19, and to provide a forecast of the year end position.	AWa/ Cllr Wright	Report of Senior Finance Specialist	7 Feb 2019	
Deputy Leader	Title: Capital Programme Budget Monitoring for 2018/19 (9 month position) Purpose of report: The report advises Members of the progress on individual schemes within the approved capital programme, including an assessment of their financial position.	AE/ Cllr Wright	Report of Capital Finance Specialist	7 Feb 2019	
Deputy Leader	Title: Revenue Budget Proposals 2019/20 Purpose of report: The report sets out the recommendations for the Revenue Budget for 2019/20 (including the council tax level for 19/20)	LB/ Cllr Wright	Report of Section 151 Officer	7 Feb 2019	Overview and Scrutiny Panel and Development Management Committee
Deputy Leader	Title: Capital Budget Proposals 2019/20 Purpose of report: The report sets out the recommendations for the Capital Programme Budget for 2019/20	LB / Cllr Wright	Report of Section 151 Officer	7 Feb 2019	Overview and Scrutiny Panel and Development Management Committee

Deputy Leader	Title: Q3 Write Off report Purpose of report: To update on Council debts written off by the S151 Officer (in accordance with Financial Regulations) and to seek approval to write off any debts in excess of £5,000	LB / Cllr Wright	Report of Section 151 Officer	7 Feb 2019	
Customer First	Title: Customer Satisfaction Purpose of report: To provide monthly update on Customer Satisfaction Action Plan.	NT/Cllr Bastone	Report of the Commissioning Manager	7 Feb 2019	
Leader of the Council	Title: Business Continuity Management Strategy and Work Programme Purpose: To recommend to Council the adoption of the Business Continuity Management Strategy and Work Programme	JK/Cllr Tucker	Report of the Senior Specialist Environmental Health and Draft Business Continuity Management Strategy and Work Programme	7 Feb 2019	
Customer First	Title: Coastal Concordat Purpose of report: To consider the Concordat agreed between SHDC and Marine Management Organisation in respect of planning matters below the mean low tide	TJ/ Cllr Bastone	Report of the Head of Place Making Practice Coastal Concordat	14 March 2019	
Commercial Services	Title: Lifeguard provision and Avon Estuary Enforcement Purpose of report: To consider arrangements for provision of lifeguard service and enforcement on the Avon Estuary	HD & CSS/ Cllr Gilbert	Report of Group Manager Commercial Services and Salcombe Harbour Master	14 March 2019	
Leader	Title: Draft Corporate Strategy Delivery Plans Purpose of report: To consider the draft delivery plans for each of the Corporate Strategy Themes (Homes, Communities, Enterprise, Environment, Wellbeing & Council)	NT/ Leader	Report of the Commissioning Manager Draft Strategy Delivery Plans	14 March 2019	
Assets	Title: Accommodation Strategy Purpose of report: To consider & agree in principle the future options for SHDC accommodation.	DA/ CBrook Leader	Report of the Head of Assets Practice & Group Manager Business Development	14 March 2019	

Portfolio Area	Report Title and Summary	Lead Officer/ Member	Documents to be considered in making decision	Date of Decision	Consultees and means of consultation
Commercial Services	Title: Public Conveniences Update Purpose of report: to update members on latest negotiations with Parish and Town Councils and to consider proposal from Salcombe Harbour Board in respect of all facilities in the Salcombe estuary.	CA/ Cllr Gilbert	Report of the Head of Environment Services Practice	07 Feb 2019	Town and Parish Councils and Salcombe Harbour Board – by email, telephone and meetings.
Commercial Services Page 18	Title: Partnership Board Terms of Reference for waste & cleansing Purpose of report: The report seeks approval of Terms of Reference for the Waste and Cleansing Contract Partnership Board (Consisting SHDC, WDBC and FCC Ltd)	HD/ Cllr Gilbert	Report of the Group Manager Commercial Services Draft Terms of Reference	07 Feb 2019	
Commercial Services	Title: Grounds maintenance service Purpose of report: To consider the future provision of a grounds maintenance service, and opportunities for income growth in respect of service area	HD & CA/ Cllr Gilbert	Report of Group Manager Commercial Services and Head of Environment Services Practice	14 March 2019	
Commercial Services	Title: Review of parking charges in place of PoE at public toilets (Tariff setting) Purpose of report: For Members to consider and agree revised parking charges where these have been requested in place of Pay on Entry at public toilets.	CA/ Cllr Gilbert	Report of Head of Environment Services Practice	07 Feb 2019	
Customer First	Title: Customer Satisfaction Purpose of report: To provide monthly update on Customer Satisfaction Action Plan.	NT/Cllr Bastone	Report of the Commissioning Manager	14 March 2019	

Commercial Services	Title: Procurement of Cleaning Services Purpose of report: To procure cleaning services through tender of a new contract	CA/Cllr Gilbert	Report of the Head of Environment Services Practice	14 March 2019	
Customer First & Support Services	Title: Employee Terms and Conditions Purpose of report: The report will consider high level options for reviewing Employee Terms and Conditions of employment	NH/ Cllr Hopwood	Report or the Support Services Specialist Manager	14 March 2019	Trade Unions via usual TU meetings
Leader	Title: JLP working arrangements after adoption Purpose of report: A report setting out the governance arrangements for the JLP following adoption	TJ/ RG Leader	Report of the CoP Lead Place Making Practice	TBC – pending adoption of the JLP	

**MINUTES OF THE JOINT MEETING OF THE
OVERVIEW & SCRUTINY PANEL AND THE DEVELOPMENT MANAGEMENT
COMMITTEE HELD AT FOLLATON HOUSE, TOTNES ON
THURSDAY, 24 JANUARY 2019**

Panel Members in attendance:			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr K J Baldry	*	Cllr P W Hitchins
∅	Cllr J P Birch	*	Cllr J M Hodgson
∅	Cllr J I G Blackler	*	Cllr T R Holway
*	Cllr I Bramble	*	Cllr D W May
*	Cllr J Brazil	*	Cllr J A Pearce
*	Cllr D Brown	*	Cllr J T Pennington
*	Cllr B F Cane	*	Cllr K Pringle
*	Cllr P K Cuthbert	*	Cllr R Rowe
*	Cllr R J Foss	*	Cllr M F Saltern (Chairman)
*	Cllr J P Green	*	Cllr P C Smerdon (Vice Chairman)
∅	Cllr J D Hawkins	*	Cllr R C Steer
∅	Cllr M J Hicks	∅	Cllr R J Vint

Other Members also in attendance:
Cllrs N A Hopwood, R J Tucker and S A E Wright

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Senior Leadership Team, Specialist Manager, Senior Specialist – Environmental Health and Senior Specialist – Democratic Services

OSDM.1/18 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting and these were recorded as follows:-

Cllrs D Brown and J P Green declared a Personal Interest in Item 7: 'Budget Proposals for 2019/20 Onwards Update' (Minute OSDM.4/18 below refers) specifically in relation to the funding recommendations to the South Devon Area of Outstanding Natural Beauty (AONB), by virtue of being the Council's two appointed representatives on the AONB Partnership Committee. Both Members remained in the meeting and took part in the debate and vote thereon;

Cllr P C Smerdon declared a Personal Interest in Item 7: 'Budget Proposals for 2019/20 Onwards Update' (Minute OSDM.4/18 below refers) specifically in relation to the funding recommendations to the South Hams Community and Voluntary Service (CVS) by virtue of being a Council appointed representative and trustee of the South Hams CVS. Cllr Smerdon proceeded to remain in the meeting and took part in the debate and vote thereon.

OSDM.2/18 DEVELOPMENT MANAGEMENT – PERFORMANCE UPDATE

The meeting considered a report that outlined present performance of the Development Management (DM) service, factors influencing performance and the measures that were planned to secure sustainable improvement.

The report was presented in light of the formal request of the Overview and Scrutiny Panel to consider a DM service performance review at this joint meeting.

In the ensuing discussion, reference was made to:-

- (a) the proposed fast track, paid for premium planning service. Whilst the need for the Council to be more commercially minded was recognised, some Members did express their unease over the proposal to offer a premium planning service. Despite receiving assurances to the contrary, these Members still felt that a two tier service could be to the detriment of the 'standard' service;
- (b) agreed time extensions. Members were of the view that, for those applications that had been granted an agreed time extension, the Council website should be updated accordingly with a revised target date also included;
- (c) the proposal to increase service capacity. In response to a Member asking whether one additional shared Development Management officer would be sufficient bearing in mind the workload, it was **PROPOSED** and **SECONDED** and when put to the vote declared **CARRIED** that:

'A further service capacity review be undertaken by the Overview and Scrutiny Panel six months after the additional Level 5 Specialist takes up their post.'
- (d) the national shortage of Development Management officers. In recognition of the national shortage, Members were very supportive of the approach being taken by the Council to upskill its officers in order to improve the resilience of the service;
- (e) environmental mitigation measures. Some Members welcomed the comments in the published agenda report whereby further work would be undertaken to determine how the monitoring of environmental mitigation measures could be effectively undertaken by the service.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council that:-

1. the actions being taken to secure improved performance within the Development Management Service be endorsed;
2. as part of the 2019/20 Budget Setting process, support be given to the addition of a Level 5 Specialist, at a cost of £29,000, within the Development Management service (to be funded through planning income); and
3. in the event of recommendation 2 (above) being approved, a further service capacity review be undertaken by the Overview and Scrutiny Panel six months after the additional Level 5 Specialist takes up their post.

OSDM.3/18 REVIEW OF FEES AND CHARGES 2018/19

The meeting considered a report that set out proposals for fees and charges for all services for 2019/20.

In discussion, reference was made to:-

- (a) site sponsorship charges. As an income generation opportunity to the Council, Members were of the view that there was scope to increase the promotion and awareness of the site sponsorship activity;
- (b) memorials charges. A Member felt that the ability to impose charges on items such as planters and picnic benches should be further explored;
- (c) boat storage charges. Since the agenda report highlighted that last year had seen the first increase of the boat storage charges since 2010, a Member questioned whether the fees should be increased further than was being proposed. In response, officers confirmed that the Harbour Master had been tasked with reviewing all aspects of the boat storage charges during the next financial year;
- (d) planning enforcement related fees and charges. A Member did not feel there was any reason to justify the proposal for those fees and charges related to planning enforcement to be retained at the 2018/19 levels. In response, officers informed that the fees had only been introduced in 2018/19 and, to date, take up had been very low and this trend would not be reversed if these charges were increased. Nonetheless, the Member retained his view and **PROPOSED** that:

'The planning enforcement related fees and charges for 2019/20 be increased in line with inflation.'

This proposal was not seconded and was therefore not subject to any debate;

- (e) zoo licensing charges. An additional recommendation was **PROPOSED** and **SECONDED** and when put to the vote declared **CARRIED** that:-

'Officers undertake a review into all aspects of fees and charges related to zoo licensing with these being reported back to the joint Budget Consultation meeting in January 2020.'

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council that:-

1. the proposed fees and charges set out for Parks, Open Spaces and Outdoor Sports (as outlined in Appendix A of the presented agenda report) be approved;
2. the proposed Environmental Health Charges (as outlined in Appendix B of the presented agenda report) be approved;
3. the proposed Fees and Charges for Development Management (as set out in Appendix C of the presented agenda report) be approved;
4. delegated authority be given to the Group Manager for Commercial Services, in consultation with the lead Executive Member, to set the Dartmouth Lower Ferry Fees to take account of market conditions, including competitor charges;
5. there are no changes to the Car Park Charges for 2019/20, except for where this has been agreed as an alternative to the implementation of Pay on Entry at public toilets (NB. a report will be presented to the Executive in this respect in due course);
6. the proposed changes to Boat Storage Charges (as set out in paragraph 3.7 of the presented agenda report) be approved;
7. officers undertake a review into all aspects of fees and charges related to zoo licensing, with these being reported back to the joint Budget Consultation meeting in January 2020.

OSDM.4/18 BUDGET PROPOSALS FOR 2019-20 ONWARDS UPDATE

Members considered a report that asked for consideration of the draft Budget proposals for 2019-20.

In introducing this agenda item, the Chairman highlighted the need for the Meeting to focus on making recommendations to the Executive on how the Council should close the projected Budget gap of £75,007.

In discussion, the following points were raised:-

- (a) A number of Members expressed their disappointment that only half of the total membership had completed the annual budget survey;
- (b) Officers informed that the future position over New Homes Bonus funding remained unknown and it was hoped that clarity would be obtained in September 2019;
- (c) With regard to the budget pressure titled: 'Car parking costs – collection fees', it was noted that officers regularly assessed the market and assurances were given that this would continue to be reviewed to ensure that the Council was obtaining the best value for money;
- (d) To ensure accurate calculations of the Council Tax Base, the meeting was informed that strategic planning officers had been tasked with estimating the number of new dwellings that would be included with the rating list each year for the next five years;
- (e) Officers confirmed that other alternative fund managers to the CCLA Property Fund had been explored. The CCLA Fund was the only such fund where the investment did not classify as 'Capital Expenditure' and also the CCLA Fund had a five year dispensation from the Government from the fair value movements affecting the Income and Expenditure Account. In light of this, CCLA was felt to remain the most appropriate investment for the Council;
- (f) The Chairman of the Drug and Alcohol Task and Finish Group confirmed that he respected the view of the majority of Members in the Budget Survey who did not support the cost pressure that had been identified by the Group during its review;
- (g) Further to the Council decision at its meeting on 27 September 2018 to defer decisions to reduce funding to the South Devon Area of Outstanding Natural Beauty and South Devon Council for Voluntary Service (CVS) (Minute 36/18(h) refers) as part of the wider 2019/20 Budget Setting process, a lengthy debate ensued.

The overriding view of the meeting was that, whilst a number of Members did not particularly like the recommendations to reduce funding to the two organisations, there was a recognition that such difficult decisions had to be taken in the context of the Council's significant Budget pressures;

(h) Officers agreed to include with the Executive agenda papers for the meeting to be held on 7 February 2019:

- Additional details on the one-off implementation costs for the Devon aligned service for waste; and
- The list of contributions to Earmarked Reserves for 2016/17, 2017/18, 2018/19 and 2019/20.

(i) Having been informed that views were being sought on options to close the £75,007 Budget Gap, the following motion was **PROPOSED** and **SECONDED**:-

'That the following measures be implemented to close the predicted 2019/20 Budget Gap of £75,007:

- *To reduce the contribution to the Planning Policy and Major Developments from £75,000 to £50,000;*
- *To remove the £7,000 allocated to the 'Communities Together Fund'; and*
- *To reduce the contribution to the Land and Development Reserve from £50,000 to £7,000 (with the £7 being incorporated within the roundings to the nearest £'000).*

In discussion, some apprehension was raised over the proposal whereby the contribution to the Land and Development Reserve should be so drastically reduced. In reply, assurances were given that the Council would still retain the ability to use Unearmarked Reserves if it was deemed necessary during the course of the year

When put to the vote, this proposal was declared **CARRIED**.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council that the joint meeting supports:-

1. the increase in Council Tax for 2019/20 of £5 (as outlined at paragraph 3.4 of the presented agenda report);
2. the financial pressures amounting to £1,354,700 (as shown in Appendix A of the presented agenda report);
3. the net contributions to/from Earmarked Reserves amounting to £782,300 (as shown in Appendix E of the presented agenda report);

4. the proposed savings of £1,060,226 for 2019/20 (as shown in Appendix A of the presented agenda report);
5. the proposed use of £500,000 of New Homes Bonus funding to balance the 2019/20 Revenue Budget (as shown in Appendix E of the presented agenda report); and
6. the following measures being implemented to close the predicted 2019/20 Budget Gap of £75,007:
 - reduce the contribution to the Planning Policy and Major Developments from £75,000 to £50,000;
 - remove the £7,000 allocated to the 'Communities Together Fund'; and
 - reduce the contribution to the Land and Development Reserve from £50,000 to £7,000.

OSDM.5/18 **CAPITAL BUDGET PROPOSALS FOR 2019/20**

Members considered a report that set out the Capital Bids to the 2019/20 Capital Programme that totalled £15,291,000 and outlined a suggested way that these Bids could be funded.

In discussion, reference was made to:-

- (a) play parks – replacement of play equipment. Some concerns were raised over the unfairness of some town and parish councils replacing their own play equipment whilst others were being paid for by the District Council. In reply, it was noted that the different approach was due to which local authority owned each play park. In seeking additional information, it was agreed that an update on the last round of play park asset transfer discussions with town and parish councils would be circulated to all Members;
- (b) the 'Private Sector Renewals (including Disabled Facilities Grants)' description. A Member questioned the extent of Private Sector Renewals related work that the Council actually carried out and was therefore of the view that this description should be revised to read: 'Disabled Facilities Grants'. In response, the Section 151 Officer would ensure that more details were included on this matter in the published Executive agenda report.
- (c) an alternative 2019/20 Budget. The Leader gave a commitment that, provided that it was received sufficiently in advance of the Council Budget meeting on 21 February 2019, he would ensure that any alternative 2019/20 Budget proposals that were submitted would be fully debated.

It was then:

RECOMMENDED

That the Joint Meeting **RECOMMEND** that the Executive **RECOMMEND** to Council that:-

1. the content of the Capital Programme Proposals for 2019/20 that totals £1,290,000 (as set out in Appendix A of the presented agenda report) be supported;
2. the content of the Capital Programme Proposals for 2019/20 that totals £14,001,000 (as set out in exempt Appendix B of the presented agenda report) be supported; and
3. the proposed financing of the 2019/20 Capital Programme of £15,291,000 from the funding sources (as set out in Section 4 of the presented agenda report) be supported.

(Meeting started at 10.00 am and concluded at 12.05 pm)

Chairman

**MINUTES OF THE MEETING OF THE
OVERVIEW & SCRUTINY PANEL
HELD AT FOLLATON HOUSE, TOTNES ON
THURSDAY, 24 JANUARY 2019**

Panel Members in attendance:			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr K J Baldry	∅	Cllr M J Hicks
∅	Cllr J P Birch	*	Cllr D W May
∅	Cllr J I G Blackler	*	Cllr J T Pennington
*	Cllr B F Cane	*	Cllr K Pringle
*	Cllr J P Green	*	Cllr M F Saltern (Chairman)
∅	Cllr J D Hawkins	*	Cllr P C Smerdon (Vice Chairman)

Other Members also in attendance:
Cllrs I Bramble, T R Holway, N A Hopwood, J A Pearce, R Rowe, R C Steer, R J Tucker and S A E Wright

Item No	Minute Ref No below refers	Officers in attendance and participating
All		Group Manager – Commercial Services; and Senior Specialist – Democratic Services
7	O&S.76/18	Head of Human Resources Practice
8	O&S.77/18	Head of Environment Services and Senior Specialist (Car Parks)
9	O&S.78/18	Community Safety Specialist and South Devon and Dartmoor Community Safety Partnership Chair
10	O&S.79/18	Community Safety Specialist
11	O&S.80/18	Group Manager – Customer First and Support Services and Head of Place Making Practice
12	O&S.81/18	Monitoring Officer
13	O&S.82/18	Group Manager – Customer First and Support Services
14	O&S.83/13	Specialist – Performance & Intelligence

O&S.73/18 MINUTES

The minutes of the meeting of the Overview and Scrutiny Panel held on 12 December 2018 were confirmed as a correct record and signed by the Chairman.

O&S.74/18 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting. These were recorded as follows:-

Cllr M F Saltern declared a Disclosable Pecuniary Interest in Item 9: 'Community Safety Partnership Annual Report' (Minute O&S.78/18 below refers) by virtue of being an advisor to the Devon & Cornwall Police and Crime Commissioner and left the meeting during consideration of this agenda item.

O&S.75/18 PUBLIC FORUM

In accordance with the Public Forum Procedure Rules, the Chairman informed that there were no questions that had been received for consideration during this agenda item.

O&S.76/18 EXECUTIVE FORWARD PLAN

The Panel was presented with the most recently published Executive Forward Plan.

(a) Employee Terms and Conditions

In accordance with the Overview and Scrutiny Procedure Rules, the Chairman advised that a Member had given notice of his wish to raise issues in connection to the 'Employee Terms and Conditions' agenda item that was scheduled to be considered by the Executive at its meeting on 14 March 2019.

The Member proceeded to ask how those members of staff who were not a member of a Trade Union were consulted with during any consultation exercise into the Employee Terms and Conditions.

In response, the Head of Human Resources Practice informed that the Council was ultimately required to reach an agreement with its Trade Unions. However, copies of all relevant consultation documents were circulated to all staff and their views were taken into account before any final agreement was reached.

(b) Public Conveniences Update

The Leader of the Council confirmed that it was intended that agenda items relating to the Public Conveniences project would be considered by the Executive at its meetings to be held on both 7 February 2019 and 14 March 2019.

O&S.77/18 CAR PARKING PAY AND DISPLAY MACHINES – METRIC GROUP REPRESENTATIVES

Officers informed that Metric Group representatives had declined the invitation to attend this meeting and had submitted a status report instead.

In so doing, the status report advised that '*Metric were committed to improvement and had demonstrated tangible improvement since the issue was escalated. In addition, whilst this improvement plan was being implemented, South Hams was benefiting with zero service cost.*'

During discussion, the following points were raised:-

- (a) Officers advised that they still retained a number of frustrations over the current working relationship with the Metric Group. In addition, officers had also recently been made aware that there was a rival company in the market and that most neighbouring local authorities had begun to move their service away from the Metric Group and were increasingly using the rival organisation.

In light of these comments, a motion was **PROPOSED** and **SECONDED** as follows:-

*'That the Executive **RECOMMEND** to Council that officers consider, as a matter of urgency, the appointment of a new company to provide and maintain the Council's Car Parking Pay and Display Machines, with a progress report being presented to the Overview and Scrutiny Panel at its meeting on 13 June 2019.'*

When put to the vote, the motion was declared **CARRIED**. Following this recommendation, Members requested that town and parish council clerks be notified of this general direction of travel;

- (b) When questioned, officers confirmed that one of the longest machine fix times had been at North Sands, Salcombe during the peak summer season and Members noted that this had resulted in a significant loss of income to the Council.

In conclusion, the Chairman summarised the frustrations of the Panel and stated that the existing arrangements had led to a general inadequacy of service. It was therefore hoped that the Panel's recommendation would begin the process of reversing this trend.

It was then:

RECOMMENDED

That the Executive **RECOMMEND** to Council that officers consider, as a matter of urgency, the appointment of a new company to provide and maintain the Council's Car Parking Pay and Display Machines, with a progress report being presented to the Overview and Scrutiny Panel at its meeting on 13 June 2019.

O&S.78/18 COMMUNITY SAFETY PARTNERSHIP ANNUAL REPORT

Consideration was given to a report that provided Members with the opportunity to scrutinise the work of the Community Safety Partnership (CSP) as defined by Sections 19 and 20 of the Police and Justice Act 2006 and the Crime and Disorder (Overview and Scrutiny) Regulations 2009.

In their introductions, the representatives gave particular emphasis to the following key achievements:-

- The development of extremely positive relationships with secondary schools in the South Hams, Teignbridge and West Devon areas;
- The facilitation and delivery of 'Gemma's Wardrobe' (a theatre style education package to Year 9 students in 10 secondary schools across South Devon that focused on issues related to drugs, alcohol and exploitation); and
- The successful joint application to the Home Office for £528,000 funding to address Youth Gang Culture across the South Hams, Teignbridge and Torbay areas.

During the ensuing debate, reference was made to:-

- (a) the £528,000 Home Office funding. Since the funding had to be spent before March 2020, the Panel noted that this was a key current area of focus for the Partnership. It was intended that these Funds would be spent on initiatives that included: recruiting specialist resources around the violence prevention agenda; the development of parenting support groups; and youth outreach work;
- (b) the South Devon and Dartmoor CSP. In thanking the representatives, Members were of the view that the CSP was a very effective Partnership that was making a real difference in the South Hams, Teignbridge and West Devon areas;
- (c) reporting incidents to the Police. The Council's appointed CSP representative emphasised the importance of any potentially untoward incidents being reported via the online form on the Police website;
- (d) the Annual CSP Forum Event. Prior to finalising the arrangements for the Event in May 2019, it was requested that the representatives discuss potential dates with Democratic Services Officers to ensure that there was not a clash of dates with the Member Induction Programme.

It was then:

RESOLVED

That the contents of the report be supported and the comments expressed in the recorded minutes (above) be taken forward.

O&S.79/18 SAFEGUARDING UPDATE

The Panel considered a report that provided Members with the opportunity to scrutinise and review Safeguarding practices and procedures following recommendations from Internal Audit that the Safeguarding agenda should be highlighted as a standalone topic due to its complexity.

In the ensuing discussion, the following points were raised:-

(a) It was agreed that the following areas should be included in the next safeguarding update report to the Panel:

- a summary of the number of cases;
- the types of cases;
- any trend analysis; and
- identified areas of particular risk.

(b) The Panel requested that a copy of both the recent Internal Audit report into the Council's safeguarding practices and procedures and the latest version of the Corporate Safeguarding Policy should be circulated to all Members.

It was then:

RESOLVED

1. That safeguarding be reviewed by the Panel as an annual standing agenda item;
2. That the following items also be included in the next safeguarding update report:
 - a summary of the number of cases;
 - the types of cases;
 - any trend analysis; and
 - identified areas of particular risk;
3. That Members be sighted on how to meet our safeguarding duties; the measures in place and the associated risks;
4. That Members support Safeguarding Briefings for new and returning Members after the May 2019 local elections; and
5. That Members support a Safeguarding Policy Review in 2019/20.

O&S.80/18 PROCESS FOR SPENDING SECTION 106 FUNDING FOR AFFORDABLE HOUSING

The Panel considered a report that provided Members with a review of the process for spending funds raised through Section 106 Agreements.

The report was presented in light of some concerns being expressed by Members at the Executive meeting held on 14 June 2018 over the process that enabled for monies that had been received for a development in one town/parish to be spent elsewhere in the South Hams. As a consequence, the Executive had resolved (Minute E.04/18 refers):

'That the Overview and Scrutiny Panel be asked to undertake a review into the process for Spending Section 106 Deposits for Affordable Housing.'

In the ensuing discussion, the overriding view was that the process had to be as flexible as was practically possible and it was therefore **PROPOSED** and **SECONDED** as follows:-

*'That the Panel is content with the current process for spending Section 106 Affordable Housing monies and therefore **RECOMMENDS** to the Executive that the current process is retained.'*

The majority of Members were supportive of retention of the status quo and, when put to the vote, this recommendation was therefore declared **CARRIED**.

It was then:

RESOLVED

That the Panel is content with the current process for spending Section 106 Affordable Housing monies and therefore **RECOMMENDS** to the Executive that the current process is retained.

O&S.81/18 **REVIEW OF PROCEDURE FOR DEALING WITH STANDARDS COMPLAINTS**

The Panel considered a report that presented a review into the Council's 'Dealing with Standards Complaints' procedure. The report noted that the procedure set out how the Council dealt with complaints that District Councillors and Parish/Town Councillors had broken their respective Members' Code of Conduct.

In discussion, the following points were raised:-

- (a) The Panel was of the view that any new procedures should formally take effect following the May 2019 local elections. Furthermore, the need to arrange Code of Conduct training for town and parish councillors following the local elections was also recognised;
- (b) Whilst the new procedures were welcomed, some Members felt that, without any meaningful sanctions, the process lacked credibility. In accepting the point, the Chairman advised that ongoing representations to this effect were being made to Central Government;

- (c) As a general point, the lead Executive Member was of the view that the Council's legal service was far too accessible to town and parish councils. In most instances, it was felt that town and parish councils should in fact be contacting the Devon Association of Local Councils (and not the District Council) for advice.

It was then:

RESOLVED

That the Council be **RECOMMENDED** that, with effect from May 2019:

1. the revised 'Dealing with Standards Complaints' procedure (as attached at Appendix A of the presented agenda report) be adopted; and
2. the review of the associated Hearing procedure be delegated to the Monitoring Officer, in consultation with the Chairman of the Overview and Scrutiny Panel.

O&S.82/18 **CORPORATE STRATEGY**

The Panel considered a report that detailed progress made to date in developing key performance indicators. The report also recommended next steps to improving the reporting of the Corporate Strategy.

In discussion, there was widespread support for the proposed way forward. Members recognised the need for the new Council (post May 2019) to inherit a Strategy, but also welcomed the assurances that they would still be given the opportunity to shape and review the themes once the new Council had been established.

With regard to the Peer Review report, the Head of Paid Service informed that she hoped that it would be published on Friday, 25 January 2019.

It was then:

RESOLVED

That the Executive be **RECOMMENDED** to endorse the proposed actions (as detailed in Section 5 of the presented agenda report).

O&S.83/18 **Q3 2018/19 PERFORMANCE REPORT**

A report was considered that presented the performance measures for Quarter 3 in 2018/19.

During discussion, reference was made to:-

- (a) SH-P4 'Major on target without extension of time'. In light of some confusion over the presentation of this indicator, it was agreed that greater detail and explanation should be included in future performance reports for this measure;
- (b) call volume numbers. Whilst the reduction in call volume numbers was welcomed and was consistent with the views of the Peer Review Team whereby the Council should reduce its number of communication channels, a Member felt that it would be beneficial to develop a performance indicator that related to Channel Shift. Such was the actual costs to the Council that were associated with face to face and telephone contact that the Panel requested that the promotion and emphasis given to Channel Shift should be revisited.

It was then:

RESOLVED

That the performance levels against target communicated in the Balanced Scorecard and the performance figures supplied in the Background and the Exception report be noted and the comments expressed in the recorded minutes (above) be taken forward.

O&S.84/18 TASK AND FINISH GROUP UPDATES

Since there were no active Task and Finish Groups at this time, there were no updates given to this Panel meeting.

O&S.85/18 ACTIONS ARISING / DECISIONS LOG

The contents of the latest version of the Log was presented for consideration and were subsequently noted without any further comment or amendment.

O&S.86/18 DRAFT ANNUAL WORK PROGRAMME

The Panel noted the contents of its latest Annual Work Programme and requested that the Peer Review Action Plan be scheduled for consideration by the Panel at its 28 March 2019 meeting.

(Meeting started at 2.00 pm and concluded at 3.50 pm)

Chairman

Report to: **Executive**

Date: **07 February 2019**

Title: **Quarter 3 Revenue Budget Monitoring
2018/2019**

Portfolio Area: **Support Services – Cllr S Wright**

Wards Affected: **All**

Relevant Scrutiny Committee: **Overview and Scrutiny Panel**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Alex Walker** Role: **Finance Business Partner**

Contact: **Tel. 01803 861345**
E-mail: alexandra.walker@swdevon.gov.uk

Recommendations:

That the Executive resolves to:-

- i) Endorse the forecast income and expenditure variations for the 2018/19 financial year and the overall projected overspend of £62,000 (0.7% of the total Budget £8.983 million).
- ii) Recommend to Council to transfer the underspend on Homelessness Prevention into the Homelessness Earmarked Reserve at the end of the 2018/19 financial year (this is currently expected to be £30,000).

1. Executive summary

1.1 This report enables Members to monitor income and expenditure variations against the approved budget for 2018/19, and provides a forecast for the year end position.

1.2 The gross service expenditure budget for 2018/19 was set at £43 million (£8.983 million net). **Actual net revenue expenditure is forecast to be over budget by £62,000 when compared against the total budget set for 2018/19.**

2. Background

2.1 The Council's financial procedure rules require that reports must be made on budget monitoring on a regular basis to the Executive as part of the Council's arrangements for budget management.

3. Outcomes/outputs

3.1 Budget overview

Table 1 below provides an analysis of the projected variances against budget.

TABLE 1: 2018/19 BUDGET FORECAST

	2018/19 Budget expenditure /(income)	Budget variations		£000	Note
	£000	%	£000		
APPROVED BUDGET				8,983	
Reductions in expenditure/additional income					
Customer First					
Planning income	(849)	(16.5%)	(140)		A
Homelessness prevention costs	93	(32.3%)	(30)		B
Commercial Services					
Car Parking income	(3,026)	(3.3%)	(100)		C
Trade Waste income	(814)	(1.8%)	(15)		D
Dartmouth Ferry income	(807)	(3.7%)	(30)		E
Support Services					
Insurance premium	382	(2.6%)	(10)		F
Trading opportunities income (e.g. HR and Support Services)	-	-	(20)		G
Strategy & Commissioning					
Senior Leadership Team – Interim Arrangements	195	(17.4%)	(34)		H
Electoral Registration	138	(10.9%)	(15)		I
Financing and Investment					
Investment income	(123)	(56.9%)	(70)		J
Sub total of variations				(464)	
Increases in expenditure/reductions in income					
Customer First					
Follaton House income	(309)	12.9%	40		K
Housing Benefit overpayment recoveries	(245)	10.2%	25		L
Salaries	3,730	0.5%	20		M

Commercial Services					
Car Parking payment collection expenses	22	136.4%	30		N
Public Conveniences – pay on entry income & contributions	(26)	100.0%	26		O
Recycling Services – blue and clear bag processing	131	57.2%	75		P
Haulage costs - new contract	324	18.5%	60		Q
Recycling income	(645)	7.0%	45		R
Beach & Water safety	40	75.0%	30		S
Salaries	4,880	0.4%	20		T
Support Services					
ICT Costs – support contracts	391	19.2%	75		U
Legal Community of Practice	171	11.7%	20		V
Strategy & Commissioning					
Corporate Management expenses	49	61.2%	30		W
Sub total of variations				496	
Transfers to/from Earmarked Reserves					
Homelessness Prevention Earmarked Reserve	N/A		30	30	B
PROJECTED OUTTURN				9,045	
PROJECTED OVERSPEND				62	

Notes

- A. **Planning income** – income from planning applications is anticipated to be above target by £140,000 (16.5%) on an income budget of £849,000.
- B. **Homelessness Prevention** – The underspend on homelessness prevention costs (expected to be £30,000) is requested to be set aside in the Homelessness Earmarked Reserve to support the ongoing costs of implementing the homelessness prevention strategy 2017-2021.
- C. **Car Parking income** – income levels have been better than anticipated due to an exceptional summer resulting in a projection of additional income of £100,000 (3.3%).
- D. **Trade Waste income** – additional income of £15,000 (1.8%) is anticipated from the sale of recycling sacks and bin rentals.
- E. **Dartmouth Ferry income** – income from the Dartmouth Ferry is projected to be above target by £30,000 (3.7%) on an income budget of £807,000.

- F. **Insurance premium** – an underspend of approximately £10,000 is expected on the insurance budget (in addition to the budget reduction applied in the 2018/19 base budget of £77,000) following the procurement of the new contract.
- G. **Support Services trading income (e.g. HR and Support Services)** – support Services have developed a number of small scale trading opportunities by way of providing support to other Councils' Transformation Programmes. There is expected to be an income surplus from this of approximately £20,000.
- H. **Senior Leadership Team** – following the approval of the Senior Leadership Team interim arrangements by Council in December 2017, a saving of £34,000 (SHDC's share) is anticipated in 2018/19.
- I. **Electoral Registration** – salary savings of around £15,000 are anticipated in 2018/19.
- J. **Investment income** – investment income is anticipated to be above target by £70,000 (56.9%). Additional income is expected due to a number of factors; the recent investment with the CCLA (£30,000), higher than anticipated interest rates, and improved use of fixed term deals with the banks currently on the Council's counterparty list. The Council widened its Counterparty list in the Treasury Management strategy for 2018/19 after taking into account credit rating criteria. This has allowed the Council to make investments with a larger number of banks and building societies.
- K. **Follaton House** – It is anticipated that there will be a shortfall in letting income and room hire income for Follaton House. This is likely to be in the region of £40,000 against the income target of £322,000. Rent free periods have now ceased and on review it would appear that the income target is not fully achievable in 2018/19. The space above the Council Chamber is likely to be partially let in early February and may be fully let shortly after. There is also some space available in the Old House and the Cottage. If tenants were secured for that space, the building would effectively be fully let.
- L. **Housing Benefit recovery of overpayments** – £40,000 additional income was built into the 2018/19 budget. The actual income from the recovery of overpayments is anticipated to be below target by approximately £25,000 (10.2%).
- M. **Customer First salaries** – additional salary costs of £20,000 (0.5%) are anticipated in 2018/19. This is mainly due to more expensive temporary appointments to cover vacancies.
- N. **Car parking payment collection expenses** – A pressure of £30,000 is anticipated in respect of RingGo payment collection expenses. This is offset by additional income anticipated in 'N' above.

- O. **Public Conveniences** – A shortfall on pay on entry income of £16,000 and café contributions of £10,000 is expected. The public toilet project was delayed whilst legal details on all facility ownership and lease arrangements (including covenants) were researched and collated. At the time of writing an update is scheduled to be presented to the Executive on this agenda, further to the report to the Executive on 22nd November 2018.
- P. **Blue and clear bag processing (safe working practice requirement at Torr Quarry)** – A cost pressure of £75,000 has been identified for this.

Following a change to safe staff working practices and the need for an updated safe operating procedure in respect of fire within the caged area of the depot at Torr Quarry, it was necessary to change the location and handling process for the blue and clear bags at the beginning of the financial year.

This has allowed our recycling scheme to continue on our existing depot footprint, but has increased operating costs in relation to clear and blue bags. These costs are mainly in relation to the need to move recycling more frequently, to allow safe working space for staff in the transfer station.

Whilst this has increased cost, it has allowed the Council to continue to recycle, which is a key objective of the Council. Due to type of recycling scheme we currently employ, our recycling reprocessors have capped our recycling at various points. In order to find short term reprocessors willing to take our material, costs have been raised for short periods.

- Q. **Haulage costs** – A cost pressure of £60,000 has been identified. As per the Executive report on 14 June 2018 this is primarily inflation since the contract was last awarded in 2015. This reflects national trends on haulage.
- R. **Recycling income** – A shortfall in income of £45,000 is anticipated from the recycling of materials and paper due to a fall in market prices.
- S. **Beach & water safety** – Not all of the proposed changes in respect of the RNLI contract were able to be implemented in time for 2018/19 due to a change in staffing roles. This has been partly offset by other savings. A report will be presented to the Executive in March 2019.
- T. **Commercial Services salaries** – additional salary costs of £20,000 (0.4%) are anticipated for 2018/19 due to more expensive agency appointments to cover vacancies and sickness.
- U. **ICT support contract costs** – There are additional recurring costs in respect of ICT support contracts of approximately £75,000. The

ICT budget was set assuming that the Civica solutions introduced by the T18 Transformation Programme would perform as required. In practice, additional solutions were procured in order to maintain services where using the Civica solution was not practical. Purchase of the following systems, which were previously unbudgeted for, was required:

- Northgate Land Charges
- Clear Core Clear Core (enables single customer record)
- IEG4 Revenues and Benefits to facilitate "My Account" for customers
- Northgate Gazeteer – address database
- IEG4 software – automatic processing of changes of circumstances for revenues

V. **Legal Community of Practice** – additional salary costs of £20,000 are anticipated for 2018/19. This is mainly due to the increased demand in Assets work and more expensive temporary agency appointments to cover sickness absence, backfill for a secondment and cover for the Senior Legal Specialist vacancy.

W. **Corporate Management expenses** – the budget for bank processing fees and internet/card processing fees is anticipated to be exceeded by £24,000 in 2018/19. This budget has not been reviewed for a number of years to reflect the changes in methods of payment. However, the credit card contract is currently being re-negotiated so it is anticipated that these costs will reduce in 2019/20. In addition, there is a small cost pressure for strategic pension and actuarial advice of £6,000.

Savings/Additional Income identified in the 2018/19 Budget

3.2 This monitoring report includes an update on the position regarding the savings and additional income that were identified in the 2018/19 budget setting process. Please see Appendix B for further information.

4. Review of Earmarked Reserves

4.1 The Council annually undertakes a review of the level of its Earmarked Reserves as part of the budget setting process. A schedule of Earmarked Reserves is attached at Appendix A with their proposed use.

5. Prudential Indicators

5.1 The prudential code indicators were approved in the Treasury Management Strategy report to the Executive on 15 March 2018. The indicators are monitored during the year through the normal revenue and capital monitoring processes. Any exceptions are reported to the Executive together with any remedial action or revision required. To date all Treasury Management limits have been adhered to.

6. Income and Reserves

Income monitoring is an integral part of financial management. Current income forecasts are as follows:

Service	Actual Income 2017/18 £'000	Income Budget 2018/19 £'000	Projected Income 2018/19 £'000	Deficit/ (Surplus) £'000	Deficit/ (Surplus) %
Car Parks	2,918	3,026	3,126	(100)	(3.3%)
Dartmouth Ferry	841	807	837	(30)	(3.7%)
Employment Estates *	1,340	762	762	-	-
Licensing	242	230	230	-	-
Planning Applications	987	849	989	(140)	(16.5%)
Land Charges	178	170	170	-	-
Recycling	701	645	600	45	7.0%
TOTAL	7,207	6,489	6,714	(225)	(3.5%)

*Employment Estates income in 2017/18 included rent for Lee Mill, Ivybridge reclassified as an investment property in 2018/19.

7. Proposed Way Forward – Management Actions

7.1 The table below sets out the relevant management actions for the revenue expenditure and income variations shown above. It is best practice for the Council to state whether there are any corrective actions that need to be taken for the variances identified in 2018/19.

	Budget variations overspend/ (underspend) £000	Management Action
Reductions in expenditure/additional income		
Planning income	(140)	This will be kept under review during 2018/19. £40,000 additional income has been built into the 2019/20 budget proposals.
Homelessness prevention costs	(30)	Recommended to be put into an earmarked reserve.
Car parking income	(100)	This will be kept under review during 2018/19.
Trade waste income	(15)	This will be kept under review during 2018/19.
Dartmouth Ferry income	(30)	This will be kept under review during 2018/19.
Insurance premium	(10)	This will be kept under review during 2018/19. Elements of the specialist insurance contract e.g. Marine will be renegotiated for 2019/20 and therefore no change is recommended to the budget at this stage.
Trading opportunities income	(20)	The Council will continue to develop future income generation opportunities. An income target of £20,000 for Corporate Consultancy has been built into the 2019/20 budget proposals.
Senior Leadership Team – Interim Arrangements	(34)	During 2019/20 the Council will be reviewing its senior leadership team structure across both Councils and presenting options to Members for a decision within the first six months of the new Council. The saving of £34,000 has been built into the 2019/20 budget proposals.
Electoral Registration	(15)	This is a one off saving in 2018/19.

	Budget variations overspend/ (underspend) £000	Management Action
Investment income	(70)	This will be kept under review during 2018/19. £60,000 additional income has been modelled into the 2019/20 budget proposals for the CCLA investment.
Follaton House rental and room hire income	40	This will be kept under review during 2018/19.
Housing Benefit recovery of overpayments	25	This will be kept under review during 2018/19.
Customer First salaries	20	This will be kept under review during 2018/19.
Car parking payment collection expenses	30	A cost pressure of £25,000 has been built into the 2019/20 budget.
Public Conveniences – pay on entry income	26	This is a one off pressure in 2018/19. An update on the public toilet project is scheduled to be presented to the Executive on 7 th February 2019.
Blue and clear bag processing	75	£75,000 has been built into the 19/20 budget as a cost pressure. This will be minimised during the year if all possible by continuing to try to source more local processing options for dry recycling. These current cost pressures have been considered as part of the ongoing procurement process and will be mitigated through the introduction of the Devon aligned recycling service in 2020.
Haulage costs	60	£60,000 has been built into the 2019/20 budget as a cost pressure. Costs are expected to increase and the Council is currently in negotiation with third parties regarding this.
Recycling income	45	This will be kept under review during 2018/19.
Beach & water safety	30	This is currently under review. A report will be presented to the Executive in March 2019.
Commercial Services salaries	20	This will be kept under review during 2018/19.
ICT costs	75	£50,000 has been built into the 2019/20 budget as a cost pressure.

	Budget variations overspend/ (underspend) £000	Management Action
Legal Community of Practice	20	This is a one off pressure in 2018/19.
Corporate Management expenses	30	This will be kept under review during 2018/19 and will be mitigated in the future by the re-negotiation of the credit card contract.

8. Issues that may impact on the budget monitoring position in the next month/Risks

The budget monitoring position assumes that collection rates will remain at previous levels.

9. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Statutory Powers that apply to this report are the Local Government Act 1972 Section 151 and the Local Government Act 2003 Section 28.
Financial	Y	<p>The report identifies an overall overspend of £62,000 which is 0.7% of the overall budget set for 2018/19 of £8.983million. This is a slightly improved position from quarter two where an overspend of £66,000 was reported.</p> <p>It is recommended to Council to transfer £30,000 to the Homelessness Earmarked Reserve. Annually transfers are made from Earmarked Reserves to the Comprehensive Income and Expenditure Account as part of the closure of the end of year Accounts.</p> <p>As the accounting entries can be identified at an early stage, a recommendation is made to Council to agree the accounting entries in 2018/19. Only Council can approve the use of Earmarked Reserves.</p>
Risk	Y	1) Budget variances - continual budget monitoring at all levels within the Council ensures early identification of variances.

		Reporting to the Executive provides an opportunity for Members to identify and instigate remedial action where appropriate.
		2) Resource Planning – the Executive takes into account any significant issues when developing the Council’s Medium Term Financial Strategy.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendix A – Schedule of Reserves (Earmarked Reserves and Unearmarked Reserves).

Appendix B – Savings/Additional income schedule

Background Papers:

Finance Community of Practice budget monitoring working papers.
Executive 13 December 2018 - Medium Term Financial Position for the five year period 2019/20 onwards.

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A

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RESERVES - PROJECTED BALANCES (EXCLUDES SALCOMBE HARBOUR)						APPENDIX A
	Cost Centre	Opening balance 01.04.2018 £000s	Additions to Reserve 2018/19 £000s	Predicted Spend 2018/19 £000s	Projected balance 31.03.2019 £000s	Comments
EARMARKED RESERVES						
Specific Reserves - General Fund						
Capital Programme	S0820	(791)	(182)	937	(36)	Transfer to R & M Reserve £50k, 16/17 Capital Programme £139k, 17/18 Capital Programme £392k, Kingsbridge Quay Master Plan Stage 2a £30k, 18/19 Capital Programme £326k
Revenue Grants	S0821	(372)	(60)	83	(349)	Comprises of grants with no repayment conditions - created as a result of International Financial Reporting Standards (IFRS)
Affordable Housing	S0822	(998)	0	920	(78)	Funding of Capital Programme Commitments
Renovation Grant Reserve	S0823	(7)	0	0	(7)	Comprises proceeds from repayments
New Homes Bonus	S0804	(869)	(1,109)	1,974	(4)	Commitments as per 18/19 budget report approved at Council on 22/2/18
Community Parks and Open Spaces	S0826	(111)	(17)	17	(111)	Replacement of outdoor bowls carpet, Dartmouth Bowls Club
Pension Fund Strain	S0810	0	(99)	99	0	T18 Pension Strain
Repairs & Maintenance	S0827	(249)	(105)	263	(91)	Admiral Court storage area £11.5k, Follaton House Council Chamber £19k, Totnes Toilets £2.5k and loan to Salcombe Harbour £230k Council 22/2/18 Minute ref. 68/17 refers
Marine Infrastructure	S0828	(152)	(58)	0	(210)	Annual contribution made by Salcombe Harbour
Land and Development	S0829	(67)	(75)	144	2	Commitments include the balance of K2 - Kingsbridge Quay Master Plan additional work £30k, land transfer to Dartmouth Town Council additional staff resources £15k, works to depots £15k, and £50k earmarked for Council Owned Asset Investment and Development E.08/18.
Dartmouth Ferry Repairs & Renewals	S0830	(459)	(87)	126	(420)	Fleet refurbishment and eHarbours system
Homelessness Prevention	S0851	(82)	(30)	0	(112)	
Economic Initiatives	S0831	(49)	0	21	(28)	RDP Local Action £16.4k South West LEP £5k
Vehicles & Plant Renewals	S0832	(1,023)	(490)	629	(884)	Fleet Replacement Programme
Pay & Display Equipment Renewals	S0833	(102)	(21)	0	(123)	
On-Street Parking	S0834	(44)	0	0	(44)	
Strategic Change Reserve (T18)	S0849	0	(210)	210	0	T18 Pension Strain
ICT Development	S0836	(140)	(50)	83	(107)	ICON (cash receipting) replacement £58k, and new laptops £15k
Sustainable Waste Management	S0837	(4)	(25)	29	0	
District Elections	S0838	(68)	(10)	0	(78)	
Beach Safety	S0839	(14)	0	0	(14)	
Planning Policy & Major Developments	S0840	(228)	(50)	137	(141)	Contribution to Joint Local Plan (JLP) Reserve
Section 106 Deposits	S0842	(38)	0	0	(38)	Comprises deposits with no repayment conditions - created as a result of IFRS
Members Sustainable Community Locality	S0846	(53)	0	53	0	
16/17 Budget Surplus Contingency	S0848	(25)	0	25	0	Funding for Joint Steering Group (JSG)
Innovation Fund (Invest to Earn)	S0850	(25)	0	15	(10)	Commitment relates to the development of Admiral Court, Dartmouth (Executive 16/6/16)
Community Housing Fund	S0854	(1,671)	0	356	(1,315)	Consultancy costs for future and existing schemes £200k
Support Services Trading	S0856	(20)	0	0	(20)	
Leisure Services	S0858	(87)	0	45	(42)	Prudential borrowing costs
Environmental Health Initiatives	S0857	(20)	0	0	(20)	
Economic Regeneration Initiatives (predicted Business Rates pilot gain 2018/19)	S0858	0	(475)	175	(300)	2018/19 NNDR Pilot Gain. The commitments include £100,000 earmarked for Council Owned Asset Investment and Development E.08/18, and £50,000 for the proposed contribution to the South West Mutual Bank.
Section 106 Monitoring	S0929	(137)	0	0	(137)	
Joint Local Plan	S0860	0	(137)	137	0	New reserve for Joint Local Plan Funding
Sub Total excluding the Business Rates Reserve		(7,905)	(3,290)	6,478	(4,717)	
Business Rates Retention	S0824	8,641	(13,477)	0	(4,836)	The business rates reserve covers any possible funding issues from the new accounting arrangements and smoothes volatility of business rates income due to appeals. At Council on 22 February 2018, Members agreed to ring-fence £3.5 million for employment for the creation of local jobs and to better support the local economy
TOTAL EARMARKED RESERVES		736	(16,767)	6,478	(9,553)	
TOTAL UNEARMARKED RESERVES (General Fund Balance)		(1,849)		62	(1,787)	Projected overspend of £62,000 for 2018/19
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)		(1,113)	(16,767)	6,540	(11,340)	

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Summary of Savings and Additional Income from the 2018/19 Budget Setting Process
APPENDIX B

The table below summarises the savings and additional income that were included in the 2018-19 Budget Setting process and indicates whether the saving/additional income is on track to be delivered.

		31.12.18		
	Savings and Additional Income for the 2018-19 Budget	Target (£)	Latest Projection (£)	Narrative
1	Income from fees and charges			
	Environmental Health fees	15,300	15,300	On target to achieve this income
	Planning fees	15,000	15,000	On target to achieve this income
2	Public Conveniences - pay on entry and obtain 75% cost contribution from cafes	26,000	0	This income target isn't achievable in 2018/19. The public toilet project was delayed whilst legal details on all facility ownership and lease arrangements (including covenants) were researched and collated. At the time of writing an update is scheduled to be presented to the Executive on 22nd November.
3	Increase in car parking charges (2%)	38,000	38,000	On target to achieve this income
4	Additional car parking income (to reflect the current increase in use in 2017/18)	70,000	170,000	After an exceptional summer it is projected that car parking income will exceed expectations by around £100,000.
5	Car parking - withdrawal of weekly parking tickets	15,000	15,000	On target to achieve this income
6	Planning fee income	110,000	237,000	It is currently projected that planning fee income will exceed the budget by around £127k in 2018/19 (with a further £13,000 additional planning duty income shown below in item 17. This correlates to the overall planning income variance in the monitoring report in note A of £140k)
7	Income from new employment units	30,000	30,000	On target to achieve this income from the new units at Burke Road, Totnes and Admiral Court, Dartmouth
8	Licensing income - shellfish export certificates	30,000	30,000	On target to achieve this income
9	Housing Benefit recoveries of overpayments	40,000	15,000	The budget for 2018/19 has been increased to £245,000. However, the current position shows that this additional income is only partially achievable in 2018/19. Please see note L in the main report for further information. Officers will continue to monitor the recovery of overpayments very closely.
10	Dartmouth Lower Ferry	75,000	75,000	There has been a review of terms of conditions of staff following an external business review in 2015. The savings are expected to be achieved in 2018/19.
11	Reduce RNLI Contracted Lifeguarding provision	40,000	10,000	This saving will not be achieved in 2018/19. Please see note S in the main report for further information
12	Reduction in Partnership grant funding to the CVS £20,000	20,000	20,000	CVS received the reduced amount of Partnership grant funding this year so the saving of £20k has been achieved.
13	Cessation of South Devon Green Infrastructure Partnership £6,500	6,500	6,500	The South Devon Green Infrastructure Partnership ceased.
14	Cessation of accepting cash and cheques - To remove the facility for accepting cash and cheques at Council premises, excluding Car Parks	35,000	35,000	Data for the third quarter demonstrates projected budget savings will be met. Temporary arrangements have been put into place for Parish/Town Councils who are unable to pay using any other method apart from cheques, whilst they move across to online banking. Customers (as now) will be able to pay by cash or cheques via Paypoint or at Post Office.
15	Savings for the re-procurement of the insurance contract	77,000	87,000	An additional saving of £10,000 is envisaged in 2018/19 from the Insurance procurement process.
16	Savings on external audit fees for 2018-19	10,000	10,000	The saving has been delivered. The Council has been notified of its audit fees for 2018-19 by Grant Thornton and these equate to £33,421, representing a 23% reduction.
17	Total savings/additional income of a value less than £10,000	36,550	46,000	Additional planning duty income of £13,000 is anticipated in 2018/19. This is partly offset by minor shortfalls elsewhere.
	TOTAL	£689,350	£854,800	

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NOT FOR PUBLICATION

Appendices A and B to this report contain exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972

Report to: **Executive**
Date: **7 February 2019**
Title: **Capital Programme Monitoring**
Portfolio Area: **Support Services**

Wards Affected: **ALL**

Relevant Scrutiny Committee: Overview and Scrutiny Panel

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Angela Endean** Role: **Capital Accountant**
Pauline Henstock **Head of Finance Practice**

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Recommendations:

1. That the Executive endorses the content of the Monitoring Report.
2. That the Executive recommends to Council that £115,000 of the remaining capital programme contingency budget of £248,399 is approved to be allocated to the two capital projects set out in Exempt Appendix B to this report as shown below:
 - Salcombe Fish Quay Improvements
 - Modbury Millenium Bridge

1. Executive summary

The report advises Members of the progress on individual schemes within the approved capital programme, including an assessment of their financial position.

The monitoring of the capital programme at month 9 (end of December 18) has not highlighted any significant areas of concern to report to Members. The majority of capital projects are within the existing capital budgets approved by Members. One of the schemes is overspent by £2,342 (this equates to 0.08% of the 2018/19 capital budget of £2,991,486) as shown in Appendix A.

The available capital programme contingency budget is £248,399 as reported previously. If the recommendations in this report are approved, this would leave £133,399 remaining in the capital programme contingency budget.

2. Background

The capital programme for 2018/19 was approved by Council on 22 February 2018 (62/17 and E.46/17 refer). This report provides an update on the Capital Programme and also on those schemes that remain outstanding from previous programmes.

A summary of the Capital Programme is shown in exempt Appendix A. The award of contracts is subject to the Council's procurement rules on competitive tendering and therefore the allocated budget is commercially sensitive.

3. Outcomes/outputs

Members are requested to endorse the following updates on the Capital Projects:

Capital Programme 2017/2018 and prior years

Langage Business Park

As part of the s106 agreement for the Langage Energy Park, the energy park operator, along with the owner of the land surrounding the park, jointly agreed a payment of £1,200,000 to SHDC towards the provision of 30,000ft² of industrial-use starter units.

The Council is in receipt of this sum and is continuing discussion with the land owner (LEPL) to agree the timing, form and location of these starter units. The s106 also provides for LEPL to procure land and lease this to the Council on a peppercorn rent for the starter unit development, either on land surrounding the Energy Park or

elsewhere within the South Hams. The s106 agreement was prepared a number of years ago and many of the linked planning conditions are now being reviewed as the developer believes these should be discharged.

The original plan was that a starter unit development could be a catalyst to kick-start other development on the Energy Park – bringing economic benefits (employment and supply chain) and income (business rates and rent) to the South Hams. The Council would need to add to the £1,200,000 investment in order to deliver 30,000ft² of starter units. A business case for such a development will be prepared as negotiations progress and a plan emerges, leading to a Council recommendation. Meanwhile, LEPL are active in sourcing interest in the land, which has been allocated as a strategic employment site in the Joint Local Plan.

Affordable Housing Update

The table below gives an update on the various affordable housing capital budgets and schemes.

Scheme	Budget	Narrative
Community Led Housing	£100,000	Community led housing initiative was launched in April 2014. A change from a loan to a grant scheme was approved at Executive in December 2015. This was in response to concerns raised by community groups around being able to repay loans granted. £50,000 has been paid to two community groups - Harberton Community Land Trust and Transition Town Totnes to help with the costs associated with bringing forward a planning application. The Affordable Housing team continue to work with other emerging CLTs to provide advice and assistance.
Rural Affordable Housing	£400,000	£327,577 has been spent or committed to rural schemes.

Scheme	Budget	Narrative
		Schemes have been completed at Thurlestone, Avondale, Slapton, Moreleigh, Frogmore, Newton Ferrers, Churchstow and Rattery. There is still £72,423 available. There are ongoing discussions with Registered Providers to find viable schemes.
Existing Stock/Sustainability	£100,000	To reduce empty homes and make best use of the existing housing stock. £5,000 has been spent to date.

Leisure Centre (Quayside) – Major Repairs

Repairs were required to the seating area on the mezzanine floor at Quayside Leisure Centre. Pool side column works were completed to allow the re-opening of the balcony for spectators.

Vehicle Fleet Replacement

As per the final accounts for 2017/18 the balance brought forward on the Vehicle and Plant Renewals Reserve is £1,023,208. The contribution into the Reserve in 2018/19 is £490,000 giving a total budget of £1,513,208. Expenditure to date is £230,217.

A report on Front line Services (Waste & Cleansing Procurement) was presented to Council on 6th December 2018. This report included recommendations with regards to vehicle profile. A detailed fleet procurement programme for the future will be presented to Members early in 2019.

Leisure Investment

The leisure contract with Fusion Lifestyle commenced on 1st December 2016. A facilities update is shown below:

Dartmouth – all works are now completed.

Ivybridge – the main dry-side improvement works were completed in November with the opening of the new gym, studio, café and seating area along with the new entrance doors, reception area and turnstiles. The temporary gym in the sports hall has been removed but a small section remains for use of dry side changing whilst the current rooms are closed off for the new pool works. Works continue to progress on the new swimming pool with its open sky roof, this includes improvements to the plant room with new boilers. The temporary heating plant has now been removed from site. The completion of the new pool will be summer 2019.

Kingsbridge, Quayside – works were completed at the end of October with the opening of the new gym, soft play centre, indoor cycling studio, dry side changing, café and reception area.

Totnes – Phase 1 works for a refurbished gym with new equipment and studio were completed in September. Plans and approvals are being progressed for a Phase 2 works programme, subject to an agreed business case for up to £1.5m (to be funded by prudential borrowing), to be approved by the Head of Assets Practice, the Section 151 Officer, in consultation with the Monitoring Officer, the Leader of the Council and the Lead Executive Member (Minute C.33/16 refers).

Payments are made to Fusion monthly in respect of each leisure centre in accordance with the capital drawdown schedule which forms part of the contract. The drawdown schedule reflects the current payment profile and timing of works. See table below:

Capital budget approved for Leisure Investment

2016/17	2017/18	2018/19	2019/20	Total
£242,896	£480,142	£5,443,503	£170,459	£6,337,000

Note: This excludes the £650,000 separate budget for Ivybridge Leisure Centre

Play Parks – replacement of play equipment

It is anticipated that the budget of £190,000 approved in 2017/18 but carried forward to 2018/19 will be spent this year. Invitations to

tender for play parks will be issued early in 2019 and improvements to play parks will be required as part of potential asset transfers to Town and Parish Councils. Further details on play parks will be distributed to all Members in advance of the Executive meeting.

2017/18 was year 1 of a three year programme as shown below:

Capital budget for Play Parks (2017/2018 approved, 2019/20 and 2020/21 budget to be confirmed)

2017/18	2018/19	2019/20	2020/21	Total
£190,000	Nil	£190,000	£140,000	£520,000

Market Square, Totnes

This project is being led by Totnes Town Council. The project has completed a public consultation and internal design competition with Harrison Sutton. The preferred solution is with Harrison Sutton to work up into detailed design and specification. It is hoped that the works will be carried out in January/February 2020. This gives the whole of 2019 (calendar year) to tender the work and ensure the phasing of the work causes minimum disruption to the market.

Capital Programme 2018/19

Air Handling Unit for Council Chamber

A budget of £15,000 was approved as part of the 2018/19 capital budget for a new air handling unit in the council chamber. Additional funds of £15,000 were approved as part of the last capital monitoring report.

Coastal Assets

Approved budget and capital expenditure for Coastal Assets

	2015/16	2016/17	2017/18	Total
Budget	£300,000	£300,000	£300,000	£900,000
Expenditure	£64,203	£161,287	£79,601	£305,091
Balance Remaining	£235,797	£138,713	£220,399	£594,909

Although the analysis of the coastal budget expenditure shows an underspend in 15/16,16/17 and 17/18 totalling almost £600,000 this is primarily due to the asset team being able to secure over £630,000 of funding from the Environment Agency. This helped to finance engineering works undertaken throughout the South Hams including schemes at Beesands, Dartmouth and Torcross. If the team had been unsuccessful in securing this money the works would have still been required and financed from the budget.

Over the last 12 months the team have been working on the feasibility and design phase for works required on the Quay Walls at Kingsbridge. Construction commenced in October and is expected to be completed by the end of March. Coastal inspections are due to be commissioned shortly which will result in further expenditure against the coastal assets budget. These projects will utilise the majority of the residual budget.

Salcombe Harbour – replacement of toilets/showers and harbour office

The capital programme for 2017/18 included £350,000 for this scheme. Additional funds were approved as part of the 2018/19 capital programme. Detailed design work is now being undertaken in advance of a planning application. Proposals have been discussed with local Members, the Harbour Board and Tourist Information Centre.

Cemetery Expansion, Ivybridge

A budget of £30,000 was approved for this project as part of the 2018/19 capital budget. We are securing a contribution of £35,000 from a housing development in Ivybridge to put towards the cemetery expansion project and match fund our £30,000. It is unlikely that funding will come forward before 2019/20.

New Employment Units, Ermington

The contract has been awarded and work is due to commence this year. The construction programme and mobilisation period are being agreed.

Ermington Mill – improvements to existing units inc. H & S

The architect is midway through the commission to ascertain what the best solution for the upper floors of the Mill building is. Early indications are that it should be possible to bring all the building back into commercial use. The report is expected towards the end of January 2019. The tender process would then follow, with works anticipated in September.

Pay on Entry (Public Conveniences)

An update was presented to the Executive on 22nd November 2018. It is expected that Pay on Entry equipment will be installed in 2019. There is a further update report on this Executive agenda.

Private Sector Renewals including Disabled Facilities Grants (DFG's)

The term 'Private Sector Renewals' are loan and grant funded initiatives that relate to the private sector and not to registered social landlords. The increase in the number of Disabled Facilities Grants applications alongside a reduction in renovation and minor works grants has meant that private sector renewal grants has decreased.

The Regulatory Reform Order policy sets out the various grant funding and loans that the Council currently offers:

<https://mg.southhams.gov.uk/documents/s17191/Appendix%20-%20DFGRRO%20policy.pdf>

When an application is received for a DFG, or a housing inspection reveals disrepair or financial hardship, the health and wellbeing board that comprises Officers from different disciplines meets to consider the best long term housing options for the client.

The budget for Private Sector Renewals Grants in 2018/19 is £700,000. The budget brought forward from 2017/18 is £197,892 giving a total budget of £897,892 available in 2018/19.

Expenditure to the end of December was £386,700 with a further £139,699 committed. There are Statements of Need being progressed which total another £374,769.

Spend on DFG's is based on demand, over which the Council has no control, and at present the service is processing and approving applications in line with this demand.

S106 Deposits

The list of S106 Deposits are shown in Appendix C. Some of these S106 Agreements have a clause within the S106 Agreement which states that the Council shall be entitled to use up to a five per cent (5%) part of the total payments and contributions payable pursuant to the provisions of the Agreement, towards the costs to be reasonably and properly incurred by the Council in monitoring compliance with the S106 Agreement and in assessing the details submitted to the Council for approval pursuant to the S106 Agreement.

For clarity, the figures shown in Appendix C are before any monitoring fee has been deducted by the Council.

In 2015 a case against Oxford County Council held that a monitoring fee was an administrative function of the Council and could not be sought by the County Council. The Court accepted that there may be occasions where monitoring fees could be sought, for example, on large scale developments where obligations are phased. The Government is currently consulting on the Community Infrastructure Regulations reforming Developer Contributions. This includes an intention to clarify that local planning authorities can seek a sum as part of a section 106 planning obligation for monitoring planning obligations.

A schedule of Section 106 deposits held by the Council as at the 31 July 2018 was presented to Overview and Scrutiny Panel in September 2018 (Minute O&S.49/18 refers). It was agreed that a schedule of S106 deposits will be presented with each capital monitoring report at future meetings.

4. Options available and consideration of risk

This is considered on a project by project basis as part of the project appraisal document and initial business case for each capital project.

5. Proposed Way Forward

This is considered on a project by project basis.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		<p>Statutory powers are provided by the S1 Localism Act 2011 general power of competence.</p> <p>The capital programme is implemented in line with the Council's legal requirements, which are examined on a project-by-project basis. To date there are no undue legal concerns.</p> <p>Since there is commercially sensitive information in Appendix A and B, regarding the budgets for individual projects, there are grounds for the publication of these appendices to be restricted, and considered in exempt session. The public interest has been assessed and it is considered that the public interest will be better served by not disclosing the information in the appendices. Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial		<p>The monitoring of the capital programme at month 9 (end of December 18) has not highlighted any significant areas of concern to report to Members. The majority of capital projects are within the existing capital budgets approved by Members. One of the schemes is overspent by £2,342 (this equates</p>

		<p>to 0.08% of the 2018/19 capital budget of £2,991,486) as shown in Appendix A.</p> <p>The available capital programme contingency budget is £248,399. If the recommendations in this report are approved, this would leave £133,399 remaining in the capital programme contingency budget.</p>
Risk		<p>There is a risk that the Capital Programme does not meet the Council's corporate priorities in line with the Council's Asset Strategy and the opportunity to assess emerging projects, which could contribute to the Council's priorities. The mitigation is that there is a project appraisal for each proposal. This is taken into account when assessing possible implementation timescales. Complex capital programmes have a relatively long lead-in period.</p> <p>The Council demonstrates that capital investment contributes to corporate priorities, provides value for money and takes account of the revenue implications of the investment. Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.</p> <p>There is regular quarterly monitoring of the Capital Programme to Members where any cost overruns are identified at an early stage.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		This matter is assessed as part of each specific project.
Safeguarding		This matter is assessed as part of each specific project.
Community Safety,		This matter is assessed as part of each

Crime and Disorder		specific project.
Health, Safety and Wellbeing		This matter is assessed as part of each specific project.
Other implications		

Supporting Information

Appendices:

EXEMPT - Appendix A – Summary of the approved programme plus allocated budget

EXEMPT - Appendix B – Details of schemes requiring retrospective approval

Appendix C – Summary of S106 Deposits

Background Papers:

Capital programme for 2018/19 - Council 22 February 2018

Capital programme for 2018/19 (Quarter 2) – Executive 13th December 2018

Capital programme for 2018/19 – Executive 1 February 2018 (62/17and E64/17 refer)

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted.	Yes

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SECTION 106 DEPOSITS as at 31/12/18						
BALANCE SHEET CLASSIFICATION: LONG TERM LIABILITIES - REVENUE						
Classif. Code	SITE	Date Received	Current Stage	Restriction/Committed End Date	Conditions	TOTAL S106 DEPOSITS as at 31.12.18 £
REVENUE						
Langage Energy Centre (9/49/1020/98/1)						
1007	- Landscape Fund (PG01)			25 years, interest (rate not specified)	Reduce the landscape and visual impact of power station	(69,308.77)
1008	- Local Liaison Group (PG02)			25 years, interest (rate not specified)	Funding of local activities in the electoral wards of the Council immediately surrounding the Phase 1A and the wards of SHDC and/or PCC	(6,349.23)
1009	- Public Art (PG03)			25 years, interest (rate not specified)	Public art in or in the vicinity of the Phase 1A Land	(113,814.03)
1010	- Migrant Workers (PG04)			No restriction/committed end date	Provide information and advice relating to migrant workers employed in relation to the development	(1,520.16)
1012	- Ecology Park (PG06)			25 years, interest (rate not specified)	Laying out and planting of the Ecology Park	(34,144.21)
1013	- Ecology Park Mtc (PG07)			25 years, interest (rate not specified)	Maintenance of the Ecology Park	(34,144.21)
2020	- Construction of Starter Units (PG08)				Construction of the Starter Units and procure a site for the Starter Units on either the Energy Park or land within South Hams District	(1,195,047.08)
2021	- Bus interchange - Deep Lane junction (PG09)			25 years, interest (rate not specified)	Cost of establishing a bus interchange facility in the vicinity of the Ridgeway/Deep Lane junction	(28,453.19)
2022	- Enhanced bus services (PG10)			25 years, interest (rate not specified)	Securing and supporting enhanced bus services to the Phase 1A Land and the Energy Park	(227,628.54)
2118	Langage Consultants Fees (MP)				Master plan	(29,957.01)
2215	Land at Blackawton (New Parks Farm), Blackawton (06/2313/09/F)	05/09/11	PIF	25 years, no interest	Required as a result of the development - spent on Open Space Sport Recreation contribution within or directly relating to the parish of Blackawton or on such other Blackawton Community project as the Council shall see fit	(2,596.00)
2338	Steam Packet Inn, Kingswear (30/2177/08/F)	03/09/12	PIF	5 years, no interest	Open Space Sport and Recreation contribution	(2,465.00)
2394	Land West of Ermington (21/1425/12/F)	12/02/2013	Under Development	5 years, interest at NatWest base rate	£38900 - OSSR, 48k employment land and £5k retaining wall. £35K restrictive covenant.	(126,900.00)
2411	Maypool House Youth Hostel (30/2787/10/F) - Dwelling One	20/03/12	PIF	No restriction/committed end date	Affordable Housing contribution (£10,000.00) and Open Space (£4,868.75)	(32,415.54)
2806	Maypool House Youth Hostel (30/2787/10/F) - Dwelling Two	10/02/16	PIF	No restriction/committed end date	Affordable Housing contribution	(36,047.38)
2806	Maypool House Youth Hostel (30/2787/10/F) - Dwelling Two	10/02/16	PIF	No restriction/committed end date	OSSR	(5,386.40)
2428	Former Old Chapel Inn, St Anns Chapel, Bigbury (05/0227/11/F)	02/05/13	PIF	No restriction/committed end date	Affordable Housing contribution	(97,700.91)
2428	Former Old Chapel Inn, St Anns Chapel, Bigbury (05/0227/11/F)	02/05/13	PIF	No restriction/committed end date	Open Space Sport and Recreation contribution towards open public space	(12,075.39)
2429	Milizac Close (Underhay) Yealmpton (62/2948/11/O)	13/05/13	PIF	5 years, interest at BoE base rate +4%	Sport and Recreation contribution towards improved facilities for formal sport and recreation relating to the development	(5,173.48)
2429	Milizac Close (Underhay) Yealmpton (62/2948/11/O)	13/05/13	PIF	5 years, interest at BoE base rate +4%	SAC Contribution	(1,732.32)
2460	Loughrigg Coronation Rd, Salcombe (41/0652/11/F)	20/08/13	PIF	10 years, interest rate not specified	Affordable Housing contribution	(7,713.56)
2460	Loughrigg Coronation Rd, Salcombe (41/0652/11/F)	20/08/13	PIF	10 years, interest rate not specified	Open Space Sport and Recreation contribution	(11,389.85)
2652	Land Ven Farm Brixton (07/2022/12/F)	13/05/14	PIF	No restriction/committed end date	Sport & Recreation/Employment	(40,500.00)
2652	Land Ven Farm Brixton (07/2022/12/F)	13/05/14	PIF	No restriction/committed end date	Conservation of Tamar Estuaries Complex SPA	(967.30)
2652	Land Ven Farm Brixton (07/2022/12/F)	12/05/16	PIF	Capital spend, no interest specified	Open Space Sport and Recreation contribution - Open Space land commuted Sum	(12,000.00)
2691	Warland Garage (56/2793/11/F & 56/1520/12/F)	04/08/14	PIF	25 years, no interest specified	Affordable Housing contribution	(9,689.01)
2698	Boat House, Dartmouth Quay, Southtown, Dartmouth (15/2046/13/F)	17/08/14	PIF	5 years, no interest specified	Tree planting and management in Dartmouth	(7,600.00)
2705	Trennels, Herbert Road, Salcombe (41/0929/13/F)	21/10/14	Under Development	25 years, no interest specified	Open Space Sport Recreation contribution (£13,650)	(4,367.50)
2705	Trennels, Herbert Road, Salcombe (41/0929/13/F)	21/10/14	Under Development	25 years, no interest specified	Affordable Housing contribution (£93,001)	(88,780.95)
2714	Windward, Stoke Fleming (51/1437/14/F)	30/03/15	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(21,767.35)
2715	Harvey's Field (32/0844/12/F)	04/03/15	PIF	10 years, payable at 87.5% to owner and 12.5% payee of contribution, interest at 1% below Barclays base rate	Employment (Rural Growth Network) administered by LEP	(57,959.27)
2715	Harvey's Field (32/0844/12/F)	04/03/15	PIF	10 years, payable at 87.5% to owner and 12.5% payee of contribution, interest at 1% below Barclays base rate	Sports facilities contribution towards the provision of sports facilities required as a result of the development.	(472.47)
2716	Bonfire Hill, Salcombe (41/1915/13/F)	04/03/15	Under Development	5 years, interest at 1% below Barclays base rate	Ecology contribution, Open Space and Play contribution, Sports Provision contribution, Open Space and Play maintenance contribution	(193,670.13)
2717	Old Grist Mill 53/1706/07/F	12/01/15	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(35,089.08)
2718	Sawmills Field, Dartington 14/1744/13/F	11/12/14	PIF	7 years, interest at 1% below Barclays base rate or 0% (whichever is higher)	Open Space and Play	(49,007.12)
2718	Sawmills Field, Dartington 14/1744/13/F	11/12/14	PIF	7 years, interest at 1% below Barclays base rate or 0% (whichever is higher)	Sports	(99,663.26)
2749	Alston Gate, Malborough 33_46/1890/11/F	29/03/15	Pre Commencement	5 years, interest at 1% above Lloyds base rate	Public Open Space contribution	(30,000.00)
2789	Marridge Farm, Ugborough (57/0633/07/F)	25/09/15	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(13,650.00)
2802	Riverside, Totnes (03_56/0447/12/O)	07/12/15	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(110,644.60)
2802	Riverside, Totnes (03_56/0447/12/O)	07/12/15	PIF	No restriction/committed end date	Affordable Housing contribution, Open Space Sport Recreation contribution	(114,508.95)

2808	Leyford Close, Wembury (58/0176/13/O)	09/02/16	PIF	5 years, interest at NatWest base rate	Sports and Recreation contribution and Tamar Estuaries SAC	(156,363.80)
2819	Churchstow (11/0046/14/F)	29/04/16	PIF	No restriction/committed end date	Affordable Housing contribution - deposit deed	(19,689.00)
2820	Follaton Oak, Totnes (56/2346/10/O)	15/04/16	PIF	7 years, interest at 1% below Barclays base rate	Green Travel Plan (£35k)	(8,933.71)
2820	Follaton Oak, Totnes (56/2346/10/O)	15/04/16	PIF	7 years, interest at 1% below Barclays base rate	Open Space, Sport and Recreation contribution (£60k)	(13,172.10)
2820	Follaton Oak, Totnes (56/2346/10/O)	15/04/16	PIF	7 years, interest at 1% below Barclays base rate	Pedestrian Path contribution (£12k)	(14,634.42)
2835	Gara Rock Hotel, East Portlemouth (20/2104/13/F)	17/05/16	PIF	No restriction/committed end date	Affordable Housing contribution	(311,691.70)
2835	Gara Rock Hotel, East Portlemouth (20/2104/13/F)	17/05/16	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(10,970.71)
2838	Treetops, St Dunstons Road, Salcombe (41/3063/13/F)	30/06/16	PIF	5 years, interest at Lloyds base rate	Affordable Housing	(13,665.79)
2838	Treetops, St Dunstons Road, Salcombe (41/3063/13/F)	30/06/16	PIF	5 years, interest at Lloyds base rate	Open Space Sport Recreation contribution	(7,358.50)
2850	Sorley Tunnel (11/2425/07/F)	28/07/16	PIF	No restriction/committed end date	Open Space Sport Recreation contribution	(12,195.27)
2860	Plot 2 Godwell Lane, Ivybridge (27/1758/11/F)	07/10/16	Under Development	No restriction/committed end date	Open Space Sport Recreation contribution (OSSR £195 to spend and Affordable housing £1335)	(1,530.00)
2861	Barn Conversions at Butlas Farm (07/1601/08/F)	08/11/16	PIF	No restriction/committed end date	Open space, sport and recreation contribution within or directly related to the parish of Brixton	(16,254.51)
2862	Lutton Farm Barns, Ivybridge (12/0953/07/F)	08/11/16	PIF	No restriction/committed end date	Public Open Space contribution	(8,965.15)
2863	Land at SX 8638 5117, Ivatt Road, Dartmouth (15/0587/13/F)	08/11/16	PIF	No restriction/committed end date	Open Space, Recreation and/or sports facilities within Dartmouth	(16,995.10)
2866	Tumbly Hill, Kingsbridge (28/1571/06/F)	08/11/16	Pre Commencement	10 years, no interest specified	Public Open Space contribution towards the provision of public open space required as a result of the Development	(7,725.10)
2867	Centry Farm, Kingsbridge (28/0731/08/F)	08/11/16	PIF	25 years, no interest specified	Public Open Space contribution shall be spent on Open Space Sport and Recreation for the use of the public within or directly related to the Parish of Ledstone/Kingsbridge	(686.73)
2868	Venn Barn, Venn Lane, Stoke Fleming (51/1771/07/F)	08/11/16	PIF	25 years, no interest specified	Open Space, Sport and Recreation within, or directly related to, the Parish of Dartmouth	(3,534.25)
2869	Waddeton Barton Farm (52/1249/10/F)		PIF	Not specified	Open space, sport and recreation on sports and recreation facilities within the District - £6337.50	(6,020.64)
2869	Waddeton Barton Farm (52/1249/10/F)		PIF	Not specified	AH contribution of £52313.00	(49,697.35)
2878	South Embankment, Dartmouth (15/2092/15/F)	15/12/16	PIF	25 years, no interest specified	Open Space Sport and Recreation contribution for the purposes of providing, improving or enhancing the open space, sport and recreational facilities within Coronation Park Dartmouth	(4,631.25)
2894	Land at Ashburton Road (Meadowside), Totnes (14_56/2246/13/O)	27/03/17	Under Development	5 years, interest at NatWest base rate	Sports Pitch contribution in the vicinity of the development	(11,430.86)
2944	Land at Moorview, Marldon (34/2184/13/O)		PIF	10 years, interest at 1% below Barclays base rate	Off-Site Play Area contribution and/or Sport and Recreation contribution	(170,174.48)
2945	Knighton Road, Wembury (58/1352/12/F)		Under Development	5 years, interest at NatWest base rate	Marine Contribution towards the maintenance of Plymouth Sounds SAC	(1,158.00)
2946	Higher Hatch Farm, Kingsbridge (32/0215/11/F)		PIF	25 years, no interest specified	Open Space, Sport and Recreation contribution	(5,700.00)
2972	Home Field, West Alvington (59/2482/14/F)	05/09/17	Under Development	No restriction/committed end date	Play Contribution	(26,678.00)
2972	Home Field, West Alvington (59/2482/14/F)	05/09/17	Under Development	No restriction/committed end date	Sport and Recreation contribution	(43,527.17)
2973	Land off Palm Cross Green, Modbury (35/0059/15/F)	23/08/17	Under Development	No restriction/committed end date	Open Space, Sport and Recreation contribution	(57,050.33)
2974	Holywell Stores, Bigbury (05/2557/13/F)	11/06/18	Under Development	25 years, no interest specified	Affordable Housing contribution	(68,624.21)
2974	Holywell Stores, Bigbury (05/2557/13/F)	11/06/18	Under Development	25 years, no interest specified	Open Space, Sports and Recreation Contribution	(9,637.19)
2993	Land at Fairfield, South Brent (0354/14)	10/08/17	PIF	No restriction/committed end date	Off-site Public open Space Contribution	(91,652.50)
2994	Land SE of Torhill Farm, Ivybridge (27_57/1347/14/F)	19/07/2017 & 21/09/18	Under Development	No restriction/committed end date	Air Quality + Tamar SAC	(13,642.87)
2994	Land SE of Torhill Farm, Ivybridge (27_57/1347/14/F)	19/07/17	Under Development	No restriction/committed end date	Filham Park Contribution	(198,461.54)
2994	Land SE of Torhill Farm, Ivybridge (27_57/1347/14/F)	21/09/18	Under Development	No restriction/committed end date	Off-site Employment land	(248,076.92)
3000	Land at Woodland Road, Ivybridge (27/1859/15/F)	31/10/17	Under Development	10 Years no interest specified	Tamar SAC Contribution	(2,459.73)
3000	Land at Woodland Road, Ivybridge (27/1859/15/F)	31/10/17 & 04/12/18	Under Development	10 Years no interest specified	1st Instalment OSSR & 2nd Invoiced	(154,947.89)
3000	Land at Woodland Road, Ivybridge (27/1859/15/F)	04/12/18	Under Development	10 Years no interest specified	1st & 2nd Instalment Open Space and Play	(93,473.83)
3001	Land adjacent to Elwell House, Totnes (56/1214/14/F)	12/04/18	PIF	25 years, no interest specified	OSSR - £1596 to spend	(1,669.99)
3001	Land adjacent to Elwell House, Totnes (56/1214/14/F)	12/04/18	PIF	25 years, no interest specified	Affordable Housing contribution £11704 to spend	(12,330.01)
3028	Stowford Mill, Harford Road, Ivybridge (27/1336/15/F)	-	Under Development	No restriction/committed end date	Ivybridge Mill Group Archives Contributions	(10,000.00)
3081	Webbers Yard Dartington (14/1745/13/O)	02/05/2018 & 19/09/18	Under Development	No restriction/committed end date	1st & 2nd instalment of Sports Provisions	(57,101.74)
3081	Webbers Yard Dartington (14/1745/13/O)	02/05/2018 & 19/09/18	Under Development	No restriction/committed end date	1st & 2nd instalment of Open Space and Play Contribution	(28,078.15)
3082	Venn Farm, Brixton (07/1196/15/F)	08/05/18	Under Development	10 years	Brixton Play Provision Contribution	(48,895.68)
3082	Venn Farm, Brixton (07/1196/15/F)	08/05/18	Under Development	10 years	Sports and Recreations Contribution	(52,290.76)
3082	Venn Farm, Brixton (07/1196/15/F)	08/05/18	Under Development	10 years	Open Space Contribution	(13,876.36)
3082	Venn Farm, Brixton (07/1196/15/F)	08/05/18	Under Development	10 years	Tamar SAC	(697.61)
3094	Land Noss Marina Kingswear (2266/17/FUL)	12/06/18	Under Development	5 years	New Interpretation panel Contribution	(3,000.00)
3094	Land Noss Marina Kingswear (2266/17/FUL)	12/06/18	Under Development	5 years	Permissive Path Works Contribution	(5,000.00)
3101	Land at Pendarves Loddswell (S106 -32/1722/15/F)	31/07/18	PIF	10 Years	Affordable Housing Contributions	(13,701.82)
3116	Gara Rock Hotel (3586/16/FUL)	-	Under Development	No restriction/committed end date	1st, 2nd and 3rd instalment of Affordable Housing	(150,000.00)
	Subtotal ccS0500					(5,250,351.97)
	S106 Receipts as at 31.12.18					

	Sherford				
2600	Sherford Review Panel Set up Contribution				(390.43)
2601	SRP Annual Contribution				(3,586.73)
2602	Fees - Parish Council				(10,000.00)
2603	Fees - Monitoring				(31,302.98)
2604	Economy - Economy & Training				(26,078.23)
2893	Sherford Delivery Team				0.00
	Subtotal ccS0501				(71,358.37)
	TOTAL S106 DEPOSITS (WITH CONDITIONS)				(5,321,710.34)
PG28	Rathvendon, Bigbury (1023)		No conditions		(7,312.50)
PG36	Sedgewell Sands, Marine Drive		No conditions		(7,372.00)
2726	St Johns Ambulance, Dartmth 15/1389/12/F		Affordable Housing - provision, enhancement, management		(23,000.00)
	TOTAL S106 DEPOSITS (NO CONDITIONS) ccS0842				(37,684.50)
	Capital Grant Unapplied (Cost centre S0803)				
	Fallapit House, East Allington		Affordable Housing		(87,124.50)
	Tesco Site, Kingsbridge				(30,000.00)
	TOTAL CAPITAL GRANTS UNAPPLIED				(117,124.50)
	Capital Grants Receipts in Advance (Cost Centre S0510)				
	Penn Torr, Salcombe		Affordable Housing		(84,000.00)
	23 Western Road, Ivybridge		Affordable Housing		0.00
	TOTAL CAPITAL GRANTS RECEIPTS IN ADVANCE				(84,000.00)
	Notes:				
	1. The amounts shown above are before any monitoring fee has been deducted, where this is set out in the S106 Agreement. (See Section 3 of the covering report which explains this in more detail)				
	2. The deposits as at 31st December 2018 reflect income already received by the Council or where a debtor has recently been raised to a third party.				

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Report to: **Executive**

Date: **7th February 2019**

Title: **Budget Proposals for 2019/20 onwards update report**

Portfolio Area: **Cllr R Tucker – Annual Budget Setting**

Wards Affected: **All**

Relevant Scrutiny Committee: **Joint Development Management Committee and Overview and Scrutiny Panel**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Lisa Buckle** Role: **Strategic Finance Lead (S151 Officer)**

Contact: **Tel. 01803 861413**
Email: lisa.buckle@swdevon.gov.uk

Recommendations:**That the Executive resolves to RECOMMEND to Council:**

- (i) To increase Council Tax by £5 for 2019/20 (which equates to a Band D council tax of £165.42 for 2019/20, an increase of £5 per year or 10 pence per week – as shown in 3.4). This equates to a Council Tax Requirement of £6,315,689.
- (ii) The financial pressures shown in Appendix A of £1,383,700
- (iii) The net contributions to/(from) Earmarked Reserves of £714,300 as per Appendix E.
- (iv) The proposed savings of £1,067,226 for 2019/20 as shown in Appendix A.
- (v) The proposed use of £500,000 of New Homes Bonus funding to balance the 2019/20 Revenue Budget as shown in Appendix E.

- (vi) That the Collection Fund Surplus of £112,000 as shown in Appendix B be agreed;
- (vii) To delegate to the S151 Officer, in consultation with the Leader and Executive Member for Finance to agree the final amount of New Homes Bonus funding for the Dartmoor National Park Sustainable Community Fund for 2019/20
- (viii) That the Council Tax Support Grant paid to Town and Parish Councils is reduced by 9.85% for 2019/20 as per Appendix A. This equates to a payment of £74,473 for 2019/20.
- (ix) That the Council should set its total net expenditure for 2019/20 as shown in Appendix B as £8,832,752
- (x) That the minimum level of the Unearmarked Revenue Reserves is maintained at £1.5 million as per Section 10.
- (xi) That the level of reserves as set out within this report and the assessment of their adequacy and the robustness of budget estimates are noted. This is a requirement of Part 2 of the Local Government Act 2003.

1. Executive summary

- 1.1 The Council approved its Medium Term Financial Strategy (MTFS) for 2019/20 to 2023/24 at Council on 27th September 2018. This is based on a financial forecast over a rolling five year timeframe to 2023/24. The Council, along with other local authorities, has faced unprecedented reductions in Government funding since the Comprehensive Spending Review 2010. Between 2009/10 and 2019/20, the Council's Core Government funding has reduced by £4 million.
- 1.2 South Hams has continued to work in partnership with West Devon Borough Council which has allowed South Hams District Council to achieve annual savings of £3.9 million and more importantly protect all statutory front line services.
- 1.3 Between both Councils the annual shared services savings being achieved are over £6 million. However, the Councils continue to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending.
- 1.4 ***This report sets out the budget proposals for a balanced budget for 2019/20. The Council is currently forecasting a budget gap of £0.47m for 2020/21.***

- 1.5 The latest budget proposals were presented to a meeting of the Joint Development Management Committee and Overview and Scrutiny Panel on 24th January 2019. The report on 24th January 2019 highlighted a budget gap of £75,007 and it was recommended:-

That the Executive **RECOMMEND** to Council that the joint meeting supports:-

1. the increase in Council Tax for 2019/20 of £5 (as outlined at paragraph 3.4 of the presented agenda report);
2. the financial pressures amounting to £1,354,700 (as shown in Appendix A of the presented agenda report);
3. the net contributions to/from Earmarked Reserves amounting to £782,300 (as shown in Appendix E of the presented agenda report);
4. the proposed savings of £1,060,226 for 2019/20 (as shown in Appendix A of the presented agenda report);
5. the proposed use of £500,000 of New Homes Bonus funding to balance the 2019/20 Revenue Budget (as shown in Appendix E of the presented agenda report); and
6. the following measures being implemented to close the predicted 2019/20 Budget Gap of £75,007:
 - reduce the contribution to the Planning Policy and Major Developments from £75,000 to £50,000;
 - remove the £7,000 allocated to the 'Communities Together Fund'; and
 - reduce the contribution to the Land and Development Reserve from £50,000 to £7,000 (with the additional £7 shown within overall roundings to the nearest £1,000).

- 1.6 It is important to note that the MTFS set out the budget strategy for the Council for the next five years, with annual reviews and updates when items are further known or are announced by the Government. The MTFS approved at Council in September 2018 was the starting point for developing a meaningful five year strategy that has set out the strategic intention for all of the different strands of funding available to the Council. The Council is now able to rely on this to inform future decisions.

2 CHANGES TO THE 2019/20 BUDGET REPORT SINCE THE EXECUTIVE MEETING OF 13th DECEMBER 2018

Local Government Finance Settlement for 2019/20

- 2.1 On 13th December 2018, the Government announced the draft Finance Settlement for 2019/20 for consultation. Appendix C sets out an analysis of the finance settlement over the four years from 2016/17. **Overall over the four year funding settlement from 2016/17 to 2019/20, it can be seen that South Hams District Council has had a 39.5% reduction in Government funding.** This compares against 38.8% for the average for Shire District Councils. The key points from the Finance Settlement are below.
- 2.2 The Council Tax Referendum limits for District Councils will remain the same (the higher of £5 or 2.99%). For Police and Crime Commissioners the potential annual increase to their council tax will be increased to £24 per annum.
- 2.3 Negative Revenue Support Grant (RSG) for 2019/20 will be eliminated by the Government. There has been no news on what will happen to negative RSG from 2020/21 onwards and therefore the modelling in this report has assumed negative RSG will remain for 2020/21 onwards in some form (e.g. as part of the business rates baseline reset). It is currently estimated to be £400,000 per annum which would be deducted off the Council's business rates funding and represents negative Government grant (it is effectively the Council's further predicted funding cuts).
- 2.4 For 2019/20 there are no changes to the New Homes Bonus baseline of 0.4% (the previous concern was that this could be increased to 0.6%). The baseline is the proportion of housing growth which is deducted as 'natural growth as such' before New Homes Bonus is paid to a Council. The Council's New Homes Bonus allocation for 2019/20 has been announced at £1,226,862. (see 4.6 for detail)

- 2.5 Rural Service Delivery Grant (RSDG) in 2019/20 will increase to £81m; an increase of £16m on the previously planned £65m allocation. This has increased South Hams's allocation from £327,451 for 19/20 to £408,055 – an increase of £80,604. This additional funding has only been confirmed for 2019/20 (so only confirmed for one year). It is not known how much RSDG the Council will receive for 2020/21 onwards and the same level of £408,055 has been assumed in the modelling.
- 2.6 Proposals for new 75% Business Rates Pilots in 2019/20 have been approved for 15 areas and these are in Berkshire, Buckinghamshire, East Sussex, Hertfordshire, Lancashire, Leicestershire, Norfolk, Northamptonshire, North and West Yorkshire, North of the Tyne, Solent, Somerset, Staffordshire and Stoke, West Sussex and Worcestershire; Unfortunately Devon wasn't successful in being a Business Rates Pilot for 2019/20 but the majority of the Pilots announced are new Pilot areas for 2019/20. Devon is already a Pilot for 2018/19. This will mean that South Hams District Council will continue to be part of a Devonwide Business Rates Pool for 2019/20.
- 2.7 In addition to the local government finance settlement, two consultation papers have been published on the Fair Funding Review and Business Rates Retention. The Deputy Leader and the S151 Officer have attended local seminars on this during January and February and will circulate a draft consultation response to all Members, with a final version to our local MPs.
- 2.8 During 2016/17 the Government offered Local Authorities the opportunity to apply for a four year agreed funding settlement, subject to the production of an efficiency plan. The Council applied and was accepted for the four year agreement. From 2018/19 onwards, the Council has received no Government funding (Revenue Support Grant, RSG) and the Council will need to be self-sufficient. Although the four year settlement offered no Revenue Support Grant, it did guarantee the Council its allocations of Rural Services Delivery Grant over the four year period. The Finance Settlement for 2019/20 only covered the last year of the four year settlement. The point is being made by the Local Government Association (LGA) that Councils need more certainty of their funding longer term post 2020.
- 2.9 There is a one-off amount of £29,000 being paid to the Council from the surplus national business rates funding held in the Government Levy Account (SHDC's share) and this money is for 2018-19.

Other updates to the Budget report since the Executive meeting of 13th December 2018

- 2.10 On 6th December 2018, Council approved the recommendation of the Frontline Services Project Board to award a contract (Lot 3) for the waste collection, recycling and cleansing services (Council Minute

41/18). This has generated a saving from a Lot 3 award of £286,000 per annum (the per annum saving increases to £424,000 on commencement of the Devon aligned service). It was also approved to increase the contribution into the Vehicle Replacement Earmarked Reserve from £490,000 to £550,000 per annum (Appendix E).

- 2.11 The TaxBase for 2019/20 was approved by the Senior Leadership Team on 17th December and has been confirmed at 38,179.72 – This is an increase of 327.79 Band D Equivalent properties from the 2018/19 TaxBase. (The increase of just under 328 Band D Equivalent properties is less than the previously modelled assumption that the number of properties would increase by 450 per annum).

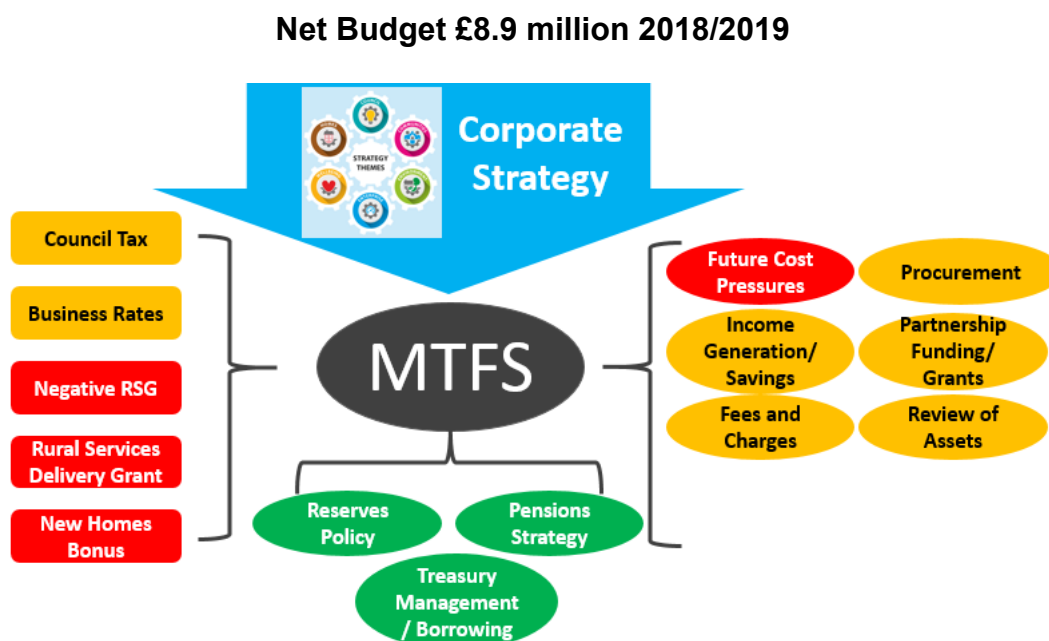
3 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES

- 3.1 The National Employers made a final pay offer covering 1 April 2018 to 31 March 2020. The majority of employees (those on salaries starting at £19,430 p.a.) have received an uplift of 2% on 1/4/18 and a further 2% on 1/4/19, with those on lower salaries receiving higher increases. The cost of this was £255,000 in 2018/19 and a further £280,000 in 2019/20. This has been reflected in Appendix A. The Medium Term Financial Strategy is not an expression of Council Policy on pay awards, but a means of ensuring an appropriate provision is made as part of the overall financial planning of the Council.
- 3.2 The report assumes inflation will run at 2.5% over the five year period. The Consumer Prices Index (CPI) was 2.4% in October 2018.
- 3.3 The predicted interest rate forecast from our treasury management advisors, Link Services, is that interest rates will remain at 0.75% up to June 2019. By December 2020 the bank base rate is predicted to increase to 1.5%.
- 3.4 An increase in council tax of the higher of £5 or 2.99% for the next five years has been modelled for council tax purposes. This would equate to a Band D council tax for South Hams of £165.42 in 2019/20 as shown in Appendix B and equates to a council tax increase of 3.12% (an increase of £5). A 1% increase in council tax generates £61,000.
- 3.5 It has been assumed that the number of properties within the District will increase by 450 per annum from 2019/20 to 2023/24 – this is an increase of approximately 1.2%. (see note 2.11 for the 2019/20 increase of just under 328 Band D Equivalent properties and Members may wish to review this estimate in the future). The S151 Officer has asked for further projections from the Strategic Planning team to inform future modelling.

4. THE COMPONENTS MAKING UP A MEDIUM TERM FINANCIAL STRATEGY (MTFS)

4.1 The Diagram below in 4.1 sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Appendix C of the Medium Term Financial Strategy report to Council on 27th September went through each of these components in detail and made recommendations where appropriate.

Items in Green denote those elements where the Council has a large degree of control over the setting of policies and strategies. Items in Amber denote those components of the MTFS where the Council has a degree of control. Red items signal components where the Council has hardly any control over funding allocations which are decided by the Government and future cost pressures which can largely be outside of the Council's control or influence.



Council Tax

4.2 Council on 27th September 2018 (Council Minute 31) has set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to enable continued delivery of services. The actual council tax for any given year will be decided by Council in the preceding February. This would equate to a Band D council tax for South Hams of £165.42 in 2019/20 as shown in Appendix B and equates to a council tax increase of 3.12% (an increase of £5). The council tax for 2019/20 will be set at the Council meeting on 21st February 2019.

Business Rates

- 4.3 The income from Business Rates which South Hams District Council retained in 2017/18 was the funding baseline of £1,800,829. The Council was not part of the Devon Pool in 2017-18 due to the risk of business rates appeals, but South Hams is part of the Business Rates Pilot in 2018-19. Estimates have been made of the Baseline funding Level for 2019/20 onwards as set out in Appendix B. This is £1.89m for 2019/20 and £1.94m for 2020/21. Negative RSG of £400,000 per annum from 2020/21 has been assumed to be deducted from the business rates funding as set out in 2.3.

New Homes Bonus (NHB)

- 4.4 The Government has stated that 2019/20 represents the final year of NHB funding and from 2020 onwards they will explore how to incentivise housing growth most effectively and will consult on this issue. The financial modelling has included using £500,000 of New Homes Bonus funding for 2019/20 to fund the revenue base budget and this has then been reduced to £400,000 in 2020/21 and £250,000 in 2021/22 for modelling purposes.
- 4.5 For 2019/20 there are no changes to the New Homes Bonus baseline of 0.4% (the previous concern was that this could be increased to 0.6%). The baseline is the proportion of housing growth which is deducted as 'natural growth as such' before New Homes Bonus is paid to a Council. The Council's New Homes Bonus allocation for 2019/20 has been confirmed at £1,226,862.
- 4.6 The table below sets out the suggested use of New Homes Bonus funding for 2019/20:-

NHB	Amount (£)
New Homes Bonus 2019-20 allocation	1,226,862
Suggested allocation:-	
To fund the Revenue Base Budget	(500,000)
To fund the Capital Programme for 2019/20*	(690,000)
Transfer of land to Dartmouth Town Council	(17,000)
Community Grants (CAB Outreach Worker)	(10,000)
Dartmoor National Park allocation**	TBA
Amount remaining unallocated	9,862

*The Capital Programme Budget Proposals for 2019/20 are a separate report on the Executive agenda

**Dartmoor National Park (DNP) – On an annual basis Dartmoor National Park request a share of the New Homes Bonus to reflect new homes delivered within the Park. The money is used to support a local community fund and, for example, joint work through the rural housing enabler. Members consider this on an annual basis as part of the Budget process.

- 4.7 District Councils such as South Hams have also suffered a large reduction in their New Homes Bonus funding (£0.5 million in 17/18) due to the number of years payments being reduced from six years to five years in 17/18 and four years from 18/19 onwards. The New Homes Bonus funding being released is to contribute towards adult social care costs, a function carried out by Unitary and County Councils.

Pensions Strategy (Actuarial Valuation)

- 4.8 The Council has taken specialist pension advice on the options for the Council's Pension position (informing the actuarial valuation), with the aim of reducing the current deficit contributions, increasing affordability, whilst best managing the pension deficit. Options have been presented to the Council's Audit Committee on 31st January to consider.

Treasury Management and Borrowing Strategy

- 4.9 The Council has taken external treasury management advice on the Council's overall borrowing levels and debt levels. The Council set an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £75 million. In March 2019, the Council will consider its Capital Strategy and Treasury Management Strategy which will contain the new requirements issued by MHCLG in February 2018 of the new guidance. Members received training on the new requirements in November 2018.

Partnership Funding/Grants

- 4.10 The Community Task & Finish Group has proposed funding reductions of £32,300 to Partnerships (South Devon CVS – £22,600 and the South Devon AONB - £9,700 Projects funding). This was considered by the Overview and Scrutiny Panel on 6th September 2018 and the Executive on 13th September. This was also included within the Members' Budget Workshop and the Members' Budget Survey. This was also considered at the Joint Budget meeting on 24th January.
- 4.11 South Devon CVS – A proposal was put forward at the Budget Workshop to reduce the CVS Partnership funding from £22,600 currently to £10,000 in 2019/20 and £5,000 in 2020/21 onwards and to remain at the £5,000 level for subsequent years. The results of the Members' Survey were close between Members supporting this proposal and Members supporting the original recommendation of the Community Task and Finish Group. There was also support for a different funding structure for the CVS, so on balance the option proposed at the Budget Workshop (to reduce the CVS Partnership

funding from £22,600 currently to £10,000 in 2019/20 and £5,000 in 2020/21 onwards) has been modelled in this Budget update report.

Partnership Funding/Grants (continued)

- 4.12 South Devon AONB – Again the results of the Members’ Survey were close between Members supporting a different projects funding structure and Members supporting the original recommendation of the Community Task and Finish Group. The majority of respondents in the Budget Survey supported reducing the project funding in its entirety (£9,700). (Note - The Council will continue to provide core funding of £20,700 in 2019/20).
- 4.13 Drug and Alcohol Task and Finish Group – An additional cost pressure for this was not supported by Members in the Budget Survey and therefore this has not been included as a cost pressure.
- 4.14 **Investment in the CCLA** - The Members’ Survey showed support for investing in the CCLA Property Fund. An options paper has been provided in Appendix G.

Commercial Property and Review of Assets

- 4.15 On 14th June 2018, the Executive considered a report on Council Owned Asset Investment and Development opportunities. The Council has prepared business cases on the Commercial Development opportunities and a summary report was presented to the Executive on 13th December (Minute E.62/18).
- 4.16 The Council’s Asset Base is £75 million at 31 March 2018. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council’s Assets.
- 4.17 **Development Management**
Further to the Joint meeting on 24th January 2019, an additional Level 5 Specialist for the Development Management service (Minute OSDM.2/18) has been built into the budget report as a cost pressure.

4.18 Income Generation/Savings

The Council’s Extended Leadership Team have been directed by the Executive to present further budget options to Members for income generation/savings/reduced expenditure for 2020/21, taking into consideration the Council’s corporate strategy and the latest budget position.

5 BUDGET PRESSURES, SAVINGS AND INCOME GENERATION

- 5.1 Financial modelling has been undertaken for the next five years to predict the Council’s financial situation for the short and medium term.

- 5.2 **Appendix A** to the Medium Term Financial Position sets out the Budget Pressures forecast for the next five years and the additional savings and income forecast. **These figures in Appendix A show the changes to the existing base budget.**

(As set out in Appendix A)	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £
Cost Pressures	1,383,700	920,762	445,761	335,000	335,000
(Reduction)/ Increase in contribution to Earmarked Reserves	(466,916)	40,000	150,000	100,000	100,000
Savings and additional income	(1,067,226)	(532,085)	(353,412)	(139,196)	(12,100)

6. OVERALL POSITION – BUDGET GAP

- 6.1 Appendices A and B illustrates the overall financial forecast for the forthcoming five years. The Council's Net Budget is £8.9 million in 2018/19. A Summary forecast is shown below of the potential budget situation if all of the budget pressures and the savings and income generation in Appendix A were approved. It also shows the situation if Council Tax is increased by the higher of 2.99% or £5 (Appendix B).

- 6.2 The following table illustrates the predicted budget gap from 2020/21 onwards for the Council as shown in Appendices A and B:

Cumulative Budget Gap	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	Total Aggregated Budget Gap £
Modelling in Appendix B	Nil	470,097	382,841	340,529	416,201	1,609,668

- 6.3 In the modelling in Appendix B, the budget gap is predicted to be £470,097 in 2020/21. The aggregated Budget Gap is £1.61 million over the five years.

7 FINANCIAL SUSTAINABILITY AND TIMESCALES

7.1 The Council is progressing various options for closing the budget gap in 2020/21 and future years, to achieve long term financial sustainability. The table below sets out a timescale for those options and the various strands that the Council is exploring.

Option	Possible Budget Impact	Timescale
<p>Pensions Strategy The Council has obtained specialist pensions advice on its Pensions position and progress on this has been reported to the Audit Committee. The Council will look at options to reduce its revenue contribution for pensions, to aid affordability.</p>	Up to £200,000	Report to the Audit Committee in January 2019.
<p>Waste Procurement The savings from the waste procurement are now included within the modelling within this budget report.</p>	Already included	Already included
<p>Council Tax Reduction Scheme The grant to Town and Parish Councils has been reduced by 9.85% over the four year period of the finance settlement. Members have an option over whether to withdraw funding in 2020/21.</p>	£74,000 for 2020/21 Onwards	To be considered as part of the 2020/21 Budget process Early consideration by Summer 2019
<p>Investment in the CCLA The Members' Survey showed support for investing in the CCLA. An options paper has been provided in Appendix G.</p>	Saving of £60,000 included within the modelling	Further information has been provided in Appendix G
<p>Asset Review/ Corporate Property Strategy There was a separate report on the Executive agenda in December 2018 for 'Commercial Development Opportunities'.</p>	Initial income projections have been included within this budget report.	Regular updates will be provided to Members.

Option	Possible Budget Impact	Timescale
Funding Options		
<p>Negative Revenue Support Grant</p> <p>The draft Finance Settlement published in December 2018 confirmed the Government's intention that negative RSG will be withdrawn in 2019/20.</p> <p>This budget report has already factored in that there will be no negative RSG for 2019/20. It is assumed that negative RSG of £400,000 per annum will continue to happen for 2020/21 onwards.</p> <p>See Section 2.3 for more explanation</p>	<p>Negative RSG of £400,000 for 2020/21 onwards has been built into this budget report.</p>	<p>The draft Finance Settlement for 2019/20 has only confirmed that negative RSG will be withdrawn for 2019/20 only.</p> <p>The position for 2020/21 onwards is not known and it is assumed that negative RSG of £400,000 per annum will be in place.</p>
<p>New Homes Bonus allocations for 2019/20</p> <p>The Government has stated that 2019/20 represents the final year of NHB funding and from 2020 onwards they will explore how to incentivise housing growth most effectively and will consult on this issue. The financial modelling has included using £500,000 of New Homes Bonus funding for 2019/20 to fund the revenue base budget and this has then been reduced to £400,000 by 2020/21 and £250,000 by 2021/22 for modelling purposes.</p> <p>It is not known what NHB allocations (or a similar scheme) will be in future years when the NHB scheme is replaced. This remains a risk for the Council.</p>	<p>To be Assessed</p>	<p>Awaiting further announcements from the Government</p>

Option	Possible Budget Impact	Timescale
<p>Contributions to Earmarked Reserves</p> <p>The Council could vary the amount of contribution into some of the Earmarked Reserves. This will be considered in more detail as part of the budget process.</p> <p>Contributions to Earmarked Reserves are shown in Appendix E.</p>	To be Assessed	To be decided as part of the Budget Process
<p>Use of Reserves as a temporary measure</p> <p>The Council has £1.85 million in Unearmarked Reserves. The Council could temporarily utilise Reserves to balance an element of the 2020/21 budget, whilst longer term solutions are being implemented. This would be a very short term solution though.</p>	To be Assessed	To be decided as part of the Budget Process

7.2 The diagram below shows the Government timetable of key dates. The key dates will be in May 2019 when more details will be known about the Funding Reform and Spending Review 2019. In November 2019, the baseline funding for business rates and the impact of transitional arrangements will be known.



8. CAPITAL PROGRAMME 2019/20 AND PRUDENTIAL BORROWING

8.1 The Capital Programme is set by the Council annually and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing. Capital Bids have been requested from Project Managers and a proposed Capital Programme for 2019/20 is a separate report on this agenda.

8.2 **Commercial Property Acquisition Strategy** – The Council has agreed a commercial property acquisition strategy of up to £60 million (capped at £30 million before 30 April 2019). No purchases have yet been made but there was a report on the December Executive agenda regarding proposed projects. Purchases made within the strategy will be capital expenditure. The funding for the initial years of the development projects was part of the report to the Executive in December 2018.

8.3 **Prudential Borrowing** - The Council will consider the use of prudential borrowing to support capital investment to deliver services and will ensure that the full costs of borrowing are taken into account when investment decisions are made.

8.4 An overall Borrowing Limit (£75 million) has been approved as part of the Medium Term Financial Strategy, with £60 million being for the Commercial Property Strategy and £15 million for other borrowing requirements.

8.5 There is a separate report on this agenda for the Capital Programme Proposals for 2019/20.

9. Sensitivity Analysis and Risk Analysis

9.1 The Council carries out sensitivity analysis and risk analysis of its Budget Proposals and this was shown in Appendix F to the Medium Term Financial Strategy.

10. Earmarked and Unearmarked Reserves

10.1 The current levels of Reserves are £1.85 million Unearmarked Reserves and Earmarked Reserves are predicted to be around £12 million at the end of 2018/19. The Council's Net Budget is £8.98 million for 2018/19. Therefore Unearmarked Reserves equate to 20.6% of the Council's Net Budget. A full list of Reserves is shown in Appendix D. It is recommended that the minimum level of the Unearmarked Revenue Reserves is maintained at £1.5 million.

10.2 Appendix E shows the proposed contributions to Reserves for 2019/20. On 6th December 2018 (Council Minute 41/18), Council approved a contribution of £60,000 per annum into a Vehicle Replacement Earmarked Reserve for the waste collection, recycling and cleansing services contract.

10.3 **Budget Monitoring** - The latest Quarter 3 Budget Monitoring report shows the actual net revenue expenditure is forecast to be over budget by £62,000 when compared against the total budget set for 2018/19 (0.7% of the total Budget £8.983 million).

11 NEXT STEPS

11.1 This Medium Term Financial Strategy is the starting point for developing a meaningful five year strategy that sets out the strategic intention for all of the different strands of funding available to the Council. This was approved at Council in September 2018. The Council is now able to rely on this to inform future decisions.

11.2 Section 7 sets out the potential timescales against each of the areas identified.

11.3 . The remaining budget meetings are shown below:-

7 th February 2019	Executive – To recommend Final Budget Proposals to Council for 2019/20
21 st February 19	Full Council – To approve Final Budget Proposals for 2019/20 and set the SHDC share of the Council Tax
22 nd February 19	Council Tax Setting Panel – to agree the Council Tax Resolution for 2019/20 (This is SHDC share plus all other precepting Authorities' share).

12. IMPLICATIONS

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The preparation of the Budget annually is evidence that the Council has considered and taken into account all relevant information and proper advice when determining its financial arrangements in accordance with statutory requirements, and in particular, that it will set a lawful budget.
Financial	Y	In the modelling in Appendix B, the budget gap is predicted to be £470,097 in 2020/21. The aggregated Budget Gap is £1.61 million over the five years.

Risk	Y	Each of the budget options taken forward by Members will consider the risks of the option.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Comprehensive Impact Assessments are completed for the budget proposals.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Budget pressures and savings

Appendix B – Modelling of the Budget (MTFS) Position

Appendix C – Analysis of the Finance Settlement

Appendix D - Schedule of Reserves (Unearmarked and Earmarked)

Appendix E – Contributions to Reserves 18/19 and 19/20

Appendix F – Contributions to Reserves 16/17 and 17/18 (for comparison)

Appendix G – CCLA Investment

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A

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BUDGET PROPOSALS 2019/20 FEBRUARY 2019
(This shows the changes to the existing Base Budget)

APPENDIX A

	BASE	Yr1	Yr2	Yr3	Yr 4	Yr 5
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
BUDGET PRESSURES						
Inflation and increases on goods and services * (see note 1 below)	220,000	220,000	220,000	220,000	220,000	220,000
Torr Quarry Transfer Station	137,500	142,500				
Triennial Pension revaluation			75,000			
Salaries - provision for pay award at 2% * (see note 1 below)	255,000	280,000	90,000	90,000	90,000	90,000
National Living Wage and National Insurance * (see note 1 below)	60,000	50,000	25,000	25,000	25,000	25,000
Additional Level 5 Planning Specialist post (shdc share of costs of 60%)		29,000				
Employer's pension costs - Waste collection, recycling and cleansing contract		290,000				
Depot annualised costs - Waste collection, recycling and cleansing contract		22,200	60,762	60,761		
Devon aligned service for waste			175,000	175,000		
Implementation costs for Devon aligned service for waste (one-off) This is additional staffing support for implementation such as roadshows, communications and customer services support.			125,000	(125,000)		
Reduction in recycling income		125,000				
Blue and Clear recycling bag processing (safe working practice requirement)		75,000				
Haulage contract		60,000				
Salaries provision for steady state review	30,000					
Reduction in Housing Benefit administration subsidy and Council Tax Support Admin Grant	20,000	15,000				
Planning - legal fees	20,000					
Cost of lease renewal (car park lease)	23,000					
Car parking costs - collection fees		25,000				
ICT future service provision			150,000			
ICT support contracts - increase the budget to better align to actual expenditure	40,000	50,000				
Reduce the income target for income from business rated domestic properties for trade waste collection - to reflect actual income being achieved	40,000					
IT - Replace ageing network switches (£15K) and fixed line to Ivybridge Depot (£6K)	21,000					
Waste service - Train staff to be HGV drivers	16,000					
Fees and Charges report - review of Taxi Licensing fees - Licensing Committee on 11 January	11,200					
Increase the contribution to Ivybridge Ring and Ride	2,000					
TOTAL BUDGET PRESSURES	895,700	1,383,700	920,762	445,761	335,000	335,000

* Note 1 - These figures will be split between frontline services and non-frontline services

Changes to contributions to Earmarked Reserves

Reduce the contribution from the New Homes Bonus Reserve (£641,084 in 2018/19 - assumes a contribution of £500,000 in 19/20 with reduced contributions thereafter e.g. to £400,000 in 2020/21 and £250,000 21/22)	(91,503)	141,084	100,000	150,000	100,000	100,000
Vehicle Fleet Replacement Reserve (Council 6th December 2018)	(197,000)	60,000				
Contribution to Economic Regeneration Projects Reserve (Business Rates Pilot gain). This contribution is one-off for 2018/19 only.	475,000	(475,000)				
Contribution to Planning Policy and Major Developments Reserve	25,000					
Reduce contribution to Land and Development Reserve		(43,000)				
Reduce contribution from the Strategic Issues Reserve as the reserve is Nil	7,000					

BUDGET PROPOSALS 2019/20 FEBRUARY 2019
(This shows the changes to the existing Base Budget)

APPENDIX A

Transformation Project (T18) - Approved at 11 December 2014 Council
Contribution to Strategic Change Reserve to meet pension strain costs

(75,000) (150,000) (60,000)

Total changes in contributions to Earmarked Reserves

143,497 (466,916) 40,000 150,000 100,000 100,000

BUDGET PROPOSALS 2019/20 FEBRUARY 2019
(This shows the changes to the existing Base Budget)

APPENDIX A

SAVINGS AND INCOME GENERATION IDENTIFIED	BASE 2018/19 £	Yr1 2019/20 £	Yr2 2020/21 £	Yr3 2021/22 £	Yr 4 2022/23 £	Yr 5 2023/24 £
Boat Storage Charges (as per Fees and Charges report)	(14,300)	(3,000)				
Income from fees and charges report	(33,300)					
Food hygiene rating scheme revisits	(1,250)					
Increase in car parking charges (2%)	(38,000)					
Additional car parking income - increase income projection to reflect actual income	(70,000)					
Car Parking - Withdrawal of weekly parking tickets	(15,000)					
Duty Planning - charged appointment basis (as per Fees and Charges report)	(5,000)	(9,000)				
Savings from re-procurement of contracts (e.g. leisure contract)	0	(22,000)	(165,000)	(105,000)	(76,000)	0
Procurement of waste collection, recycling and cleansing contract (Note - The employer's pension costs of £290,000, the depot annualised costs of £22,200 and the increase to the Vehicle Earmarked Reserve of £60,000 are deducted from this figure to show the total net annual saving as per the report to Council on 6th December 2018)		(658,351)	(129,674)	(129,672)		
Income from Commercial Developments (Executive 13/12/18)			(34,458)	(81,453)	(41,096)	
Planning fee income	(110,000)	(40,000)				
Income from commercial developments	(30,000)					
Licensing income - shellfish export certificates	(30,000)					
Housing Benefit recoveries of overpayments - increase income projection to reflect actual income being achieved	(40,000)					
Dartmouth Lower Ferry	(75,000)	(25,000)				
Reduce RNLI Contracted Lifeguarding provision	(40,000)					
Public Conveniences - Pay on Entry, contributions and transfer to Parish Council/ closure 1.9.2019 where agreement has not been reached for transfer - Includes rate relief from 2020 - Savings as set out in the Executive report 22nd November 2018	(26,000)	(118,275)	(112,053)	(5,187)		
Other budget savings (cessation of Communities Together Fund)	(4,000)	(7,000)				
Reduce partnership grant funding to the CVS (£12,600) and South Devon AONB (£9,700) - see 4.11 and 4.12 of the report	(20,000)	(22,300)	(5,000)			
Cessation of accepting cash and cheques (and other banking changes)	(35,000)					
Savings from the re-procurement of the Insurance contract	(77,000)					
Saving on External Audit Fees	(10,000)					
Cessation of South Devon Green Infrastructure Partnership (£6,500)	(6,500)					
Advertising on website and e-bulletins		(3,500)				
Corporate consultancy income		(20,000)				
Energy Certificate for Eco Schemes (as per Fees and Charges report)		(10,000)				
Food and Health and Safety advice		(3,000)				
Increase investment in CCLA from £1.5m to £3.5m (treasury management income) - Appendix F		(60,000)				
Dartmouth Park and Ride - charging review				(30,000)	(20,000)	(10,000)
Interim Senior Leadership Team arrangements		(34,000)				
Review ICT contracts		(10,300)	(6,300)			
Review cleaning contract Follaton		(5,000)				
Vehicle Trackers		(2,900)				
Digital Downloads of Planning applications		(3,500)	(3,500)			
Implement e-billing for Council Tax		(2,100)	(2,100)	(2,100)	(2,100)	(2,100)
Council Tax reduction scheme - 9.85% reduction in Town and Parish Grant in 19/20	(9,000)	(8,000)	(74,000)			

TOTAL SAVINGS AND INCOME GENERATION

(689,350) (1,067,226) (532,085) (353,412) (139,196) (12,100)

Note - Items shaded in Grey denote the savings and additional income considered at the Members' Budget Workshop which have received support from the Members' Budget Survey

Line	Appendix B - Council Tax is increased by the higher of £5 or 2.99% each year	BASE 2018/19 £	Yr 1 2019/20 £	Yr 2 2020/21 £	Yr 3 2021/22 £	Yr 4 2022/23 £	Yr 5 2023/24 £
No.	Modelling for the financial years 2019/20 onwards						
1	Base budget brought forward	8,346,074	8,983,194	8,832,752	8,791,332	9,120,937	9,459,052
2	Budget pressures (as per Appendix A)	895,700	1,383,700	920,762	445,761	335,000	335,000
3	Savings already identified (as per Appendix A)	(689,350)	(1,067,226)	(532,085)	(353,412)	(139,196)	(12,100)
4	Changes in contributions to Earmarked Reserves (App A)	143,497	(466,916)	40,000	150,000	100,000	100,000
	Reverse Use of Reserves to close 2017/18 Budget gap						
5	Transfer from Budget Surplus Contingency Earmarked Reserve	287,273					
6	Projected Net Expenditure:	8,983,194	8,832,752	9,261,429	9,033,681	9,416,741	9,881,952
	Funded By:-						
	(See Note 1 below regarding New Homes Bonus funding)						
7	Council Tax income - Modelling a £5 increase in 2019/20	6,072,207	6,315,689	6,583,277	6,858,882	7,144,997	7,442,225
8	Collection Fund Surplus	73,000	112,000	100,000	100,000	100,000	100,000
9	Revenue Support Grant (RSG - Nil from 2018/19 onwards)	0	0	0	0	0	0
10	Localised Business Rates (baseline funding level - includes Rural Services Delivery Grant of £408,055 in 2018/19 due to Pilot status)	2,262,987	1,897,008	1,944,000	1,994,000	2,046,000	2,096,000
11	Tariff/Top Up Adjustment amount (negative RSG)			(400,000)	(400,000)	(400,000)	(400,000)
12	Business Rates Pilot Gain plus estimated growth for 2018/19	575,000	100,000				
13	Business Rates - changes to Baseline Need following the Reset			156,000	160,000	160,000	160,000
14	Rural Services Delivery Grant	0	408,055	408,055	408,055	408,055	408,055
15	Total Projected Funding Sources	8,983,194	8,832,752	8,791,332	9,120,937	9,459,052	9,806,280
	Budget Gap per year						
16	(Projected Expenditure line 6 - Projected Funding line 15)	0	0	470,097	-87,256	-42,311	75,672
	Actual Predicted Cumulative Budget Gap	0	0	470,097	382,841	340,529	416,201
	Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)	0	0	470,097	852,939	1,193,468	1,609,668

Modelling Assumptions:	<i>An assumption of an additional 450 Band D equivalent properties per year has been included in the Tax Base and modelling above for 2019/20 onwards</i>					
Council Tax (Band D) (Modelling the higher of £5 or a 2.99% increase)	160.42	165.42	170.42	175.51	180.75	186.15
Council Tax Base	37,851.93	38,179.72	38,629.72	39,079.72	39,529.72	39,979.72

Note 2 - New Homes Bonus Funding

The modelling for 2019/20 includes a contribution of £500,000 from New Homes Bonus funding to fund the Base Budget. This is shown in Appendix E and Appendix A shows the movement between years of the funding from New Homes Bonus. Funding from NHB has decreased from £641,084 in 18/19 to £500,000 in 19/20 - a decrease of £141,084.

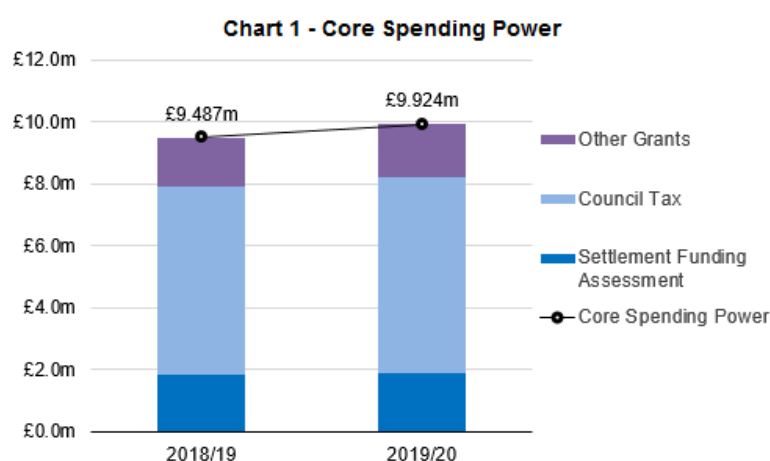
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Core Spending Power for South Hams District Council (£m)

Core Spending Power	2018/2019 (£m)	2019/2020 (£m)	Change %
TOTAL	9.487	9.924	4.6%
Breakdown of amounts:			
Business Rates	1.855	1.897	2.3%
Revenue Support Grant	Nil	Nil	-
Assumed Council Tax (this is a Government assumed figure, not the actual council tax raised)	6.072	6.330	4.2%
Other Grants (includes Rural Services Delivery Grant of £0.408m each year and New Homes Bonus which has increased from £1.109m in 18/19 to £1.227m in 19/20)	1.560	1.697	8.8%

The figures quoted in the Finance Settlement will be on the basis of Core Spending Power (the terminology used by the Government) and therefore it will be stated in the finance settlement that South Hams District Council has had a 4.6% increase in funding.

However on closer inspection of the calculation, it can be seen that the majority of this increase in funding is coming from an assumed Council Tax increase of 4.2%. (This Government figure will be based on the assumption that Councils will increase their council tax by the limit of 2.99%, plus building in some property growth). The rest of the increase is mainly due to an increase in New Homes Bonus funding for 2019/20.



How much has South Hams District Council's Government funding decreased by over the last four years?

Answer: 39.5% since 2016/17, as shown below. The chart below shows how much reduction in funding the Council has had since 2016/17. This shows the reduction in Revenue Support Grant and funding from Business Rates. Council Tax funding is excluded from these calculations.

Chart 2 – Reduction in Funding Charts - Change in Settlement Funding Assessment (Business Rates and Revenue Support Grant) by class of Local Authority

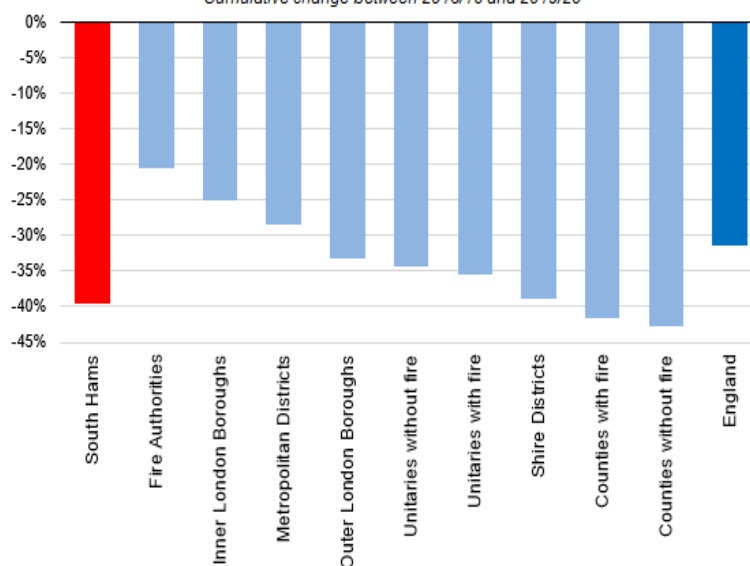
Overall over the four year funding settlement, it can be seen that South Hams has had a 39.5% reduction in Government funding. This compares against 38.8% for the average for Shire Districts.

Note: The reason that South Hams is showing an increase of 2.3% in its Government funding in 2019/20 is because in both of the years 18/19 and 19/20, the Council received Nil Revenue Support Grant and therefore the chart just shows the 2.3% increase in the Business Rates Baseline. (There is no reduction in the Revenue Support Grant to offset this, as the RSG is already Nil in both years).

Authority group	Services		Change in SFA from previous year				Cumulative change since 2015/16
	Lower tier	Upper tier Fire	2016/17	2017/18	2018/19	2019/20	
South Hams	✓		-19.8%	-18.6%	-9.3%	2.3%	-39.5%
Unitaries without fire	✓	✓	-13.6%	-11.5%	-7.1%	-7.5%	-34.4%
Metropolitan Districts	✓	✓	-10.9%	-9.0%	-5.6%	-6.4%	-28.4%
Inner London Boroughs	✓	✓	-9.6%	-7.8%	-4.7%	-5.6%	-25.1%
Outer London Boroughs	✓	✓	-13.0%	-11.0%	-6.8%	-7.4%	-33.2%
Unitaries with fire	✓	✓	-13.6%	-11.8%	-7.4%	-8.4%	-35.4%
Counties with fire		✓	-16.7%	-15.1%	-9.9%	-8.6%	-41.7%
Counties without fire		✓	-17.0%	-15.0%	-9.9%	-9.9%	-42.7%
Shire Districts	✓		-16.9%	-15.0%	-8.0%	-5.8%	-38.8%
Fire Authorities		✓	-6.8%	-8.9%	-4.1%	-2.4%	-20.6%
England			-12.4%	-10.6%	-6.3%	-6.5%	-31.4%

Chart 3 - Cumulative change in headline SFA by class of authority

Cumulative change between 2015/16 and 2019/20



RESERVES - PROJECTED BALANCES (EXCLUDES SALCOMBE HARBOUR)						APPENDIX D
	Cost Centre	Opening balance 01.04.2018 £000s	Additions to Reserve 2018/19 £000s	Predicted Spend 2018/19 £000s	Projected balance 31.03.2019 £000s	Comments
EARMARKED RESERVES						
Specific Reserves - General Fund						
Capital Programme	S0820	(791)	(182)	937	(36)	Transfer to R & M Reserve £50k, 16/17 Capital Programme £139k, 17/18 Capital Programme £392k, Kingsbridge Quay Master Plan Stage 2a £30k, 18/19 Capital Programme £326k
Revenue Grants	S0821	(372)	(60)	83	(349)	Comprises of grants with no repayment conditions - created as a result of International Financial Reporting Standards (IFRS)
Affordable Housing	S0822	(998)	0	920	(78)	Funding of Capital Programme Commitments
Renovation Grant Reserve	S0823	(7)	0	0	(7)	Comprises proceeds from repayments
New Homes Bonus	S0804	(869)	(1,109)	1,974	(4)	Commitments as per 18/19 budget report approved at Council on 22/2/18
Community Parks and Open Spaces	S0826	(111)	(17)	17	(111)	Replacement of outdoor bowls carpet, Dartmouth Bowls Club
Pension Fund Strain	S0810	0	(99)	99	0	T18 Pension Strain
Repairs & Maintenance	S0827	(249)	(105)	263	(91)	Admiral Court storage area £11.5k, Follaton House Council Chamber £19k, Totnes Toilets £2.5k and loan to Salcombe Harbour £230k Council 22/2/18 Minute ref. 68/17 refers
Marine Infrastructure	S0828	(152)	(58)	0	(210)	Annual contribution made by Salcombe Harbour. The Capital Budget Proposals report for 2019/20 to the Executive on 7th February 2019 (section 2.7) recommends using £200K from this Reserve for Batson Harbour Workshops.
Land and Development	S0829	(67)	(75)	144		Commitments include the balance of K2 - Kingsbridge Quay Master Plan additional work £30k, land transfer to Dartmouth 2 Town Council additional staff resources £15k, and £50k earmarked for Council Owned Asset Investment and Development E.08/18.
Dartmouth Ferry Repairs & Renewals	S0830	(459)	(87)	126	(420)	Fleet refurbishment
Homelessness Prevention	S0851	(82)	(30)	0	(112)	
Economic Initiatives	S0831	(49)	0	21	(28)	RDP Local Action £16.4k South West LEP £5k
Vehicles & Plant Renewals	S0832	(1,023)	(490)	629	(884)	Fleet Replacement Programme
Pay & Display Equipment Renewals	S0833	(102)	(21)	0	(123)	
On-Street Parking	S0834	(44)	0	0	(44)	
Strategic Change Reserve (T18)	S0849	0	(210)	210	0	T18 Pension Strain
ICT Development	S0836	(140)	(50)	83	(107)	ICON (cash receipting) replacement £58k
Sustainable Waste Management	S0837	(4)	(25)	29	0	
District Elections	S0838	(68)	(10)	0	(78)	
Beach Safety	S0839	(14)	0	0	(14)	
Planning Policy & Major Developments	S0840	(228)	(50)	137	(141)	Contribution to Joint Local Plan (JLP) Reserve
Section 106 Deposits	S0842	(38)	0	0	(38)	Comprises deposits with no repayment conditions - created as a result of IFRS
Members Sustainable Community Locality	S0846	(53)	0	53	0	
16/17 Budget Surplus Contingency	S0848	(25)	0	25	0	Funding for Joint Steering Group (JSG)
Innovation Fund (Invest to Earn)	S0850	(25)	0	15	(10)	Commitment relates to the development of Admiral Court, Dartmouth (Executive 16/6/16)
Community Housing Fund	S0854	(1,671)	0	356	(1,315)	
Support Services Trading	S0856	(20)	0	0	(20)	
Leisure Services	S0858	(87)	0	45	(42)	
Environmental Health Initiatives	S0857	(20)	0	0	(20)	
Economic Regeneration Initiatives (predicted Business Rates pilot gain 2018/19)	S0858	0	(475)	150	(325)	2018/19 NNDR Pilot Gain. The commitments include £100,000 earmarked for Council Owned Asset Investment and Development E.08/18, and £50,000 for the proposed contribution to the South West Mutual Bank. On 13.12.18, the Executive has made a recommendation to Council to fund £325,000 of upfront borrowing costs (during the construction period) of the commercial development opportunities identified in the District from this Reserve.
Section 106 Monitoring	S0929	(137)	0	0	(137)	
Joint Local Plan	S0860	0	(137)	137	0	New reserve for Joint Local Plan Funding
Sub Total excluding the Business Rates Reserve		(7,905)	(3,290)	6,453	(4,742)	
Business Rates Retention	S0824	8,641	(13,477)	0	(4,836)	The business rates reserve covers any possible funding issues from the new accounting arrangements and smoothes volatility of business rates income due to appeals. At Council on 22 February 2018, Members agreed to ring-fence £3.5 million for employment for the creation of local jobs and to better support the local economy - Executive on 13.12.18 has recommended to Council to fund the acquisition of 10 acres of employment land at Sherford from this Reserve. In addition, on 13.12.18 the Executive has recommended to Council to fund £624,833 of upfront borrowing costs (during the construction period) for the commercial development opportunities identified in the District from this Reserve also.
TOTAL EARMARKED RESERVES		736	(16,767)	6,453	(9,578)	
TOTAL UNEARMARKED RESERVES (General Fund Balance)		(1,849)		62	(1,787)	Projected overspend of £62,000 for 2018/19
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)		(1,113)	(16,767)	6,515	(11,365)	

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ANALYSIS OF CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES

Estimate 2018/19			Estimate 2019/20	
To £	(From) £		To £	(From) £
475,000		Economic Regeneration Projects (pilot gain)		
181,600		Capital Programme	181,600	
16,900		Community Parks & Open Spaces	16,900	
10,000		District Elections	10,000	
87,000		Ferry major repairs & renewals	87,000	
	(641,084)	New Homes Bonus		(500,000)
20,800		Pay & Display Equipment	20,800	
99,000		Pension Fund Strain Payments	99,000	
55,000		Repairs and maintenance	55,000	
210,000		Strategic Change Reserve	60,000	
0		Strategic Issues	0	
490,000		Vehicles & Plant Renewals	550,000	
50,000		Land and Development Reserve	7,000	
50,000		IT Development Reserve	50,000	
25,000		Sustainable Waste Management	25,000	
50,000		Planning Policy and Major Developments	50,000	
2,000		Interest credited to reserves	2,000	
1,822,300	(641,084)	TOTALS	1,214,300	(500,000)
1,181,216		GRAND TOTAL	714,300	

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ANALYSIS OF CONTRIBUTIONS TO/(FROM) EARMARKED RESERVES
 (This shows the contributions to and from Earmarked Reserves for the previous two years for comparison purposes)

Actual 2016/17			Actual 2017/18	
To £	(From) £		To £	(From) £
181,600		Capital Programme	181,600	
16,900		Community Parks & Open Spaces	16,900	
10,000		District Elections	10,000	
87,000		Ferry major repairs & renewals	87,000	
	(500,000)	New Homes Bonus (500,000 plus 49,581)		(549,581)
20,800		Pay & Display Equipment	20,800	
99,000		Pension Fund Strain Payments	99,000	
55,000		Repairs and maintenance	55,000	
219,000		Strategic Change Reserve	285,000	
	(7,000)	Strategic Issues		(7,000)
		Transformation (T18) Reserve		
541,000		Vehicles & Plant Renewals	687,000	
		Land and Development Reserve	50,000	
		IT Development Reserve	50,000	
		Sustainable Waste Management	25,000	
		Planning Policy and Major Developments	25,000	
2,000		Interest credited to reserves	2,000	
767,995		Budget Surplus Contingency Reserve		(287,273)
2,000,295	(507,000)	TOTALS	1,594,300	(843,854)
1,493,295		GRAND TOTAL	750,446	

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Briefing Note on CCLA Investment Options

Recommendation:

1. To invest a further £2million from the Council's treasury management funds into the Local Authorities Property Fund (LAPF- investment of £1million) and its Diversified Income Fund (DIF – investment of £1 million).

1.0 Executive Summary

- 1.1 This report sets out the rationale for the recommendation of investing a further £2m into a combination of the CCLA DIF (£1m investment) and into the CCLA LAPF (£1m investment). The Council currently has £1m invested with the CCLA DIF and £0.5m with the CCLA LAPF.
- 1.2 Combined, these investments could generate an additional £60k pa in additional investment income, based on current interest rates. In the first year the entry costs to the fund would need to be absorbed so this benefit won't start be realised until the second year e.g. 2020/21 onwards.

2.0 Background

CCLA – Investment Services for Churches, Charities & Local Authorities

- 2.1. A variety of investment instruments are available to the Local Authority market. In addition to the notice accounts and fixed term deposits available from UK and overseas banks, it is also possible for the Council to invest, for example, in UK Government Gilts, bond funds and property funds. These alternative instruments would either require the Council to tie up its cash for significantly longer periods, thus reducing liquidity, or would carry a risk of loss of capital if markets go down. The Council's policy in the past (prior to 18/19), therefore, has been not to invest in these slightly more risky and less liquid forms of investment.
- 2.2. However, a variety of factors have meant the Council has reviewed that approach, e.g.:
 - (a) The perception of increased risk in bank deposits.
 - (b) A UK economy that could support a more positive outlook for other forms of investment.
 - (c) A challenging budget outlook that would benefit from the influx of additional investment income.
- 2.3. Officers have therefore considered a variety of different forms of investment. In 2018/19 Members approved an investment of £0.5m into the LAPF and £1m into the DIF fund. Officers have concluded that investment in to CCLA represents a balanced investment opportunity, splitting investment in to CCLA's two funds – the LAPF, which invests in UK Property and the DIF, which invests in global distributed investments. The latter pays dividends earned from revenue income generated from cash, AAA or BBB short-dated bonds and diverse investments

in things such as energy / renewables, aircraft leasing, student accommodation, care homes, and some property.

2.4. **LAPF**

The CCLA (Churches, Charities and Local Authorities) Local Authority Property Fund has been specifically set up for local authorities, and currently has investments of over £1,048 million, with over 234 local authority investors including county councils, metropolitan councils/London boroughs and over 40 unitary and district councils. Devon County Council, Plymouth City Council, West Devon Borough Council and four Devon town councils are invested in the Fund as well as South Hams. The fund own and operate 71 commercial properties across the UK, across various sectors with many having blue-chip tenants. By further investing in this fund, SHDC would be able to further diversify its risk exposure across the UK and multiple property types and sectors, generating a yield (4.27% over last quarter) significantly higher than that generated by current treasury management investments, which averaged around 1%.

- 2.5. The income yield over the course of the investment is likely to be around 4-5%, significantly above the rates available for term deposits with banks. The income yield will vary from year to year, but tends to be within a fairly narrow range.
- 2.6. However, there are risks that should not be discounted. The capital value of property can go down as well as up, and therefore the capital redeemed at the end of the investment could be less than the sum initially invested. There are also charges that would need to be met; there is a bid offer spread of 8.3%, so the initial value of the fund will be lower than the initial amount invested. The Annual Management Charge is 0.65% of the net asset value of the Fund and is charged against income before any income distribution is made. These factors combined mean that any investment needs to be held for a minimum of 4 to 5 years ideally, and capital growth would need to be around 2% per year to ensure that the capital redeemed at the end of the investment is at least equal to the initial amount invested. The investment can be redeemed at any time, but it may take 3 to 4 months from the time that the redemption request was made for CCLA to liquidate sufficient holdings in order to return the funds.
- 2.7 It should be noted that the charges above are similar to those that the Council would incur if it were to buy residential property. Stamp duty on an investment property is 5%, whilst agents fees on disposal, legal fees on acquisition and disposal and ongoing management fees for the property would equate (or even exceed) the above costs. The annual management charge of 0.65% is lower than most typical investment bonds / pension funds, which typically charge circa 0.75% as an annual fee.

- 2.8. A CCLA LAPF Fact Sheet was appended to the Budget report to the Joint Budget meeting on 24th January. Further details about CCLA can be found at www.ccla.co.uk Investments into this fund do not count as capital expenditure and dividends are treated as revenue income. The Council could further invest and then sell at a later date and this means not only does the Council obtain regular returns (Paid quarterly), it also has the potential to benefit from an increase in “capital” value.
- 2.9. **DIF**
The DIF is a newer fund and is available to a wider pool of investors (whereas the LAPF is only available to Local Authorities). It was launched in late 2016 and so far has £76m in managed funds. There are 28 Local Authority investors.
- 2.10 The minimum investment is £1m and on average the fund has generated a dividend yield, after management costs of 3%.
- 2.11 The lower return is due to the inherent lower risk appetite of the fund, with strict rules in place to ensure that at any time ,the maximum exposure to equities is 40%. Due to the nature of the investors, Churches, Charities & Local Authorities, all investments are closely scrutinised to ensure no investor would be embarrassed by inappropriate acquisitions or investments. The fund place a significant proportion of its managed funds in short dated bonds and cash instruments, meaning that withdrawals from the scheme are more liquid than the LAPF fund. With this in mind, the bid/offer spread is far lower, at 0.44%.
- 2.12 Like the LAPF, the scheme accepts revenue investments and on exit, revenue will be returned to the local authority. All dividends are paid as revenue income. This is one of the fundamental reasons why further investment in the CCLA is being proposed, and why CCLA is popular with Local Authorities as an investment opportunity.
- 2.13 Each £1m investment would generate annual returns of c£30k based on the current 3% yield, after the initial cost of acquisition. A CCLA DIF Fact Sheet was appended to the Budget report to the Joint Budget meeting on 24th January. Further details about CCLA can be found at www.ccla.co.uk
- 3.0 **Options available and consideration of risk**
- 3.1. Members could opt to follow the recommendation or invest a higher or lower sum. Alternatively, Members could opt to pursue an alternative investment strategy. Investment into the LAPF should only be considered if the investment can be maintained for a medium – long term, i.e. 4 to 5 years. If the investment needs to be liquidated before that timeframe, it is highly possible that the sum returned would be less than the sum originally invested.

- 3.2. The DIF is not subject to the same bid/offer spread and therefore is more liquid as the LAPF and therefore this investment will be easier to liquidate if the Council choose to divest. Based on this difference and taking a balanced risk approach, it is recommended that Members agree to invest a further £1m into the DIF (averaging 3% dividend yield pa) and a further £1m into the LAPF (averaging a 4 to 5% dividend yield). Assuming dividend rates stay roughly stable, investing at these sums would generate an additional £60k pa for the Council.
- 3.3. The DIF itself is inherently more liquid than the LAPF as it reflects the underlying assets not being solely invested in property, there are established markets for equities and bonds.
- 3.4. In the Members' Budget Survey, 67% supported further investment in the CCLA.

4.0 Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/ Governance	Y	<p>The Treasury Management Strategy Statement (TMSS) for 2018/19, set out the Council's investment priorities as being:</p> <ul style="list-style-type: none"> • Security of capital; • Liquidity; and • Yield. <p>The Council aims to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity.</p> <p>In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions, using our suggested creditworthiness approach, including a minimum sovereign credit rating, and Credit Default Swap (CDS) overlay information.</p> <p>The Treasury Management Strategy is risk averse with no investments allowed for a period of more than a year and very high credit rating are required together with a limit of £3m per counterparty.</p> <p>Agreeing to invest in the CCLA fund requires Council approval.</p>
Financial	Y	A further investment in to CCLA will represent an increased risk of loss of capital in comparison to the use

		<p>of term deposits with banks and building societies.</p> <p>Such an investment has the potential to provide a significant increase in investment income that could contribute towards the predicted budget gaps highlighted in the Medium Term Financial Strategy.</p> <p>From 2023/24, if there is a downward valuation in the CCLA investment, the decrease would be an expense to the Income and Expenditure Account of the Council, as the Available for Sale Reserve is not available, due to a change in the Accounting Code of Practice. This could be significant, for example a 10% drop in the valuation of the £2 million investment at the year end would mean a charge to the Income and Expenditure Account of £200,000 in that year. Therefore this would affect the 'bottom line' of the Council adversely by £200,000. Up until 5 years time, fair value movements will not have an impact on the revenue 'bottom line', due to a Government statutory reversal.</p>
Risk	Y	<p>The security risk is the risk of failure of a counterparty. The liquidity risk is that there are liquidity constraints that affect interest rate performance. The yield risk is regarding the volatility of interest rates/inflation.</p> <p>The Council has adopted the CIPFA Code Of Practice for Treasury Management and produces an Annual Treasury Management Strategy and Investment Strategy in accordance with CIPFA guidelines. The Council engages a Treasury Management advisor and a prudent view is always taken regarding future interest rate movements.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	N/A
Safeguarding	N	N/A
Community Safety, Crime and Disorder	N	N/A
Health, Safety and Wellbeing	N	N/A
Other implications	N	N/A

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NOT FOR PUBLICATION

This report contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (applies to Appendix B)

Report to: **Executive**
Date: **7 February 2019**
Title: **Capital Budget Proposals for 2019/20**
Portfolio Area: **Budget Proposals – Cllr Tucker**
Wards Affected: **All**
Relevant Scrutiny Committee: **Overview and Scrutiny Panel**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Author: **Lisa Buckle** Role: **Strategic Finance Lead (S151 Officer)**

Contact: **Tel. 01803 861413**
Email: lisa.buckle@swdevon.gov.uk

Recommendations:

The views of the Executive are sought on the following:

- 1.** The content of the Capital Programme Proposals for 2019/20, which total £1,290,000 (Appendix A)
- 2.** The content of the Capital Programme Proposals for 2019/20, which total £14,001,000 (Exempt Appendix B)
- 3.** The proposed financing of the 2019/20 Capital Programme of £15,291,000 from the funding sources set out in Section 4.

1. Executive summary

1.1 The report sets out the Capital Bids to the 2019/20 Capital Programme totalling £15,291,000 and a suggested way that these Bids can be funded. All items in this proposed Capital Programme are based on budget estimates and will be subject to the normal project appraisal procedures.

1.2 The Council has limited resources, in the form of capital receipts, to fund Capital Projects in 2019/20.

Consideration needs to be given to the funding options for the 2019/20 Capital Programme. The Capital Programme is set by the Council and may be funded by sale proceeds from the disposal of assets (capital receipts), external grants and contributions, directly from revenue or from borrowing.

1.3 The Prudential Code for capital, which came into effect from 1st April 2004, replaced the previous Government regulated limits on capital expenditure and borrowing. In its place Councils now have the power to determine their own appropriate levels of capital expenditure and borrowing for capital purposes, based on the principles of affordability, prudence and sustainability.

1.4 The Code requires the Council, in setting its capital spending plans, to assess the impact on its revenue account and council tax levels. Section 4 demonstrates that there are sufficient capital funds (which includes PWLB borrowing mainly for commercial acquisitions) in 2019/20 to fund the bids which have been submitted by project officers within the Council.

2. Background

2.1 The capital programme for 2018/19 was approved by Council on 22 February 2017 (62/17 and E.46/17 refer).

2.2 A new Capital Programme is proposed for 2019/20. The Head of Finance Practice invited bids for capital funding from all service areas, for a new capital programme during July 2018 on the strict proviso that all bids must go towards meeting a strategic priority. All capital bids received would be ranked against a prescribed priority criteria set out in the bid process.

2.3 The submitted capital bids have now been assessed against the categories in each priority. Priority 1 categories include meeting strategic priorities and statutory obligations (e.g. Health and Safety, DDA etc) and other capital works required to ensure the existing Council property assets remain open. Priority 2 categories link to good asset management whereby the capital work proposed would either generate capital/revenue income or reduce revenue spending. A capital bid that will enable rationalised service delivery or improvement is also considered a Priority 2 category to meet the Council's aims and objectives.

2.4 The programme outlines the principles of the projects proposed for capital expenditure and includes an estimate of predicted costs including fees. All projects will be subject to project appraisals as required under the Council's Asset Strategy.

2.5 The capital budget proposals were considered by the Joint Development Management Committee and Overview and Scrutiny Panel on 24th January 2019 (minute OSDM.5/18 refers). It was recommended that the Joint Meeting **RECOMMEND** that the Executive **RECOMMEND** to Council that:-

1. the content of the Capital Programme Proposals for 2019/20 that totals £1,290,000 (as set out in Appendix A of the presented agenda report) be supported;

2. the content of the Capital Programme Proposals for 2019/20 that totals £14,001,000 (as set out in exempt Appendix B of the presented agenda report) be supported; and

3. the proposed financing of the 2019/20 Capital Programme of £15,291,000 from the funding sources (as set out in Section 4 of the presented agenda report) be supported.

2.6 This capital budget proposals report for 2019/20 has the same content as the capital budget proposals report considered by the Joint Development Management Committee and Overview and Scrutiny Panel with the exception of a change to the proposed funding for the Batson Harbour Workshops.

2.7 Following consultation with the Harbour Board, a report setting out the recommendations of the Harbour Board was considered on the 28th January 2019 and it was proposed and agreed to reduce the Harbour Authority’s exposure to the revenue strain by capping the borrowing at £800,000 (this was previously £1m). Any additional project spend up to the budget of £1m is now recommended to be funded by the Marine Infrastructure Reserve (£200,000).

3. Outcomes/outputs

Members are requested to give their views on the proposals for the Capital Programme for 2019/20. Appendix A and exempt Appendix B set out the bids which total £15,291,000.

3.1 Capital Programme 2019/20

3.2 Play Parks – replacement of play equipment

Due to slippage in the 2017/18 budget nothing was approved for 2018/19. Spend of these funds was set back a year while options for asset transfers of play parks were discussed with Town and Parish Councils.

The capital budget of £190,000 is required in 2019/20 with tenders being sought for play parks work early in 2019. A priority and outline investment list of just under 30 play areas has been agreed by the Public Spaces Working Group. A detailed list of play parks will be distributed to all Members in advance of the Executive meeting.

2019/20 will now be year 2 of a three year programme as shown below:

Capital budget for Play Parks (2017/2018 approved, 2019/20 and 2020/21 budget to be confirmed)

2017/18	2018/19	2019/20	2020/21	Total
£190,000	Nil	£190,000	£140,000	£520,000

3.3 Follaton House – roof repairs

The proposed capital programme includes a contribution of £50,000 per annum into a reserve for Follaton House roof repairs. Roofing repairs are required on the Old House which includes the localised replacement of defective slate and lead valleys. Defective guttering on Phases 1, 2 and 3 also needs replacing.

3.4 Coastal Assets repairs - 5 year planned programme

The financial year 2019/20 is the fifth year (of a 5 year programme) of an allocation of £300,000 per annum for the planned programme for Coastal Assets repairs.

3.5 Private Sector Renewals (including Disabled Facilities Grants)

This budget is used to fund Private Sector Renewals, primarily Disabled Facilities Grants (DFG's). DFG's are mandatory, means tested and enable people to live independently within their own home. Adaptations range from simple stair lifts and Level Access Showers through to full extensions.

The term 'Private Sector Renewals' are loan and grant funded initiatives that relate to the private sector and not to registered social landlords. The increase in the number of Disabled Facilities Grants applications alongside a reduction in renovation and minor works grants has meant that private sector renewal grants has decreased.

The Regulatory Reform Order policy sets out the various grant funding and loans that the Council currently offers:

<https://mg.southhams.gov.uk/documents/s17191/Appendix%20-%20DFGRRO%20policy.pdf>

When an application is received for a DFG, or a housing inspection reveals disrepair or financial hardship, the health and wellbeing board that comprises Officers from different disciplines meets to consider the best long term housing options for the client.

The budget of £700,000 will be funded from the Better Care Fund (Government Grant). The demand for DFG's is not under our control and cannot be predicted at this stage.

3.6 Follaton House – Replacement Lifts

The proposed capital programme includes a contribution of £30,000 per annum into a reserve for replacing lifts at Follaton House.

There are two lifts which are maintained under contract and regularly serviced. They are increasingly requiring repair and lift engineers have advised that parts are becoming increasingly obsolete. Replacements will be required in the next few years.

3.7 Depot Improvements

A report on Frontline Services (Waste and Cleansing Procurement) was presented to Council in December 2018. Council resolved to approve borrowing for the capital costs of depot improvements.

3.8 Waste Fleet Replacement

A report on Frontline Services (Waste and Cleansing Procurement) was presented to Council in December 2018. Council resolved to approve an increase of £60,000 in the contribution to the Vehicle Earmarked Reserve in 2019/20 (C.41/18 refers). This increases the contribution per year from £490,000 to £550,000.

3.9 Ermington New Units

A capital budget for the provision of new units at Ermington was approved in 2018/19 with a proposal for additional funds in 2019/20. Tenders have been received and work is due to commence during 2019.

3.10 Improvement of the existing units at Ermington

A capital budget was approved for improvements to existing units at Ermington in the 2018/19 capital budget with a proposal for additional funds in the 2019/20 capital budget.

The architect is midway through the commission to ascertain the best solution for the upper floors of the Mill building. Early indications are that it should be possible to bring all the building back into commercial use. The report is expected towards the end of February 2019. The tender process would then follow, with works anticipated in September.

3.11 New Sub Lift at Salcombe

The 2018/19 capital budget included a contribution into a reserve towards the purchase of a new sub lift. The proposed capital programme includes a further contribution in 2019/20 as well as a proposal for a contribution in 2020/21.

3.12 New Entrance, Batson Creek Car Park

A capital budget is required to deliver ancillary car park upgrades to Batson Creek Car Park. This relates to alteration of the car park entrance and spaces layout such that any development within the car park footprint does not result in any loss of capacity. There will also be a requirement to create space for the recycling facilities at Batson through the creation of a hard standing area adjacent to the existing site. This is linked to the construction of the Employment Units and the Trailer Park.

3.13 Car Park Resurfacing

Officers have identified a number of car parks across the District which are in need of resurfacing. The proposed capital budget includes a provision for this purpose.

3.14 South Devon Tennis Centre, Ivybridge

Under the existing lease, the Council is required to fund works to replace the tennis courts at the South Devon Tennis Centre in Ivybridge. This was last carried out 10 years ago and a LTA Court Inspection has now highlighted the need to carry out such works in 2019. A proposal has been put forward for the 2019/20 capital programme.

3.15 Commercial Development Opportunities

Details of commercial development opportunities within the district are included in exempt Appendix B. A Report and Briefing Note presented to Executive on 13th December gave more information (E.62/18 refers).

3.16 Affordable Housing

No further capital budget has been requested for 2019/20 to support affordable housing due to the previous year's budgets being sufficient to finance the current schemes which are being progressed. The breakdown of money available through s106 contributions, second homes monies and the community housing fund (£1.88m received in 2016/17) means that further sums are not requested at this time.

Should additional schemes materialise, that aren't currently known about by officers, and which would require additional finance, a report will be brought back to Members during the year to request funding on a case by case basis.

3.17 Contingency

It is proposed that a contingency budget of £50,000 be included in the capital programme. This has been included to allow for variations on tendered prices to the estimates provided in the programme, where emergency works are required on assets not currently included in the programme or where additional external resources are required to deliver the programme. Use of this contingency budget will be subject to the Council's existing processes for the expenditure of capital funds.

4 FINANCING THE CAPITAL PROGRAMME

4.1 Capital bids shown in Appendix A total £1,290,000 with the total of bids in exempt Appendix B being £14,001,000. Funding of £15,291,000 is therefore required. The table below shows the recommended way that these projects are financed:-

Capital Programme 2019/20 <i>Appendix A (£1,290,000) and Appendix B bids (£14,001,000)</i>	£ 15,291,000
Funded By:	
Capital Programme Reserve (See Note 1 below – this includes the 19/20 allocation of £181,600 plus previous funds unallocated)	220,000
Community Parks & Open Spaces Reserve (South Devon Tennis Centre)	65,000
Vehicle & Plant Renewals Reserve*	550,000
Business Rate Retention Reserve	1,500,000
Marine Infrastructure Reserve (for Batson Harbour Workshops)	200,000
Capital Receipts	960,000
Better Care Grant funding towards Disabled Facilities Grants (estimated)	700,000
New Homes Bonus	690,000
Borrowing – Waste and Cleansing Procurement*	740,000
Borrowing – development opportunities (this is a proportion of the total PWLB borrowing for the projects shown within the South Hams Commercial Developments report and relates to the capital expenditure in the 19/20 year only)	9,666,000
TOTAL	15,291,000

* This funding has already been approved by Council on 6th December 2018 as part of the report on Frontline Services (Waste and Cleansing Procurement)

Note 1 – The current proposed funding of the Capital Programme includes the Council continuing to make a revenue contribution to the Capital Programme Reserve in 2019/20 of £181,600.

5. IMPLICATIONS

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/ Governance	Y	<p>The Executive is responsible for control of the Council's capital expenditure. The Head of Finance and Assets Practices are responsible for providing Capital Monitoring reports to the Executive, detailing the latest position of the Council's Capital Programme. Council is responsible for setting the Capital Programme and approving the Capital Budget, following consideration and recommendation from the Executive.</p> <p>Since there is commercially sensitive information in Appendix B, regarding the budgets for individual projects, there are grounds for the publication of this Appendix to be restricted, and considered in exempt session.</p> <p>The public interest has been assessed and it is considered that the public interest will be better served by not disclosing the information in the Appendix. Accordingly this report contains exempt Information as defined in paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>
Financial	Y	<p>The report sets out the Capital Bids to the 2019/20 Capital Programme totalling £15,291,000 and a suggested way that these bids can be funded. All items in this proposed Capital Programme are based on budget estimates and will be subject to the normal project appraisal procedures.</p> <p>Section 4 demonstrates that there are sufficient capital funds (which includes PWLB borrowing mainly for commercial acquisitions) in 2019/20 to fund the bids which have been submitted by project officers within the Council.</p>

Risk	Y	<p>There is a risk that the Capital Programme does not meet the Council's strategic priorities in line with the Council's Asset Strategy and the opportunity to assess emerging projects, which could contribute to the Council's priorities. The mitigation is that there is a project appraisal for each proposal.</p> <p>This is taken into account when assessing possible implementation timescales. Complex capital programmes have a relatively long lead-in period. The Council demonstrates that capital investment contributes to strategic priorities, provides value for money and takes account of the revenue implications of the investment. Regular monitoring of the capital programme and consideration of new pressures enables Members to control the programme and secure appropriate mitigation where problems arise.</p> <p>There is regular quarterly monitoring of the Capital Programme to Members where any cost overruns are identified at an early stage</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report.

Supporting Information

Appendices:

Appendix A – Summary of Capital Bids for 2019/2020

EXEMPT - Appendix B – Summary of exempt Capital Bids for 2019/2020 (table)

Background papers

Capital Programme for 2018/19 - Council 22 February 2018 (62/17 and E.46/17 refer).

Commercial Development Opportunities – Executive 13 December 2018 (E.61/18 refers).

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A

Proposed Capital Projects 2019/20 - 2021/22 - PART I							
Priority Criteria							
Statutory Obligations	1		Compliance, H&S, DDA				
	2		Essential to keep Operational Assets open				
Good Asset Management	3		Rationalise service delivery or service improvement				
	4		Generate income, capital value or reduce revenue costs				
Service	Site	Project	Lead officer	Proposed 2019/20 £'000	Proposed 2020/21 £'000	Proposed 2021/22 £'000	Priority code / notes
	Play Parks	Replacement equipment	RS	190	140		1,2
HQ	Follaton House	Refurbishment of roof to old house and replacement guttering	ST	50	50	50	1,2
Engineering	SHDC Coastal Assets Repairs	5 year planned programme based on marine survey	CB	300			1
Public Sector Renewals (inc Disabled Facility Grants)			IL	700			1
Sub Total				1,240	190	50	
Contingency				50	150	150	
Totals				1,290	340	200	

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Agenda Item 13

Report to: **Executive**

Date: **7 February 2019**

Title: **Future Governance Arrangements for Frontline Services (Waste and Cleansing)**

Portfolio Area: **Commercial Services**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:
(e.g. referral on of recommendation or implementation of substantive decision) **After 15 February 2019**

Author: **Jane Savage** Role: **Commissioning Manager (Waste)**

Contact: **01822 813657**
jane.savage@swdevon.gov.uk

Recommendations:

1. That the Executive endorse the recommendation of the Frontline Services Project Board to amend the Memorandum of Understanding to include the mobilisation of the contract.
2. That the Executive endorse the setting up of a Partnership Board as outlined in principle and as required under the terms of the Contract.

1. Executive summary

1.1 In 2017 Council approved the setting up of a Project Board to oversee the commissioning of the future arrangements for the delivery of waste and recycling collection, street and toilet cleansing services.

1.2 Subsequently in December 2018, Council approved the award of Lot 3 - a partnership contract for the delivery of the services in scope.

1.3 In order to implement the mobilisation of the contract, it is necessary to amend the Memorandum of Understanding for the Project Board. The Project Board is a Board of the Council and will expire once the contract has commenced and is established. It is also necessary to set up a Partnership Board to deal with contractual operational matters, which is made up of Members from each Council, key officers, and contractor staff.

1.4 The Memorandum of Understanding (MoU) can be varied by written approval of the Project Board in consultation with Leaders and this report is presented in order to keep the Executive Committee fully informed of the governance arrangements of the new contract and in line with the Council request of 6 December 2018.

1.5 The main changes to the MoU concern the mobilisation of the contract, and the expiry stage of the Project Board. In addition, the variation includes the establishment of a Partnership Board to operate for the duration of the contract. The Partnership Board will oversee the operational implementation and performance of the new contract.

1.6 It should be noted that any strategic decisions which fall outside of the contract scope will be brought back to committee for approval.

2. Background

2.1 In September 2017, the Council approved the setting up of a Frontline Services Project Board to oversee the commissioning process for the delivery of the waste and recycling collection, street and toilet cleansing services. Council also approved the Memorandum of Understanding (MoU) and Terms of Reference for the Project Board. The MoU, set in accordance with the Joint Working Protocol, outlines the key objectives of the Project Board and the scope of services being considered.

2.2 The MoU key objectives are as follows:

- i) Test the market with a view to securing value for money outcome for the Councils.
- ii) Seek to secure a partnership arrangement for the delivery of the services across the two Councils.
- iii) Seek to find better ways of delivering the services in scope without necessarily compromising quality.

2.3 Now that the contract has been awarded and the Alcatel (legal standstill) period is over, the MoU requires amendment in order to ensure

the successful implementation of the contract over the mobilisation period.

2.4 The existing MoU can be varied by written approval of the Project Board in consultation with Leaders. However, at the Council meeting on 6 December 2018, it was requested that this report be brought before Executive:

6. {That Council} approves the continuation of a Waste Board, with revised Terms of Reference to be agreed by the Executive, for the duration of the mobilisation period.

It should be noted that Council also approved the contract award which has within it the provision for setting up the Partnership Board.

2.5 This fits with the Council themes of:
Council
Communities
Environment

3. Options available and consideration of risk

3.1 The revised MoU extends the scope of the Project Board to cover the mobilisation of the contract including establishing and developing the remit for the Partnership Board. The Partnership Board Terms of Reference provide a framework for flexible operational delivery within the scope of the contracted works.

3.2 The Project Board have been fully involved with the testing and competitive dialogue process and therefore have a detailed understanding of the contract arrangements. Continuity, coupled with this background knowledge, is essential during the contract mobilisation and bedding in period.

3.3 The risks of not amending the documents include loss of customer satisfaction and Council reputation and may affect future service performance.

4. Proposed Way Forward

4.1 It is proposed that the Deed of Variation to the Memorandum of Understanding as attached at Appendix B and approved by the Project Board, is endorsed. The main changes to the document concern the mobilisation process, the expiry stage of the Project Board, and the establishment of a Partnership Board. These are detailed in Appendix B and the main points listed below for clarity:

4.2 The Project Board, have approved a new set of key objectives as follows:

- i) Ensure a value for money outcome for the Councils.
- ii) Implement the partnership arrangement with the Contractor for the delivery of the services across the two Councils.
- iii) Seek to find better ways of delivering the services in scope without necessarily compromising quality.
- iv) Undertake all those activities that are necessary as part of the Mobilisation in order to give effect to the Councils decision to award contract.

4.3 As this contract will be delivered through a partnership approach, it is necessary to set up a Partnership Board to function from the contract start date on 1 April 2019 to continue through to the end of the contract period. The Partnership Board will be made up of Members of both Councils, along with officers and contractor representatives. The Partnership Board will shadow the work of the Project Board until the contract start date. The draft Terms of Reference for the Partnership Board are attached at Appendix C and will be developed by the Project Board during the mobilisation period.

4.4 The Project Board will continue to function as long as necessary after the contract start date for continuity and until such a time as the services have bedded in.

4.5 The Memorandum of Understanding, MoU Deed of Variation, and the Partnership Board Draft Terms of Reference are attached at Appendix A, B and C respectively.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Authority has a duty to arrange for collection and disposal of household waste. The legislative framework is to be found in the Environmental Protection Act 1990, Waste Framework Directive 2008, and Controlled Waste Regulations 2012. The contract has been awarded in full compliance with Contract Procedure Rules 2015.
Financial		There are no financial implications.
Risk		The risks are set out in section 3 of this report.

Comprehensive Impact Assessment Implications		
Equality and Diversity		N/A
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing		N/A
Other implications		N/A

Supporting Information

Appendices:

Appendix A: Memorandum of Understanding

Appendix B: Deed of Variation

Appendix C: Partnership Board Draft Terms of Reference

Background Papers:

Council Report 28 September 2017

Council Report 6 December 2018

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A

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DATED

2017

SOUTH HAMS DISTRICT COUNCIL

-AND-

WEST DEVON BOROUGH COUNCIL

**MEMORANDUM OF UNDERSTANDING IN
RELATION TO PROCUREMENT OF WASTE
COLLECTION, RECYCLING AND CLEANSING
SERVICES**

(THE PROJECT)

Prepared by

Andrew Ogalo – Solicitor (Commercial Contracts, Projects and Procurement)

West Devon Borough Council **and** South Hams District Council

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ANNEX

ANNEX A. INFORMATION SHARING PROTOCOL

ANNEX B. PROJECT BOARD'S TERMS OF REFERENCE

ANNEX C. COLLABORATION AGREEMENT DATED 2015

ANNEX D. PROJECT TEAM'S TERMS OF REFERENCE

ANNEX E. JOINT WORKING PROTOCOL

ANNEX F. DEFINED TERMS

BETWEEN:

- (1) **SOUTH HAMS DISTRICT COUNCIL** of Follaton House, Plymouth Road, Totnes, Devon TQ9 5NE (**South Hams**).
- (2) **WEST DEVON BOROUGH COUNCIL** of Kilworthy Park, Drake Road, Tavistock, PL19 0BZ (**West Devon**).

Together the “**Councils**” and each a “**Council**”.

1. BACKGROUND

- 1.1 South Hams and West Devon have agreed to work together on the proposed procurement of Waste Collection, Recycling and Cleansing Services (**Project**).
- 1.2 The Project’s brief is to give effect to the Council’s recommendation namely that Waste Collection, Recycling and Cleansing Services are tested using the competitive dialogue procurement route to achieve a partnership solution.
- 1.3 The Councils are party to a Collaboration Agreement which set out the basis for sharing resources generally but also make it clear that the Councils will continue operating different governance arrangements.
- 1.4 The Councils wish to record the basis on which they will collaborate with each other on the Project. This MoU sets out:
 - (a) the key objectives of the Project;
 - (b) the principles of collaboration;
 - (c) the governance structures the Councils will put in place; and
 - (d) the respective roles and responsibilities the Councils will have during the Project.

2. **KEY OBJECTIVES FOR THE PROJECT**

2.1 The Councils shall undertake the Project to achieve the key objectives (**Key Objectives**) in accordance with the Joint Working Protocol as set out Annex E to this MoU. The Key Objectives are:

- i) Test the market with a view to securing value for money outcome for the Councils.
- ii) Seek to secure a partnership arrangement for the delivery of the services across the two Councils.
- iii) Seek to find better ways of delivering the services in scope without necessarily compromising quality.

2.2 The Services in scope of the Project across both Councils are:

- i) Waste Collection
- ii) Recycling
- iii) Street Cleaning
- iv) Toilet Cleansing

2.3 The Councils acknowledge the current position with regard to the Project.

3. **PRINCIPLES OF COLLABORATION**

The Councils agree to adopt the following principles when carrying out the Project (**Principles**):

- (a) collaborate and co-operate. Establish and adhere to the governance structure set out in this MoU to ensure that activities are delivered and actions taken as required;
- (b) be accountable. Take on, manage and account to each other for performance of the respective roles and responsibilities set out in this MoU;
- (c) be open. Communicate openly about major concerns, issues or opportunities relating to the Project;
- (d) learn, develop and seek to achieve full potential. Share information, experience, materials and skills to learn from each other and develop effective working practices, work collaboratively to identify solutions, eliminate duplication of effort, mitigate risk and reduce cost;

- (e) adopt a positive outlook. Behave in a positive, proactive manner;
- (f) adhere to statutory requirements and best practice. Comply with applicable laws and standards including EU procurement rules, data protection and freedom of information legislation. In particular the Councils agree to comply with the requirements of the Information Sharing Protocol attached to this MoU in A;
- (g) act in a timely manner. Recognise the time-critical nature of the Project and respond accordingly to requests for support;
- (h) manage stakeholders effectively;
- (i) deploy appropriate resources. Ensure sufficient and appropriately qualified resources are available and authorised to fulfil the responsibilities set out in this MoU; and
- (j) act in good faith to support achievement of the Key Objectives and compliance with these Principles.

4. PROJECT GOVERNANCE

4.1 Overview

The governance structure defined below provides a structure for the development and delivery the Project.

4.2 Guiding principles

The following guiding principles are agreed. The Project's governance will:

- (a) provide strategic oversight and direction;
- (b) be based on clearly defined roles and responsibilities at organisation, group and, where necessary, individual level;
- (c) align decision-making authority with the criticality of the decisions required;
- (d) be aligned with Project scope and each Project stage (and may therefore require changes over time);
- (e) leverage existing organisational, group and user interfaces;
- (f) provide coherent, timely and efficient decision-making; and
- (g) correspond with the key features of the Project governance arrangements set out in this MoU.

4.3 Project Board

- (a) The Project Board shall provide overall strategic oversight and direction to the Project.

- (b) The Project Board will consist of a maximum of six Elected Members as may be nominated by the Councils from time to time, and Officers. The initial membership of this board shall be as follows:

Elected Members

1. Cllr R Sampson (West Devon BC),
2. Cllr L Samuel (West Devon BC)
3. Cllr N Jory (West Devon BC),
4. Cllr K J Baldry (South Hams DC),
5. Cllr R Gilbert (South Hams DC),
6. Cllr S A E Wright (South Hams DC)

Officers

7. Jane Savage (Commissioning Manager)
8. Steve Jordan (Executive Director Strategy & Commissioning),
9. Lisa Buckle (Finance)
10. Helen Dobby (Group Manager – Commercial Services)
11. Andrew Ogalo (Legal)
12. Justin Dudley (Project Manager)

- (c) The Project Board shall be managed in accordance with the terms of reference set out in Annex B to this MoU.
- (d) The Executive Director may nominate another officer to attend board meetings in his absence.

4.4 Project Team

- (a) The Project Team will provide strategic management at Project and workstream level. It will provide assurance to the Project Board that the Key Objectives are being met and that the Project is performing within the boundaries set by the Project Board.

- (b) The Project Team consists of representatives from each of the Councils. The Project Team shall have responsibility for the creation and execution of the project plan and deliverables, and therefore it will draw technical, commercial, legal and communications resources as appropriate into the Project Team. The Core Project Team members are:
- Lisa Buckle (Finance)
 - Sophie Hosking (Executive Director Service Delivery and Commercial Development),
 - Andrew Ogalo (Lead Solicitor)
 - Len Attrill (WYG Consultant)
 - Helen Dobby (Group Manager – Commercial Services)
 - Jane Savage (Commissioning Manager)
 - L4 (tbc)
 - Lucy Ford (Procurement)
 - Cathy Aubertin (Operational Manager – Environmental)
 - Justin Dudley (Project Manager)
 - Andy Wilson (HR Lead)

The Project Team shall meet monthly or at such frequency as determined by the Project Manager.

4.5 **Reporting**

Project reporting shall be undertaken at three levels as shown below. Reports will be presented to Hub Committee and Executive as appropriate, with Key Decisions taken to Executive, Hub Committee and meetings of Council.

- (a) **Project Team:** Minutes and actions will be recorded for each Project Board meeting. Any additional reporting requirement shall be at the discretion of the Project Board.

Project Board: Reporting shall be monthly, based on the minutes from the Project Team highlighting: Progress this period; issues being managed; issues requiring help (that is, escalations to the Project Board) and progress planned next period and/or aligned with the frequency of the Project Board meetings.

- (b) **Organisational:** the Project Team members shall be responsible for drafting reports into their respective sponsoring organisation as required for review by the Project Board before being issued.

5. ROLES AND RESPONSIBILITIES

- 5.1 The Councils agree to deliver the Project in accordance with the Joint Working Protocol.
- 5.2 The Councils agree that West Devon Borough Council shall be the Lead Council in accordance with Clause 11 of the Collaboration Agreement.
- 5.3 The Councils agree in principle and always, subject to value for money, to enter into a joint contract with a successful contractor for Lot 3 services as detailed in the Specification and Descriptive Document.

6. ESCALATION

- 6.1 If either Council has any issues, concerns or complaints about the Project, or any matter in this MoU, that Council shall notify the other Council and the Councils shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated to the Project Board, which shall decide on the appropriate course of action to take.
- 6.2 If either Council receives any formal inquiry, complaint, claim or threat of action from a third Council (including, but not limited to, claims made by a supplier or requests for information made under the Freedom of Information Act 2000) in relation to the Project, the matter shall be promptly referred to the Project Board (or its nominated representatives). No action shall be taken in response to any such inquiry, complaint, claim or action, to the extent that such response would adversely affect the Project, without the prior approval of the Project Board (or its nominated representatives).

7. INTELLECTUAL PROPERTY

- 7.1 The Councils intend that notwithstanding any secondment any intellectual property rights created in the course of the Project shall vest in the Council whose employee created them (or in the case of any intellectual property rights created jointly by employees of both Councils in the Council that is Lead Council noted in clause 5 above for the part of the project that the intellectual property right relates to).

7.2 Where any intellectual property right vests in either Council in accordance with the intention set out in clause 7.1 above, that Council shall grant an irrevocable licence to the other Council to use that intellectual property for the purposes of the Project.

8. TERM AND TERMINATION

8.1 This MoU shall commence on the date of approval by both Councils at their Full Council meetings, and shall expire on completion of the Project.

9. VARIATION

This MoU, including the Annexes, may only be varied by written agreement of the Project Board in consultation with the Leaders.

10. CHARGES AND LIABILITIES

10.1 The Councils agree to share the costs and expenses arising in respect of the Project between them in accordance with the terms of the Collaboration Agreement dated the 11th March 2015.

11. STATUS

11.1 This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Councils from this MoU. The Councils enter into the MoU intending to honour all their obligations.

11.2 Nothing in this MoU is intended to, or shall be deemed to, establish any partnership or joint venture between the Councils, constitute either Council as the agent of the other Council, nor authorise either of the Councils to make or enter into any commitments for or on behalf of the other Council.

12. MOBILISATION AND CONTRACT MANAGEMENT

Following award of the Contract, the Project Team shall be reconstituted and shall be responsible for mobilisation process and post award contract management. The Project Team shall make a determination and recommend to the Project Board on how the Contract shall be managed and who the contract managers shall be.

13. GOVERNING LAW AND JURISDICTION

This MoU shall be governed by and construed in accordance with English law and, without affecting the escalation procedure set out in clause 6, each Council agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

IN WITNESS WHEREOF THE COUNCILS HAVE EXECUTED THIS MEMORANDUM
AS A DEED ON THE DAY AND YEAR FIRST ABOVE WRITTEN

**THE COMMON SEAL OF
SOUTH HAMS DISTRICT COUNCIL**

Was hereunto affixed
In the presence of

Authorised Officer	NAMES IN CAPITAL
	SIGNATURE

**THE COMMON SEAL OF
WEST DEVON BOROUGH COUNCIL**

Was hereunto affixed
In the presence of

Authorised Officer	NAMES IN CAPITAL
	SIGNATURE

Annex A. Information Sharing Protocol

Please refer to the Collaboration Agreement dated the 11th March 2015

Annex B. Project Board terms of reference

Scope of authority

- To approve Procurement Documents
- To recommend to the respective Councils Contract Award Decisions
- To recommend to the Councils Procurement Procedure
- To sign off Specification
- To sign off Selection and Award Criteria
- To brief respective Councils on all aspects of the Project.
- To refer to respective Councils for authority to award contracts.
- To review the draft Project Initiation Document;
- To oversee consultation with stakeholders and other potential partners;
- To oversee the formulation and implementation of the communications strategy;
- To develop and explore delivery options;
- To monitor the Project Plan and work with officers to manage and mitigate risks;
- To report to the Hub Committee and to Executive with a proposed way forward;
- To monitor the agreed delivery process until the new arrangements begin.

Decision-making:

- Only Elected Members of the board have a vote.
- Officers have no voting rights.
- Each Elected Member shall have equal voting right.
- There shall be one Elected Member one vote
- Voting shall be by a show of hands
- Decisions shall be by a simple majority

- Equal voting rights.
- Elected Members shall elect one of them to be chair of the Board. The Chair shall have a casting vote in the event of a tie.

Meetings:

- Members shall meet at least once a month or at such frequency as determined by Elected Members.
- There shall be at least two Elected Members from each Council for there to be a quorum.
- Meetings shall take place such a place and time as determined by Elected Members.
- Notice of meetings shall take whatever form as agreed by Elected Members.
- Keep and maintain minutes of all decisions and recommendations.

Membership of the Board

Project Board shall comprise of those named in clause 4.3 as may be amended from time to time by the Councils.

Annex C

Collaboration Agreement dated the 11th March 2015.

ANNEX D – Project Team’s terms of reference

Leadership

The Project Team shall be led by a Project Manager.

The Project Manager shall be appointed by the Project Board.

The person initially appointed as the Project Manager is Justin Dudley.

Role of the Project Manager shall be:

- Provide leadership and direction to the Project Team
- Manage the Project

Membership of the Project Team

The Project Team shall comprise of those individuals named in clause 4.4 as may be amended from time to time:

Role of the Project Team

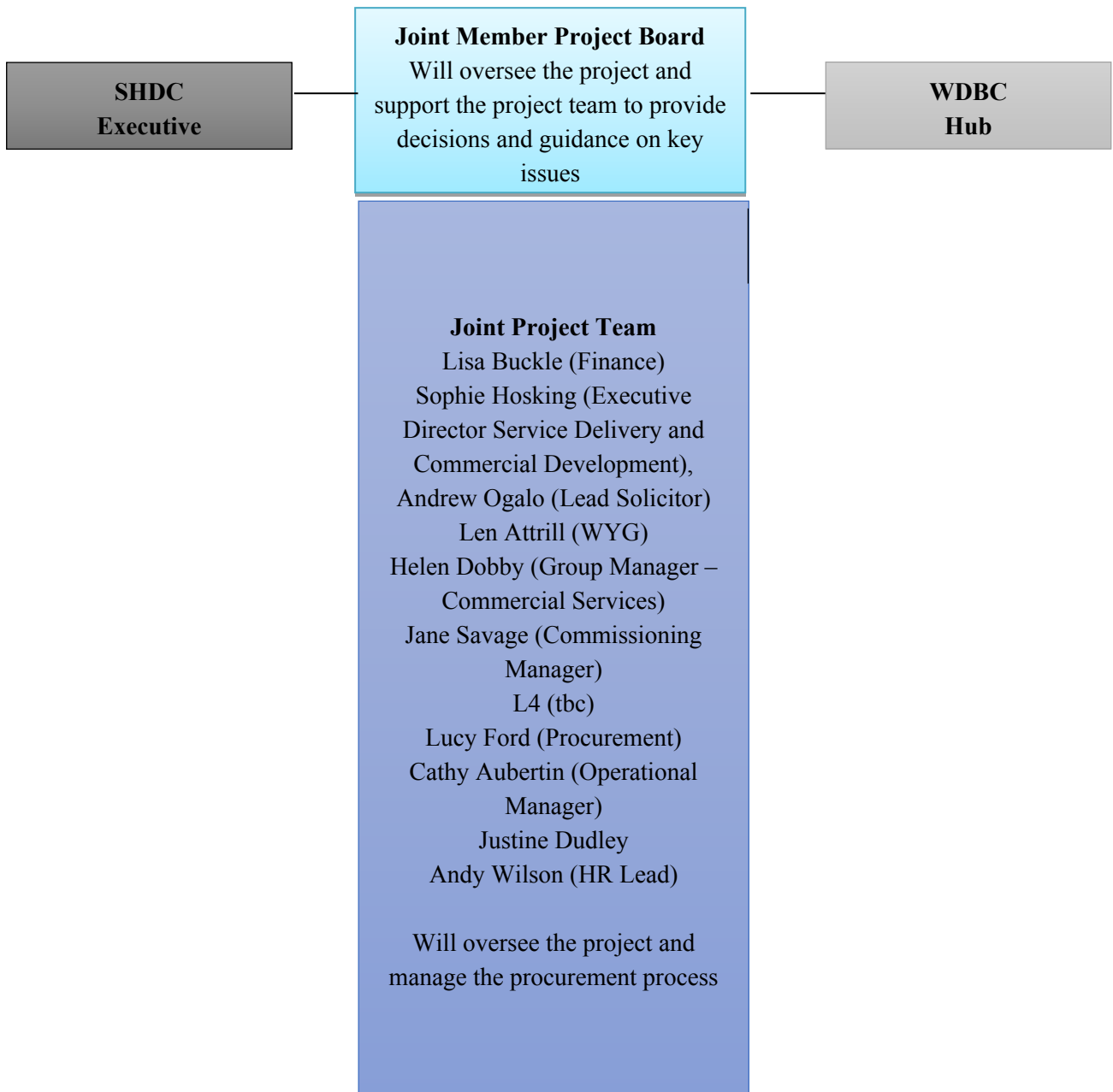
- Produce Procurement Documents and update the Board regularly on project progress.
- Formulate the procurement structure and undertake all necessary work required in order to achieve objectives of the project as detailed in the Descriptive Document.
- Ensure that the procurement exercise is undertaken in accordance with the Law and the Council’s Contract Procedure Rules.
- Conduct the procurement exercise including, dialogues etc.
- Undertake selection of bidders.
- Undertake evaluation of bids.
- Recommend to the Project Board a decision to award.
- Ensure that the procurement timetable is adhered to.
- Advise the Project Board of any risks to the Councils arising out of the procurement exercise.
- Evaluate and review all risks associated with the procurement and advise the Project Board immediately.
- Ensure that adequate Contract Management measures are put in place immediately after the decision to award has been made.
- Advise the Project Board on the Contract Management measures and make recommendations on resourcing etc.
- Keep minutes of all meetings including, dialogue meetings.
- Keep and maintain a Risks Register including, level and mitigation.

ANNEX E - Joint Working Protocol

Set out below is the joint working protocol for the management and operation of the joint procurement for Waste Collection, Recycling and Cleansing Services at WDBC and SHDC.

Governance and Project Management

It is proposed that the following structure will be set up for the project management and governance of the joint procurement.



The Joint Project Team (JPT) will have responsibility for managing the procurement process, developing the evaluation criteria, inputting specifications within the contract and agreeing the protocols of working together.

Key Principles

It is proposed that the following key principles are agreed between the two Councils which will enable both Councils to get the maximum benefit out of any procurement process and possible joint future contract for Lot 3. The intention is to work on the basis that in relation to Lot 3, a joint contract will be the preferred route.

Key Area	Principle Agreed
Contract Length	The contract will be based on the same contract length of up to 8 with the option to extend for a further period of 8years.
OJEU Advert	To be placed in mid-October 2017 and will be a joint advert – the procuring authority shall be the Lead Council. Both Councils will be named in the contract notice.
Contract Lots	The approach will be to have one lot, based on a joint contract, but with a separate split to understand the implications of separate lots.
SQ Evaluation	<p>The evaluation of the SQ will be based on agreed selection criteria across both Councils, with the intention to shortlist up to 5 bidders for the ISOS stage.</p> <p>Both Councils will seek agree the same shortlist, as it is based on evaluation of the company rather than their submission, with the joint management team undertaking the evaluation together.</p>
Contract Development and Form	<p>There will be one contract which sets out the standard terms for a contract which will be the same across both Councils but the commercial terms and schedules may be different between both Councils.</p> <p>In particular it is anticipated that the specifications will be different.</p>
Legal Advice	Provision of legal advice will be provided by in-house legal advisers for the development of the draft contract and procurement process generally. External advice may be sought as and when is necessary on the advice or recommendation of the Lead Solicitor for the Project.
Dialogue Sessions	<p>It is expected that the dialogue sessions will be scheduled at the same time for both Councils and managed such that there may be three parts to any dialogue session</p> <ul style="list-style-type: none"> - Joint issues which apply across both Councils (e.g. contract, submission, evaluation, etc) - Specific WDBC Issues - Specific SHDC issues
ISOS Evaluation	<p>It is the intention that the evaluation criteria will be the same for both Councils – however it is recognised that because solutions and evaluation may need to be specific, then this may not be possible.</p> <p>Keeping the evaluation criteria the same will enable the benefits of joint procurement to be realised. This would also mean that both</p>

Key Area	Principle Agreed
	<p>Councils should seek to shortlist the same bidders (up to 3) for final tender.</p> <p>Each project team member will evaluate their specific submission, with the Joint Project Team providing a moderating role.</p>
ISDS Evaluation	As for ISOS. Bidders are assessed against the same evaluation criteria.
ISFT Evaluation	As for ISDS. Bidders are assessed against the same evaluation criteria.

Meetings and Timescale

It is proposed that project team meetings are held monthly and on the same day to allow the programming in of sessions which enable effective discussion, with each individual Council if required.

Project Plan and timescale to be developed.

ANNEX F– Defined Terms

Annex:	means annexes to this MoU;
Contract Award:	has the meaning given in Regulation 67 of PCR 2015;
Councils:	means West Devon Borough Council and South Hams District Council;
Constitution:	means constitution of the Lead Council;
Council:	means either of the Councils;
Contract Management:	means management of the contract arising out the Project;
Contract Procedure Rules:	has the meaning given in the Constitution;
Descriptive Document:	is a Procurement Document within the meaning of regulation 2 PCR 2015;
Collaboration Agreement:	has the meaning given in Annex C;
EU:	European Union;
Elected Members:	means members of either Council
Full Council:	means a meeting of the full council of either Council;
ISOS:	Invitation to Submit Outline Solution;
ISDS:	Invitation to Submit Detailed Solution;
ISFT:	Invitation to Submit Final Tender;
Joint Working Protocol:	has the meaning given in Annex E;
Key Decisions:	has the meaning given in the Constitution of South Hams District Council and those decisions which

	can only be taken by Full Council and those decisions which have not been expressly delegated to the Project Board by reference to the terms of reference in Annex B;
Law:	means any applicable law in England and Wales;
PCR 2015:	Public Contracts Regulations 2015;
Project Initiation Document (PID):	is an internal document prepared by the Project Team for the purposes of facilitating the procurement process;
Procurement Documents:	has the meaning given in Regulation 2 of PCR 2015;
Project Plan:	has the meaning given in the Procurement Documents;
Procurement Procedure:	means the procedure adopted by the Councils for the procurement in accordance with section 3 Part 2 of the PCR 2015;
Recycling:	has the meaning given in the Procurement Documents;
Risk Register:	means a register/log of all risks arising out of or associated with the Project including, delays, compliance and management of information/data;
SQ:	Selection Questionnaire;
Specification:	is a Procurement Document within the meaning of regulation 2 of the PCR 2015;
Services:	has the meaning given in the Procurement Documents but for the avoidance of doubt, shall include, Waste Collection, Recycling, Street Cleaning and Toilet Cleansing;
Selection Criteria:	has the meaning given in PCR 2015;

Street Cleansing:	has the meaning given in the Procurement Documents;
Toilet Cleansing:	has the meaning given in the Procurement Documents;
Waste Collection:	has the meaning given in the Procurement Documents.

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DATED

SOUTH HAMS DISTRICT COUNCIL

-AND-

WEST DEVON BOROUGH COUNCIL

VARIATION OF THE MEMORANDUM OF UNDERSTANDING IN RELATION TO THE
PROCUREMENT OF WASTE COLLECTION, RECYCLING AND CLEANSING SERVICES

Prepared by:

CONTENTS

CLAUSE

1. Terms defined in the MOU2

2. Variation2

3. Governing law and jurisdiction3

SCHEDULE

Schedule 1 Memorandum of Understanding datde 20175

This deed is dated

2019

PARTIES

- (1) **WEST DEVON BOROUGH COUNCIL** of Kilworthy Park, Drake Road, Tavistock, Devon PL19 0BZ (**West Devon**).
- (2) **SOUTH HAMS DISTRICT COUNCIL** of Follaton House, Plymouth Rd, Totnes, Devon TQ9 5NE (**South Hams**)

Each a "Party and together the "Parties".

BACKGROUND

- (A) West Devon and South Hams are party to a Memorandum of Understanding in relation to the procurement of waste collection, recycling and cleansing services for dated the 9th October 2017 (MOU), a copy of which is attached at the **Error! Reference source not found.** to this deed.
- (B) The Parties at their respective meetings on the 4th and 6th December 2018 made a decision to award a contract following a successful competitive dialogue process. The scope of the MOU was limited the procurement process.
- (C) The Parties at their respective meetings on the 4th and 6th December 2018 approved a resolution to extend the scope of the Project Board to include, Mobilisation.
- (D) Consequently, the Parties now wish to amend the MOU as set out in this deed with effect from the 1st January 2019 (**Variation Date**).

Agreed terms

1. Terms defined in the MOU

In this deed, expressions defined in the MOU and used in this deed have the meaning set out in the MOU. The rules of interpretation set out in the MOU apply to this deed.

2. Variation

- 2.1 With effect from the Variation Date the Parties agree the following amendments to the MOU:

Article 2.1

This Article is amended by extending scope to include:

- iv) Undertake all those activities that are necessary as part of the Mobilisation in order to give effect to the Councils decision to award contract. The activities envisaged in this sub article iv shall include but not limited to:
- Establishing the Partnership Board
 - Approving nomination of Members to the Partnership Board
 - Approving governance arrangements for the Partnership Board including, constitution, decision making and reporting.
 - Ensuring that the Mobilisation Team has all the necessary tools and resources required to give effect to the Councils decision to award contract.

Article 8

This Article 8 is amended by introducing:

- 8.2 For the avoidance of doubt, the Project Board's mandate shall expire upon successful completion of all the activities detailed in Article 2(iv) and the Project Board on its own motion shall by way of resolution so declare the dissolution of the Project Board.

Annex F (Definitions)

The following defined terms shall be incorporated.

Mobilisation: shall mean all those activities to be undertaken by the Contractor in consultation with the Councils including but not limited to, the Initial Services prior to the Services Commencement Date.

Initial Services: shall mean initial services not in scope of the Services Specification but are necessary and must be undertaken by the Contractor in order to facilitate smooth and orderly transfer of Lot 2 services.

Services Commencement Date: shall be the 1st April 2019.

Mobilisation Team: has the meaning given in Article 12.

- 2.2 Except as set out in clause **Error! Reference source not found.**, the MOU shall continue in full force and effect.

3. Governing law and Jurisdiction

This deed and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales. The Parties agree that the Courts of England and Wales shall have exclusive jurisdiction.

IN WITNESS WHEREOF the Parties have executed this deed on the day and year first before written.

COMMON SEAL OF

WEST DEVON BOROUGH COUNCIL

was hereunto affixed in the presence of

Authorised officer	NAMES IN CAPITAL
	SIGNATURE

THE COMMON SEAL OF

SOUTH HAMS DISTRICT COUNCIL

Was hereunto affixed in the presence of

Authorised officer	NAMES IN CAPITAL
	SIGNATURE

Schedule 1 Memorandum of Understanding Dated 2017.

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Partnership Board

Terms of Reference

Purpose

The Partnership Board is a meeting of West Devon Borough Council, South Hams District Council and FCC. The Partnership Board is committed to effective partnership working with an emphasis on achieving the strategic priorities for both Councils. The board shall operate on an agreed partnership basis between the Contractor and the Councils.

Membership and quorum

- Total membership of the Partnership Board shall not exceed [11] members and will include 3 Members from each Council which shall be nominated by the Leader of each Council. There shall be 3 Council officers and 3 representatives from the Contractor. (Final Board make up to be confirmed.)
- The initial membership of the board shall be as follows:

Elected Members

- (A)
- (B)
- (C)
- (D)
- (E)
- (F)

Council Officers

- (A)
- (B)
- (C)

Contractor representatives

- (A)
- (B)

- The Chair and Vice Chair of the Partnership Board will be Councillors and shall be the Nominated and agreed by a vote at the first Partnership Board meeting.

Partnership Board

Chair

Vice Chair

- Each Council Leader will decide the appointees to the Partnership Board.
- The quorum for meetings shall be at least 2 members from each Council, 2 Council Officers and 1 representative from the contractor side.
- Voting rights for the Partnership Board are yet to be confirmed.
- The Partnership Board may invite consultants, specialist advisors and officers to provide advice and information and/or attend Partnership Board meetings in an advisory capacity.
- Whilst appointments may be reviewed annually some consistency of membership is encouraged.

Meetings

- The frequency of its meetings will be determined by the Partnership Board, minimum twice per calendar year and maximum 4 times per calendar year.
- An agenda and associated papers will be made available electronically to the Partnership Board at least 5 days before the date of the meeting.
- The venue for the meetings will normally alternate between West Devon and South Hams' offices unless otherwise agreed by the Partnership Board.
- Partnership Board meetings will not be open to the public.

Remit

The scope of the Partnership Board shall be limited to operational matters only.

The Partnership Board will consider the contractor statement as to:

- a. Operating profit and cost pressures
- b. Commodity values as regards dry recyclables
- c. Pension
- d. Information relating to performance (outlined in Schedule 5 and KPI's)

The partnership board will also consider an annual Service Delivery Report and Plan (April) which shall contain the Contractor's approach to provision of the Services for the relevant period and shall include (but not be limited to):

- (b) partnership activities;
- (c) performance indicators and targets for continuous improvement;
- (d) health and safety;

Partnership Board

- (e) customer satisfaction
- (f) working in the community; and
- (g) anything else which in the reasonable view of the Council or the Contractor is relevant to the provision of or the future provision of the Services.

In addition, the Partnership Board will:

- (i) Make its findings on risks and governance available to the respective Audit Committees.
- (ii) Make recommendations to the Executive/Hub Committee and/or Council as appropriate.
- (iii) Provide Annual Service Delivery reports to Executive and HUB.
- (iv) Commission specialist advice from external sources where required and within budget to inform its recommendations.

Changes to the terms of reference for the Partnership Board

- Minor amendments to the terms of reference may be made by the Partnership Board in consultation with the Leaders.
- The terms of reference can be reviewed as and when required.
- Any significant change to the terms of reference can only be made by agreement of the Parties.

Appointment and Removal of members

- Each Party shall have the right to appoint and remove a member from the Partnership Board.
- Appointment and removal shall be communicated by the relevant Party to the other Party.

Records

The board shall keep and maintain records of its meetings.

Confidentiality

Partnership Board

The board shall ensure that confidential matters are kept confidential and that no disclosure is made of each Party's confidential material.

Reports

Matters requiring formal member approval shall be presented to members in the form of a report. Details of report format shall be confirmed.

Report to: **Executive Committee**
Date: **7th February 2019**
Title: **Business Continuity Management Strategy and Work Programme**
Portfolio Area: Strategy and Commissioning

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **Council 21st February 2019**

Author: James Kershaw Role: **Senior Specialist**

Contact: **Tel: 01803 861287**
email: james.kershaw@swdevon.gov.uk

Recommendations:

1. That Committee consider the Business Continuity Management Strategy, and proposed work programme.
2. That the Executive recommends to Full Council that the Management Strategy and work programme be adopted by the Council.

1. Executive summary

- 1.1 Business continuity is a fundamental element of Council's risk management strategy.
- 1.2 The Council is under a legal duty through the Civil Contingencies Act 2004 to have a suitable and sufficient Business Continuity Strategy to ensure that at times of an emergency the Council can continue to support the emergency services.
- 1.3 Since the Councils went through the T18 transformation programme, starting in 2015, there has been interim arrangements in place for Business Continuity. This interim strategy was tested on

a number of occasions and any lessons learned have been incorporated into the new proposed strategy.

2. Background

- 2.1 In 2015 the Council went through a fundamental change in service delivery. As part of the restructure the Business Continuity arrangements were assigned to the Environmental Health. This in turn meant that the previous Business Continuity Plan for the Council was no longer valid.
- 2.2 As an interim arrangement a generic plan was produced which detailed the command and control structures envisaged if an incident arose. It has been recognised that further work was needed in this area, via internal audit reports.
- 2.3 The severe weather in March 2018 highlighted the need for a robust crisis command structure, and during this period the interim plan was activated, and the crisis command structure met to ensure continued service delivery where possible. But it was not felt that the interim plan represented long term good practice.
- 2.4 Training of the Senior Leadership Team (SLT) and members from the Extended Leadership Team (ELT) in Business Continuity was completed in November 2018.

3. Outcomes/outputs

- 3.1 Following the training of SLT and ELT it was agreed that the revised Business Continuity Strategy should include the Business Continuity Policy statement, identified the responsibilities of individuals to Business Continuity, a work programme for delivering Business Continuity plans for the various services, and a command and control structure for dealing with incidents.

4. Options available and consideration of risk

- 4.1 The proposed Business Continuity Management Strategy ensures that we have an appropriate system in place to identify risks to service delivery, and a mechanism for addressing those risks.
- 4.2 The policy proposed will help to ensure compliance with our statutory duties under the Civil Contingencies Act 2003.

5. Proposed Way Forward

- 5.1 It is proposed that the Executive recommend to Full Council that the proposed Business Continuity Management Strategy is adopted including the draft work programme.

6. Implications

Implications	Relevant to	Details and proposed measures to address
--------------	-------------	--

	proposals Y/N	
Legal/Governance	Y	As Category 1 responder as defined by the Civil Contingencies Act 2003, the Council is under a legal duty to ensure that it has a suitable and sufficient Business Continuity Plan. The Council must have arrangements in place to ensure that we can support the response to a major incident in the event of a critical incident.
Financial	N	There is no additional cost to having a business continuity strategy.
Risk	Y	The Council's internal audit team noted that the failure to have an up to date Business Continuity Strategy was a fundamental weakness and the interim arrangements were not good practice long term. The proposed Business Continuity Management Strategy and work programme should overcome these identified flaws.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None foreseen.
Safeguarding		None foreseen
Community Safety, Crime and Disorder		None foreseen
Health, Safety and Wellbeing		There are a number of links between Business Continuity and Health and Safety. These measures should help further safeguard the safety of our staff.
Other implications		None foreseen

Supporting Information

Appendices:

South Hams and West Devon Business Continuity Management Strategy

Background Papers:

Approval and clearance of report

Process checklist	Completed
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Portfolio Holder briefed	Yes/No
SLT Rep briefed	Yes/No
Relevant Exec Director sign off (draft)	Yes/No
Data protection issues considered	Yes/No
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	Yes/No



South Hams District Council
and
West Devon Borough Council

Business Continuity Management Strategy

First Published: January 2019
Review Date: No later than January 2020
Author: James Kershaw Tel. 01803 861287



Sophie Hosking - Executive Director

Business Continuity Statement

South Hams District Council and West Devon Borough Council are fully committed to the public we serve, our employees, and partner agencies we work with. The Councils recognise their statutory duties to continue to provide services to safeguard the public and property. We recognise the potential strategic, operational and financial risks associated with a business interruption and the importance of maintaining our services if an emergency occurred.

To demonstrate our commitment to safeguarding the delivery of our essential services, we are preparing a Business Continuity Management Plan. This statement, and the associated management systems detail how South Hams District Council and West Devon Borough Council will respond to a crisis or incident that may impact on our ability to continue to deliver services to the public, and how this impact will be minimised.

Over recent years both Councils have been subjected to a number of incidents that had the ability to impact on business delivery such as Swine Flu, Severe Weather including snow storms etc.

Our current working model provides an increased resilience to such emergencies. It is recognised that we are highly reliant on our ICT services. Therefore, external resources may be required to support this team to ensure communication systems and critical infrastructure is recovered as quickly as possible.

It also recognised that a business continuity emergency is likely to occur at the same time as the Council being involved in a major civil emergency. The Council has a statutory duty under the Civil Contingencies Act 2004 to ensure that it can continue to deliver support to any emergency response. Therefore this plan and its contents need to be read alongside the Councils' Major Incident Response Plan.

The ability of the organisations to be resilient to emergencies and recover from them quickly is the responsibility of all staff. I will be responsible for promoting and embedding business continuity at all levels of the organisation.

It will be the responsibility of the Councils' Senior Leadership team (SLT) to monitor the implementation of this policy and the councils' overall risk management performance. This will be achieved through the use of regular reporting commissioned by SLT and annual audits.

The Risk Management Group will be responsible for ensuring the work programme is delivered. They will champion business continuity within the Community of Practice business areas. They will also provide support during incidents to more critical functions where necessary and as directed.

The organisations have identified that technical expertise for business continuity will be provided by the Environmental Health Community of Practice. They will work in partnership with the Devon Emergency Planning Service to provide advice and support to the organisation as necessary.

We expect all staff to take reasonable steps to be aware of the policy, risk assessments, and the controls identified. To support the Community of Practice leads in assessing risks, implementing controls, and to actively engage in any training, exercises or workshops arranged to reduce the organisations business continuity risk.

Members are asked to make themselves aware of the business continuity arrangements, and during crises support the incident management teams.

The Councils are committed to ensuring that the implementation of the business continuity management system is adequately resourced to enable the full implementation of this policy. This commitment includes the provision of sufficient financial resources, management and employee time, training and business continuity advisory support. The company has appointed risk management advisors and specialists to provide competent health and safety and business continuity advice.

This Business Continuity Management Statement and the Organisation and Arrangements that support it will be reviewed at least annually or more frequently where there have been significant changes to the Councils or factors affecting the Councils' activities.

Signed: _____

Date: _____

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1.0 What is Business Continuity Management?

Business continuity management sits alongside the other strands of risk management that the Council undertakes including;

- Health and Safety
- Emergency Planning
- Financial Risk Management including Audit

Like these other areas the Councils are under a legal obligation to have a business continuity plan that ensures that it can continue to support the efforts of the emergency services and other partner agencies during a major incident, this duty is made under the Civil Contingencies Act 2004.

Business continuity is a term to describe how we assess risk posed to the business, the procedures put in place to minimise those risks, and to ensure that the organisation can continue to deliver essential functions at times of crisis.

Business continuity planning involves asking the various communities of practice that operate within the Council a series of questions to determine how important the functions they deliver are; when set against the strategic policy of safeguarding life/welfare and property in a crisis.

Those services deemed essential will then be asked to consider;

- The impacts on their services from a disruption?
- How long could the organisation tolerate that service being disrupted (maximum tolerable period of disruption)?
- The length of time before it would be untenable to recover a service (recovery time objective)?
- What are the reasonably foreseeable hazards posed to a service?
- What is the minimum that an area needs in order to deliver its services (i.e. staff, information, communications, technology, premises, partners etc.)?
- How could they deliver the services differently if the resources were not available?

The answers to the above questions will then be used to develop service level business continuity plans.

For those service areas that are not deemed essential the Heads of Practice will be required to follow this overarching plan, and to offer support/resources to essential services.

There will also be asset specific business continuity plans for each of the essential pieces of Councils estate such as Follaton House, Kilworthy Park, Totnes Depot, Salcombe Harbour etc. These plans will consider the risk posed to service users for loss of access or loss of utility, and the solutions to such a crisis.

2.0 Who is responsible for Business Continuity?

Similarly to health and safety it is the responsibility of all staff, elected members and partners to ensure that they are minimising the potential risks to the organisation. This includes ensuring compliance with our data security procedures, IT security procedures, and building security procedures.

To ensure compliance with our legal duties the Councils have appointed the Environmental Health Community of Practice to be responsible for providing technical support to the organisation in developing the business continuity management systems (BCMS). The Environmental Health Head of practice has nominated a Senior Specialist with experience in Emergency Planning and Business Continuity to be the Councils' advisor.

The Councils are also member of the Devon Emergency Planning Partnership, who provide technical support to the Environmental Health service in developing both Emergency and Business Continuity Plans.

However it will not be the Environmental Health CoP on their own delivering the BCMS, we will need to ensure that business continuity is embedded into the culture of the organisation and our partners who deliver services on our behalf.

It will be the responsibility of the Extended Leadership Team and the Health and Safety Management group (renamed Risk Management Community of Practice) to develop and deliver the business continuity work programme. This work programme and its delivery will be audited by internal audit and the results presented to Senior Leadership Team.

2.1 The role of Heads of Practice in Business Continuity Management

The Heads of Practice will:-

- Attend or send a business continuity champion to the Risk Management Community of Practice meetings to identify work for their community of practice and deliver feedback on previously given tasks
- Undertake the business impact analysis and risk analysis for their community of practice
- For those essential services they must also complete a resource impact assessment
- Produce service area business continuity plans that assess the particular risks to the business and details the mitigation measures put in place to ensure functions are maintained and recovered during and after an event.
- Ensure that where essential services are commissioned, contracted or provided by other organisations, that these 3rd party plans are robust and thoroughly tested, to ensure these services are protected during a disruptive event.
- Where a risk cannot be mitigated, ensure that this risk is entered onto the corporate (operational) risk register for review.
- Ensure that their business continuity plans are approved by the relevant SLT member.
- Familiarise the relevant portfolio holder with the plan.

- Ensure that the most up to date business continuity plan is sent to the environmental health community of practice lead (currently James Kershaw) for storing electronically on the Councils' cloud based document storage system (Resilience Direct).
- Ensure that staff within the community of practice are aware of the business continuity plan, including any controls that have been put in place.
- Engage in any relevant training and exercising developed for their Community of Practice or corporately.
- Ensure that their business continuity plans are reviewed and updated in line with the corporate business continuity work programme, to ensure that non-critical functions are not more critical, and that the resource requirements have not changed.
- Identify if a situation has arisen that may lead to the activation of a business continuity plan, and after activating appropriate measures notify a member of SLT and the Business Continuity advisor.

2.2 The role of Senior Leadership Team in Business Continuity Management

The Senior Leadership Team will:-

- Support the Business Continuity advisor in identifying the essential services and which of these should be classified as "critical functions"
- Note any additions to the operational risk register and determine whether further work and budget should be allocated to these risks.
- Ensure through the corporate appraisal scheme that the Heads of Practice are engaged with the business continuity work programme and are delivering their planning requirements on time.
- Review and sign off Community of Practice business continuity plans, following review by the Risk Management Group.
- Nominate a chair for the risk management group from within the Senior Leadership Team.
- Review the Councils' Business Continuity Management Strategy and arrangements every 3 months or following incident.
- Partake in training and exercises identified by the BC advisor as fulfilling a need
- Ensure that business continuity forms part of any contractual arrangements and tendering processes we have with 3rd party organisations.
- If required, establish an Incident Management Team to co-ordinate the Councils' crisis response and recovery activities.
- Consider the critical functions list when prioritising resources in a crisis response.
- Nominate a loggist to record all decisions made, in an appropriate manner that will withstand legal scrutiny.
- Appoint a person either internally or externally to undertake a debrief and produce a report on lessons learned from any incident.

2.3 The role of the Business Continuity Advisor

The senior specialist with responsibility for business continuity will:-

- Attend the monthly risk management meetings and gather evidence on the deliverability of the work programme, a report will then be produced on a quarterly basis for SLT.
- Act as the single point of contact between Devon Emergency Planning Partnership and the Councils and act as an information conduit.
- Provide technical support to the Heads of Practice and Senior Leadership Team in writing the business continuity plans.
- Maintain a record of all completed business continuity plans and upload the documents onto Resilience Direct
- Maintain and collate the critical functions list by analysing community of practice plans, and having taken instruction from SLT.
- Provide advice and support to the critical incident command group during a disruptive event/ business continuity incident.
- Act as local authority liaison officer with the emergency services where needed.

3.0 Business Continuity Management (BCM) Lifecycle

ISO 22301:2012, is the international standard for business continuity and it specifies the requirements that a business would need to follow in order for their BCMS to be certified. It is the intention that the Councils system will be developed in accordance with this standard to ensure compliance with our statutory obligations.

The standards is based around the BCM lifecycle model, this is a 6 part system as shown below;

Figure 1. Business Continuity Management Lifecycle



The lifecycle model helps to shape the work programme, and in accordance with the good practice guidance produced by The Business Continuity Institute the lifecycle can be defined further as below:-

- **Embedding:** this is the process by which we integrate business continuity into the day to day activities of the organisation, so that it becomes a normal part of the business.
- **Analysis:** this is the process of reviewing and assessing the organisation to identify its objectives, how it functions and the constraints by which it operates. This will be done through business impact assessments, and will help to identify the essential services offered by the Councils.
- **Design:** Following the impact assessment, this stage considers the hazards to the business and considers ways of reducing the risk through appropriate controls.

- Implementation: this is the process by which the designed controls are written into section business continuity plans. This stage also includes the development of the organisations response structure.
- Validation: Once the business plans have been written, they will be tested through workshops, and the development of exercises. The plans will also be validated if tested during a disruptive event, and lessons learned from any debrief report.

3.1 Business Continuity Management Programme

Ensuring delivery of the management programme will be essential to the success of the developing and embedding business continuity into the organisation. The first stage of the management programme will be to assign responsibilities, this is outlined in section 2.0 of this document.

The business continuity programme for 2019/20 in appendix A has been developed in conjunction with the risk management community of practice. The aim of the programme is to fulfil the first cycle of the business continuity management lifecycle without putting too much pressure on already stretched resources.

The template community of practice business continuity plan can be found in appendix B of this document.

4.0 Developing and implementing the incident response and crisis management (Look here 1st in the event of an incident)

4.1 Horizon Scanning

The Devon Emergency Planning Partnership will escalate concerns regarding any likely rising tide disruptive event through the Business Continuity Advisor. Utilising their knowledge of the business and the potential impacts from the event, it may be possible to develop mitigation strategies prior to the event occurring. Examples of rising tide events would be pandemic flu, prolonged periods of cold weather, BREXIT.

Should a sudden impact event occur, then the Business Continuity Advisor will advise SLT to set up a crisis management team and for the relevant business continuity plans to be activated.

If this has not happened and you are aware of an incident arising please contact the Business Continuity Advisor (James Kershaw, tel. 01803 861287).

4.2 Activation of Business Continuity Plans

4.2.1 Service level plans

Where an incident is small and only impacting on a single service within a community of practice then this can generally be dealt with by the head of practice, without the need to activate this overarching strategy.

For example, if an outbreak of illness is impacting on one particular team and their ability to deliver a function, then it would be expected that the Head of Practice would activate their service level business continuity plan. Where a service does not have a business continuity plan due to not being deemed essential, then the event and impact should be raised to the Specialist Managers and the Case Management Managers.

If a business continuity plan has been activated then the reason for activating the plan, and any steps taken should be communicated to the Business Continuity Advisor and SLT.

Make sure you keep a log of any decisions taken.

4.2.2 The corporate business continuity response arrangements

In the event of a larger or widespread disruptive event (e.g. pandemic influenza, cyber-attack, fuel crisis, etc.) which is likely to effect a larger number of service areas, then it may be necessary to activate the response arrangements within this section of the plan.

The decision to activate this plan and the crisis management team can only be made by a member of the senior leadership team. In the event of this occurring all business continuity activities will be co-ordinated by this group and heads of practice should defer decisions to the team.

4.3.3 The Crisis Management Team (CMT)

A CMT should be established if a significant number of services or activities have been affected, or are likely to be affected by a disruptive event.

The role of the Crisis Management Team is to:

- Assess the Risk or Threat.
- Identify the services and activities that are likely to be affected
- Prioritise the delivery of the councils critical functions
- Gather / Analyse Information (e.g daily absenteeism reporting)
- Assess the impact on corporate critical functions
- Establish Recovery Time Objectives
- Activate relevant Business Continuity Plans (e.g Service Area, Building or ICT Plans)
- Identify resource requirements (staff, suppliers, IT, communications, documents, premises etc.)
- Identify the options for preventing, reducing, mitigating disruption
- Take action to ensure that corporate critical functions are maintained.
- Take action to ensure the recovery of corporate critical functions
- Maintain a log of decisions, actions, costs, etc.
- Liaise with the Incident Management Team (if established to coordinate the response to an emergency)
- Provide relevant information to staff, elected members, commissioned services, contractors, suppliers and other partner agencies.
- If services are likely to be disrupted, provide effective and timely communication with the public.
- Monitor staff welfare issues: health and safety, mental health, morale, working hours, etc.

Membership of the crisis management team will be as follows, if the nominated person is unavailable they will nominate a deputy.

- Sophie Hosking (Head of Paid Service)
- Lesley Crocker (Head of Practice for Communications)
- Catherine Bowen (Head of Practice for Legal)
- Neil Hawke (Specialist Manager Support Services)
- Drew Powell (Specialist Manager Customer First)
- Lisa Buckle (S.151 Officer)
- Andy Wilson (Head of Practice for Human Resources)
- Ian Luscombe (Head of Practice for Environmental Health)
- Helen Dobby (Commercial Services Group Manager)

An organisational chart for the proposed crisis management team is shown in Appendix C, and a template agenda for the meeting can be found in Appendix D.

References

Good Practice Guidelines 2018, The Business Continuity Institute

Appendices

Appendix A: Proposed work programme

	JAN	FEB	MAR*	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
G O L D													SLT
Capability		Invacuation Drill	Crisis Media Training	Training	Walkthrough	Evacuation Drill	Desktop	IT DR Test	Corporate Risk Appetite	Simulation	Combined Simulation		
BCMS	Policy	Strategic BIA	Awareness Campaign Week	Individual Competence Training	Assurance				Risk Treatment Plan	Management Review		Audit	
S I L V E R													COP
Capability		Invacuation Drill		Training	Walkthrough	Evacuation Drill	Desktop	IT DR Test		Simulation	Combined Simulation		
BCMS	BC Manual	Tactical BIA	Awareness Campaign Week	Individual Competence Training	Assurance	Emergency Services Liaison		Insurance Renewal	Risk Assessment	Management Review		Audit	
B R O N Z E													COPs
Capability	Battlebox check	Invacuation Drill		Training	Walkthrough	Evacuation Drill	Desktop	IT DR Test		Simulation	Combined Simulation		
BCMS		Operational BIA	Awareness Campaign Week	Individual Competence Training	Assurance				Risk Assessment	Management Review		Audit	
BCC	BCC Mthly	BCC Mthly	BCC Mthly	BCC Mthly	BCC Mthly	BCC Mthly	BCC Mthly	BCC Mthly	BCC Mthly	BCC Mthly	BCC Mthly	BCC Mthly	

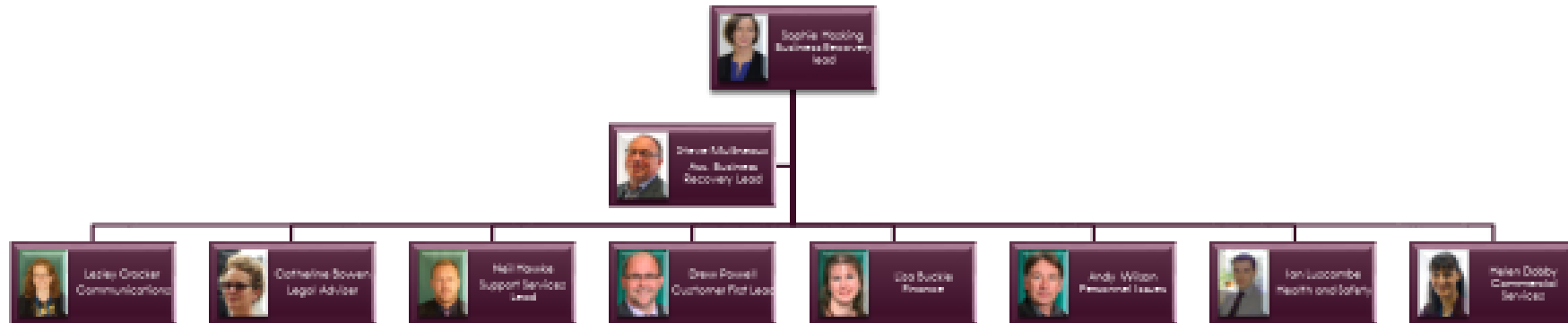
* Annual BCI Global BCAW

Policy	Business Impact Analysis	Risk Assessment	Business Continuity Planning	Disaster Recovery Plan	Emergency Response	Crisis Management	Training and awareness	Exercise Rehearsal	Assurance	Internal Audit	Performance Improvement	Management Review
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Appendix B: Community of Practice Service Level Template

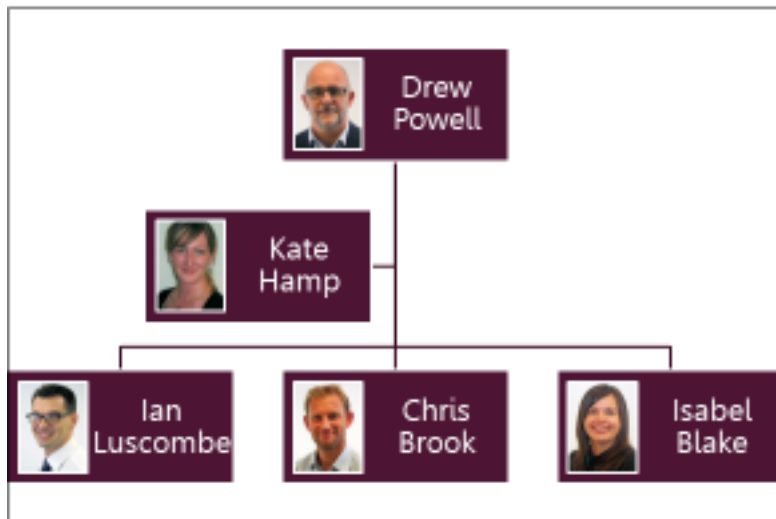
This can be accessed on the Council Intranet or by emailing environmental.health@swdevon.gov.uk and requesting a copy.

CRISIS MANAGEMENT COMMAND AND CONTROL STRUCTURE (STRATEGIC)

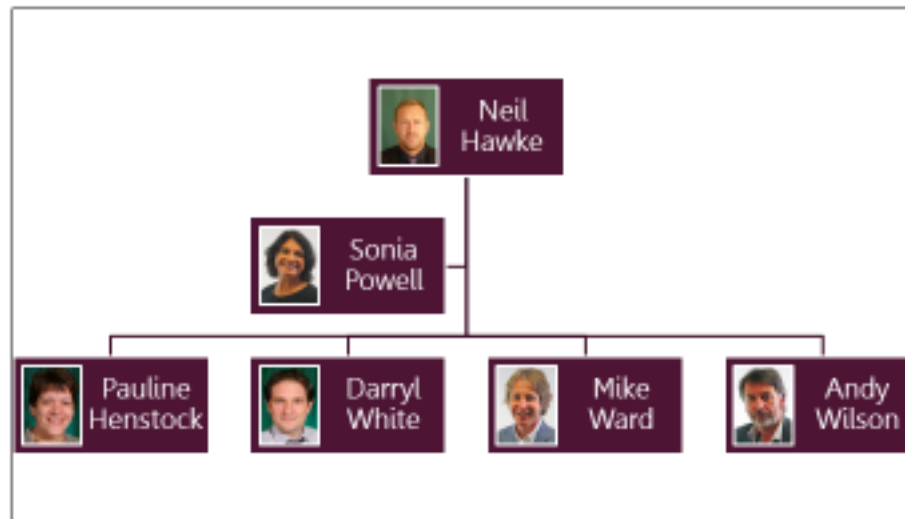


BUSINESS CONTINUITY COMMAND AND CONTROL GROUPS (TACTICAL)

Customer First



Support Services



BUSINESS CONTINUITY COMMAND AND CONTROL GROUPS

Commercial Services



Appendix D: Template agenda for Crisis Management Team Meeting

Business Continuity Agenda

Teleconference @

Via Skype or

Agenda BC meeting 3

1	Situation report from all attendees
2	Urgent impacts and agreed actions. Janice to collate responses from ELT
3	Communications: a. Communities / individual clients b. Staff c. Members d. Suppliers/partners e. Media (if applicable)
4	Agree recovery targets, actions and management responsibility for: a. Staffing issues including health, safety, welfare and rotas b. Buildings including relocation and repair c. Equipment d. ICT 4. Documents f. Other resources/stock
5	Authorisation of expenditure
6	Any requests for assistance by/to third parties
7	Any other business
8	Next meeting - date, time and location and attendance

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Report to: **Executive**

Date: **7th February 2019**

Title: **Write Off Report**

Portfolio Area: **Support Services – Cllr S Wright**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y / N**

Author: **Lisa Buckle** Role: **Section 151 Officer**

Contact: **Ext. 1413 lisa.buckle@swdevon.gov.uk**

Recommendations:

The Executive notes that, in accordance with Financial Regulations, the s151 Officer has authorised the write-off of individual South Hams District Council debts totalling £64,820.21 as detailed in Tables 1 and 2.

There are no individual debts in excess of £5,000 for Executive to approve for write off, as shown in Table 3.

1. Executive summary

The Council is responsible for the collection of: Housing Rents, Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates.

The report informs members of the debt written off for these revenue streams. Debts up to the value of £5,000 being written off by the s151 Officer, under delegated authority. Permission needs to be sought from the Executive to write off individual debts with a value of more than £5,000.

This report covers the period 1st October 2018 to 31st December 2018.

2. Background

The Council's sound financial management arrangements underpin delivery of all the Council's priorities, including the commitment to providing value for money services.

This report forms part of the formal debt write-off procedures included in these financial arrangements.

South Hams District Council's collection rates for 2017/18 were; Council Tax 98.15% & Business Rates 97.68%.

In the third quarter of 2018/19 the Council has collected £19.90 million in Council Tax and £7.43 million in Business Rates. The total collectable debt for 2018/19 (as at 31st December) for Council Tax is £70.45 million and for Business Rates is £31.24 million.

Debts are recovered in accordance with the Council's Recovery Policy which is published on our website.

3. Outcomes/outputs

In accordance with good financial management principles the Council has, for the revenue streams detailed in this report, made a total bad debt provision of £2,940,746.58. This provision recognises that a proportion of the Authority's debts will prove irrecoverable and ensures that the value of debtors within the Authority's accounts is a fair reflection of the amount that will eventually be recovered.

All debts, taxes and rates within the Service's control are actively pursued, and in most instances are collected with little difficulty. In cases where payment is not received on time, a reminder will be issued promptly to the debtor. If this fails to secure payment, a final reminder and/or a summons will also be issued and if necessary the debt passed to an appropriate collection agent such as the Civil Enforcement Agents or the Council's Legal Department in order to secure payment.

Sometimes, however, if the debtor is having difficulty making the payment, special arrangements are used to effect recovery, and this may mean extending the period of time to collect the debt.

In some cases pursuit of an outstanding debt is not possible for a variety of reasons, such as bankruptcy or liquidation and such cases with arrears under £5,000 are written off by the Section 151 Officer under delegated authority. Cases where the debt exceeds £5,000 must, however, be approved by the Executive prior to the debt being written off.

A record is kept of debts written off, together with the reason for doing so, so that if there is a realistic chance of recovery in the future a debt may be resurrected and pursued again.

		members for consideration prior to write-off which accords with Financial regulations.
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Comprehensive Impact Assessment Implications		
Equality and Diversity		All enforcement action that is taken prior to this point is undertaken in accordance with legislation and accepted procedures to ensure no discrimination takes place.
Safeguarding		None
Community Safety, Crime and Disorder		None
Health, Safety and Wellbeing		None
Other implications		A bad debt provision is built into the financial management of the Authority

Supporting Information

Appendices:

Table 1 – Council debt under £5,000 written off by the Section 151 Officer

Table 2 – Non-Domestic Rate debt under £5,000 written off by the Section 151 Officer

Table 3 – Summary of items over £5,000 where permission to write off is requested

Table 4 – National & Local Collection Statistics re 2017 / 18 Collection Rates

Table 5 – Quarterly income in 2017 / 18 relating to all years

Table 6 – Previous Year Write Off Totals

Background Papers:

Section 151 Local Government Act 1972

Section 44 Local Government Finance Act 1988 (Non Domestic Rate)

Section 14 Local Government Finance Act 1992 (Council Tax)

Recovery Policy

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	Not Applicable

TABLE 1 SUMMARY OF SOUTH HAMS DISTRICT COUNCIL DEBT UNDER £5,000 WRITTEN OFF BY S151 OFFICER

TYPE OF DEBT	NUMBER OF CASES		No of people / business	REASON FOR W/OFF	Financial Year 2018/19			Totals for Comparison purposes			
	<£1000	>£1000			Quarter 3	Cumulative Total		Equivalent Quarter 2017/18		Grand Total 2017/18	
					Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
HOUSING BENEFIT	17	1	18	Overpaid Entitlement	5,702.41	40	12,492.13	17	4,035.81	191	75,345.85
	-	-	-	Insolvency / Bankruptcy	-	-	-	1	271.80	7	7,131.54
	-	-	-	Absconded	-	-	-	-	-	-	-
	-	-	-	Deceased	-	4	3,145.03	13	3,216.36	14	3,228.68
	5	-	5	Not cost effective to pursue	80.26	27	497.68	4	48.38	19	244.07
	28	9	37	Uncollectable old debt	22,056.59	78	41,483.40	174	33,351.26	293	65,941.62
Total	50	10	60		27,839.26	149	57,618.24	209	40,923.61	524	151,891.76
COUNCIL TAX				Absconded	-	-	-	4	1,474.98	20	15,089.66
	5	7	12	Insolvency / Bankruptcy	17,253.30	43	58,858.94	5	3,974.78	43	49,137.29
	1	1	2	Deceased	2,994.83	8	5,458.81	5	933.17	6	964.86
				Small balance	-	4	73.95	3	21.97	9	98.26
	2		2	Other (inc. CTR overpayment)	263.29	10	4,432.84	3	1,482.73	44	30,551.03
				Uncollectable old debt	-	-	-	-	-	1	138.02
Total	8	8	16		20,511.42	65	68,824.54	20	7,887.63	123	95,979.12
SUNDRY DEBTS	-	-	-	Absconded	-	1	1,272.00	-	-	-	-
	-	-	-	Insolvency / Bankruptcy	-	1	105.43	1	3,123.92	2	6,374.98
	1	-	1	Not able to pursue	720.00	3	1,080.00	-	-	-	-
	-	-	-	Other	-	-	-	1	39.69	3	1,210.18
	47	-	47	Not economical to collect	11,076.43	47	11,076.43	-	-	466	95,205.69
	-	-	-	Small balance	-	-	-	3	1.33	6	2.13
Total	48	-	48		11,796.43	52	13,533.86	5	3,164.94	477	102,792.98
HOUSING RENTS	-	-	-	Insolvency / Bankruptcy	-	-	-	-	-	-	-
	-	-	-	Not cost effective to pursue	-	-	-	-	-	1	90.10
	-	-	-	Absconded	-	-	-	-	-	1	38.19
	-	-	-	Uncollectable old debt	-	-	-	-	-	-	-
	-	-	-	Other	-	-	-	-	-	-	-
	-	-	-	Deceased	-	-	-	-	-	-	-
Total	-	-	-		-	-	-	-	-	2	128.29
Grand Total	106	18	124		60,147.11	266	139,976.64	234	51,976.18	1,126	350,792.15

TABLE 2 SUMMARY OF NON DOMESTIC RATE DEBT UNDER £5,000 WRITTEN OFF BY S151 OFFICER

TYPE OF DEBT	NUMBER OF CASES		No of people / business	REASON FOR W/OFF	Financial Year 2018/19			Totals for Comparison purposes			
	<£1000	>£1000			Quarter 3	Cumulative Total		Equivalent Quarter 2017/18		Grand Total 2017/18	
					Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
NON-DOMESTIC RATES	-	-	-	Absconded	-	-	-	3	3,729.33	4	6,157.55
	3	1	3	Insolvency / Bankruptcy	4,673.10	12	13,215.32	7	12,470.09	8	14,662.58
	-	-	-	Other	-	-	-	1	12.53	1	12.53
	-	-	-	Uncollectable old Debt	-	-	-	-	-	-	-
	-	-	-	Deceased	-	-	-	-	-	-	-
Total	3	1	3		4,673.10	12	13,215.32	11	16,211.95	13	20,832.66

TABLE 3 SUMMARY OF ITEMS OVER £5,000 WHERE PERMISSION TO WRITE OFF IS REQUESTED

Page 198 TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2018/19			Totals for Comparison purposes			
			Quarter 3	Cumulative Total		Equivalent Quarter 2017/18		Grand Total 2017/18	
			Amount (£)	Case	Amount	Cases	Amount	Cases	Amount
NON-DOMESTIC RATE	-	Insolvency / Bankruptcy	-	6	64,038.49	-	-	2	20,030.54
	-	Absconded	-	-	-	-	-	-	-
	-	Uncollectable old Debt	-	-	-	-	-	-	-
	-	Other	-	-	-	-	-	-	-
Total	-		-	6	64,038.49	-	-	2	20,030.54
HOUSING BENEFIT	-	Deceased	-	-	-	-	-	2	14,286.24
	-	Overpaid Entitlement	-	-	-	-	-	2	13,168.64
	-	Uncollectable	-	1	18,294.69	-	-	3	17,507.09
	-	Insolvency / Bankruptcy	-	1	12,479.10	-	-	2	18,551.90
Total	-		-	2	30,773.79	-	-	9	63,513.87
COUNCIL TAX	-	Absconded	-	-	-	-	-	-	-
	-	Insolvency / Bankruptcy	-	2	10,751.37	-	-	-	-
	-	Other (inc. CTR overpayment)	-	-	-	-	-	-	-
Total	-		-	2	10,751.37	-	-	-	-
SUNDRY DEBTORS	-	Insolvency / Bankruptcy	-	-	-	1	12,277.16	2	47,367.88
	-	Uncollectable old debt	-	-	-	-	-	3	26,561.20
Total	-		-	-	-	1	12,277.16	5	73,929.08
Grand Total	-		-	10	105,923.65	1	12,277.16	16	157,473.49

TABLE 4 NATIONAL & LOCAL COLLECTION STATISTICS RE 2017-18 COLLECTION RATES

Total amount collected in 2017-18 relating to 2017-18 financial year only (net of refunds relating to 2017-18)

	Council Tax			Non Domestic Rates		
	Collectable Debit i.r.o. 17/18 - £000s	Net Cash Collected* i.r.o. 17/18 - £000s	Amount Collected i.r.o. 17/18 - %age	Collectable Debit i.r.o. 17/18 - £000s	Net Cash Collected* i.r.o. 17/18 - £000s	Amount Collected i.r.o. 17/18 - %age
All England	28,319,489	27,501,263	97.1	25,287,466	24,873,246	98.4
Shire Districts	12,943,776	12,683,211	98.0	7,946,252	7,824,084	98.5
East Devon	100,360	99,336	99.0	33,789	33,517	99.2
Exeter	62,885	60,142	95.6	80,695	79,137	98.1
Mid Devon	50,115	49,092	98.0	15,924	15,793	99.2
North Devon	58,567	56,830	97.0	32,078	31,423	98.0
Plymouth	118,686	115,110	97.0	91,798	90,519	98.6
South Hams	66,496	65,264	98.2	30,935	30,216	97.7
Teignbridge	84,735	83,541	98.6	30,644	30,464	99.4
Torbay	75,843	72,525	95.6	35,501	34,210	96.4
Torrington	40,914	40,108	98.0	11,297	11,126	98.5
West Devon	37,196	36,025	97.6	10,499	10,289	98.0

Net Cash Collected is total 2017-18 receipts net of refunds paid, in respect of 2017-18 only

TABLE 5 QUARTERLY INCOME IN 2017-18 RELATING TO ALL YEARS

Total amount collected in 2017-18 relating to any financial year (net of all refunds in 2017-18)

	Council Tax Net Cash Collected* £000s	Non Domestic Rates Net Cash Collected* £000s
Quarter 1 - Receipts collected between 1 st April – 30 th June	19,915	10,299
Quarter 2 - Receipts collected between 1 st July – 31 st September	17,922	7,695
Quarter 3 - Receipts collected between 1 st October – 31 st December	18,872	7,698
Quarter 4 - Receipts collected between 1 st January – 31 st March	9,137	5,084

* Net Cash Collected is total receipts in 2017-18 net of refunds paid, irrespective of the financial year (previous, current or future years) to which they relate

TABLE 6 PREVIOUS YEAR WRITE OFF TOTALS

		2017-18	2016 - 17	2015 - 16	2014 - 15	2013- 14	2012 - 13
HOUSING BENEFIT	Under £5,000 cases	151,891.76	68,357.34	57,038.07	102,138.53	75,357.30	87,095.83
HOUSING BENEFIT	£5,000 or over cases	63,513.87	5,394.07	7,177.42	0.00	14,903.19	61,925.43
Total		215,405.63	73,751.41	64,215.49	102,138.53	90,260.49	149,021.26
COUNCIL TAX	Under £5,000 cases	95,979.12	93,486.69	54,831.67	97,927.30	117,528.97	96,025.52
COUNCIL TAX	£5,000 or over cases	0.00	0.00	0.00	0.00	23,090.93	6,782.09
Total		95,979.12	93,486.69	54,831.67	97,927.30	140,619.90	102,807.61
SUNDRY DEBTS	Under £5,000 cases	102,792.98	1,321.50	9.03	6,584.63	2,723.23	12,811.29
SUNDRY DEBTS	£5,000 or over cases	73,929.08	0.00	0.00	0.00	0.00	0.00
Total		176,722.06	1,321.50	9.03	6,584.63	2,723.23	12,811.29
HOUSING RENTS	Under £5,000 cases	128.29	270.00	0.00	3,113.38	1,037.83	3,143.83
HOUSING RENTS	£5,000 or over cases	0.00	0.00	0.00	0.00	0.00	0.00
Total		128.29	270.00	0.00	3,113.38	1,037.83	3,143.83
NON DOMESTIC RATES	Under £5,000 cases	20,832.66	32,812.78	37,074.12	75,016.54	70,809.92	39,115.54
NON DOMESTIC RATES	£5,000 or over cases	20,030.54	47,128.00	252,084.33	166,412.60	44,546.85	76,663.15
Total		40,863.20	79,940.78	289,158.45	241,429.14	115,356.77	115,778.69
GRAND TOTAL		529,098.30	248,770.38	408,214.64	451,192.98	349,998.22	383,562.68

kReport to: **South Hams Executive**

Date: **7 February 2019**

Title: **Public Toilet Project**

Portfolio Area: **Environment Services**

Wards Affected: **All**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Cathy Aubertin** Role: **Head of Environment Services Practice**

Contact: Cathy.Aubertin@swdevon.gov.uk

Recommendations:

It is recommended that the Executive resolves to

1. Continue to work with Totnes Town Council and Kingsbridge Town to find suitable funding proposals to recover Pay on Entry projected income at the following locations:
Totnes – Civic Hall, Coronation Road and Steamer Quay
Kingsbridge – Fore Street
Unless suitable funding alternatives are offered locally before the 28 February 2019, then Pay on Entry (PoE) equipment should be installed.
2. Endorse the proposed approach of Salcombe Town Council working in partnership with the Salcombe Harbour Board to take over the management and running of the Salcombe Estuary Toilets for a 2 year trial period. This proposal requires a transfer of the service budget to facilitate the pilot being agreed in detail. Full details of the proposal are outlined in Paragraph 2.4ii of this report.
3. Consider the £9,000 request only for the repair to the roof at Mill

Bay in recognition that this maintains a facility at no additional revenue cost which would otherwise have been permanently closed. This will need to be funded from the central building and maintenance budget which the Council has for all its assets.

4. Consider the request for the funding, which would otherwise have funded the installation of PoE at the Salcombe Estuary facilities, to be transferred to Salcombe Town Council as a contribution towards future management of the facilities. The total transfer would be £43,627.
5. Note the position in respect of public toilet facilities at:
 - Holbeton
 - Newton Ferrers (Newton & Noss Parish)
 - Staverton.

1. Executive summary

- 1.1 This report requests that Members consider the above recommendations and resolve to proceed as recommended for each facility.

2. Background

- 2.1 Members will be aware that the public toilet service was previously considered, as part of the budget process, on 1st February and 26th April this year, where decisions in respect of the way forward were resolved. Update reports have been presented to Executive Members on a regular basis throughout this project.
- 2.2 Resolutions were made in respect of the majority of public toilets at the Executive meeting on 22 November 2018, although decisions in respect of the three facilities in Totnes (Civic Hall, Coronation Road and Steamer Quay) and the three rural facilities in Holbeton, Newton Ferrers (Newton and Noss Parish) and Staverton were the subject of a further consultation following consideration by the Overview & Scrutiny Panel at its meeting on 12 December 2018.
- 2.3 In respect of the remaining public toilets included in this review, a summary of the resolutions made and actions taken thus far is attached at Appendix A.
- 2.4 This report contains updated information in respect of the outstanding facilities:
 - i. **Kingsbridge** – Fore Street

Kingsbridge Town Council had resolved to pay anticipated income from PoE, in lieu of having PoE installed in Fore Street toilet facilities (PoE is already in place in the Quay facilities).

The amount of income estimated by Healthmatic was considerably higher than the amount estimated by officers before the procurement of PoE equipment was concluded, Kingsbridge Town Council were asked to increase this annual payment accordingly to £4,200. This is consistent with other similar facilities where alternative funding streams have been considered in lieu of PoE.

Kingsbridge Town Council has been asked to confirm its position in this respect and, if an alternative proposal is not received by 28 February 2019, it is recommended that the installation of PoE equipment goes ahead.

ii. **Salcombe estuary –**

- Mill Bay, East Portlemouth
- Ferry Steps, East Portlemouth
- Batson Creek, Salcombe
- North Sands, Salcombe
- South Sands, Salcombe
- Whitestrand, Salcombe

Salcombe Town Council and Salcombe Harbour Board are working in partnership in respect of the above public toilets and, following discussions with officers, have made an outline proposal as detailed below.

In order to facilitate the proposal, it is recommended that responsibility for all six facilities listed above is transferred to Salcombe Town Council, with effect from 1 October 2019, who will work in partnership with Salcombe Harbour Board to provide the public toilet service at these locations.

The partnership has requested that all six facilities be leased to them for two years initially, to give them time to establish seasonal footfall and any logistical challenges which may be faced in managing the service.

At the end of two years, assuming that all has gone as anticipated by all parties, four facilities (Mill Bay, Ferry Steps, North Sands and South Sands) would be the subject of an asset transfer from the District Council to Salcombe Town Council.

Batson Creek and Whitestrand will remain in the ownership of the District Council, so that any future development of the sites can be considered at the appropriate time.

The partnership has requested that the District Council transfer funds equivalent to the running costs it would have had to meet should the facilities have stayed under the management of the District Council, minus anticipated PoE income.

It is recommended that this funding should not include an amount for Mill Bay, which was recommended for closure. The Mill Bay toilet facility requires essential maintenance, estimated at £18,000, to repair the roof which is currently leaking. The Salcombe proposal requests that the Council fund half of the repair. This facility was previously resolved for permanent closure.

It is further recommended that the contribution from the District Council for the other five toilet facilities be reduced by 20% each year over a period of five years, with no contribution being required from the District Council from year six onwards.

The potential to develop Batson Creek and Whitestrand sites is to be kept under review and, should an asset transfer become a feasible option, a recommendation would be made to the Executive as part of the overall scheme detail.

The partnership has also requested that the District Council transfer the funds put aside for PoE equipment in the Salcombe estuary to the Town Council, as a contribution towards future management. This allocated capital spend of £43,627 (funded from new homes bonus) would otherwise be spent on other capital projects which could generate income for the Council in areas of community benefit or enhancement, and indeed, may fund future PoE schemes at Phase 2 of the public toilet review.

Therefore, Members may wish to delay this decision until the end of the two-year lease arrangements, when Salcombe Town Council will have considered whether to take on all the facilities as a permanent arrangement, and when the District Council's financial position in respect of this capital budget is clearer.

The partnership has requested that officers investigate the cost of refurbishing Cliff House Gardens public toilet, where the current resolution is that these should close, due to the estimate high refurbishment costs, and the close proximity of Whitestrand facilities. Should a proposal be presented that the partnership fund the refurbishment of the building and operate it as a public toilet facility, officers will update the Executive Members accordingly.

iii. **Thurlestone -**

Whilst an asset transfer was agreed in principle, and an initial visual inspection report produced for the Parish Council, a request has been received for more detailed information.

As a result of this delay, the Parish Council was unable to include the cost of taking on the public toilet facility in its precept for next year. Officers will ensure that a more detailed report is provided to the Parish Council so that it can consider the matter in good time for the 2020/ 21 precept setting process.

Therefore, whilst the facility will close on 30 September 2019 for the winter period it is likely to reopen in April following an anticipated asset transfer to the Parish Council before 1 April 2020.

iv. **Totnes –**

- Civic Hall
- Coronation Road
- Steamer Quay

Members will recall that, following consideration by the Overview & Scrutiny Panel, officers were instructed to re-open negotiations with Totnes Town Council in respect of the proposal to implement PoE at all three facilities listed above.

As a result, Ward Members and officers met with Members from the Town Council on 10 January 2019.

Totnes Town Council is now giving the matter further consideration within a timeframe which fits with its decision making process, and is due to present a proposal in respect of all three facilities shortly. However, if a proposal is not received by 28 February 2019, it is recommended that Pay on Entry equipment be installed at the three facilities as was previously resolved.

v. **Holbeton, Newton & Noss and Staverton Parish Councils**

– Members will recall that, following consideration by the Overview & Scrutiny Panel, officers were instructed to re-open negotiations with all three Parish Council and this has commenced.

Officers will update the Executive on progress with discussions at its meeting on 14 March 2019.

3. Outcomes/outputs

- 3.1 Consultation has already been undertaken with Towns, Parishes and other stakeholders, and this will continue as necessary in order to ensure the smooth completion of all recommendations.

3.2 Press releases have gone out and Towns and Parishes in particular have engaged in constructive dialogue with both Members and officers.

3.3 It should be noted that free access to public toilets will continue to be available for disabled customers, who are able to purchase a RADAR key. This is a national scheme allowing anyone who is registered as disabled to access disabled toilet facilities.

4. Options available and consideration of risk

4.1 Each facility above has been the subject of an individual Comprehensive Impact Assessment.

5. Implications

Implications	Relevant to proposals Y/N	Previously circulated to the Executive.
Legal/Governance		
Financial		Appendix B sets out the financial information.
Risk		The closure of public toilets is likely to result in adverse publicity for the District Council. However, there is sound information to demonstrate the requirement to make the associated financial savings and, where possible, alternative solutions have been highlighted in the Comprehensive Impact Assessment.
Comprehensive Impact Assessment Implications		
Equality and Diversity		A comprehensive impact assessment has been completed in respect of this each facility which shows that there are limited numbers of customers which are adversely by these recommendations.
Safeguarding		No implications.
Community Safety, Crime and Disorder		The implementation of PoE at the facilities above is likely to have a positive impact in respect of anti-social behaviour and vandalism.
Health, Safety and Wellbeing		As per the Comprehensive Impact Assessment.
Other		None.

implications		
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Supporting Information

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes/No
SLT Rep briefed	Yes/No
Relevant Exec Director sign off (draft)	Yes/No
Data protection issues considered	Yes/No
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	Yes/No

Appendices

Appendix A – summary of resolutions and actions taken to date

Appendix B – financial information

Appendix C – Comprehensive Impact Assessment.

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Parish/ Town	Toilet	Current Position	Ownership	Resolutions
Bigbury	Bigbury	Car park charge increase been agreed by Parish Council and subject to separate Executive report.	Leased	Alternative solution resolved by Executive 22 November 2018. Parking charges to be considered 7 February 2019.
Dartmouth	Manor Gardens	Close.	Owned by SHDC	Closure with no asset transfer to Dartmouth Town Council resolved by Executive 22 November 2018.
Dittisham	The Ham	Pay on Entry to be installed.	Leased from Dittisham Parish Council	PoE resolved by Executive 22 November 2018.
East Portlemouth	Mill Bay	Proposal received from Salcombe Town Council and Harbour Board partnership.	Owned by SHDC	Proposal to be considered by Executive 7 February 2019 (Executive previously resolved to close Mill Bay at its meeting on 22 November 2018).
	Ferry Steps		Owned by SHDC	
Holbeton	Holbeton	Renegotiation commenced with Parish Council. Update report to be presented to the Executive 14 March 2019.	Owned by SHDC	Closure resolved by Executive 22 November 2018. However, called in by O&S 12 December 2018. Reconsidered by Executive 13 December 2018 where it was resolved to reopen discussions with Holbeton Parish Council.
Ivybridge	Glanvilles Mill	Pay on Entry to be installed	Owned by SHDC	PoE resolved by Executive 22 November 2018.
Kingsbridge	Fore Street	Awaiting proposal from Kingsbridge Town Council. PoE to be installed if not received by 28 February 2019.	Owned by SHDC	Alternative solution resolved by Executive 22 November 2018.
Kingswear	Higher Ferry	Close.	Owned by SHDC	Closure resolved by Executive 22 November 2018.
	Lower Ferry	Discussions in respect of an asset transfer (transfer of lease) are on-going with Kingswear Parish Council.	Leased from South Hams Housing (Live West)	Asset transfer resolved by Executive 22 November 2018.
Malborough	Malborough	Asset transfer agreed.	Owned by SHDC	Asset transfer resolved by Executive 22 November 2018.
Newton & Noss	Newton Ferrers	Renegotiation commenced with Parish Council. Update report to be presented to the Executive 14 March 2019.	owned by SHDC	Closure resolved by Executive 22 November 2018. However, called in by O&S 12 December 2018. Reconsidered by Executive 13 December 2018 where it was resolved to reopen discussions with Newton & Noss Parish Council.
Salcombe	Batson Creek	Proposal received from Salcombe Town Council and Harbour Board partnership.	Owned by SHDC	Proposal to be considered by Executive 7 February 2019.
	North Sands		Owned by SHDC	
	South Sands		Owned by SHDC	
	Whitstrand		Owned by SHDC	
	Cliff House Gardens	Refurbishment is being costed to allow the Salcombe Town Council and Harbour Board partnership to consider an asset transfer. However, should this not be proposed, the facility will remain closed.	Owned by SHDC	Closure resolved by Executive 22 November 2018 with the facility not to be re-opened in Spring 2019 following the winter closure.
South Brent	Shipley Bridge	Building to be returned to Dartmoor National Park Authority (DNPA).	DNPA/ South West Lakes	Withdrawal of cleaning service resolved by Executive 22 November 2018.
	South Brent	Asset transfer agreed.	Owned by SHDC	Asset transfer resolved by Executive 22 November 2018.

South Huish	Hope Cove	Pay on Entry to be installed.	Owned by SHDC	PoE resolved by Executive 22 November 2018.
South Milton	South Milton	Discussions in respect of a 75% contribution towards running costs on-going with nearby café owner and the National Trust.		Closure resolved by Executive 22 November 2018 unless a 75% contribution towards running costs is agreed.
Staverton	Staverton	Renegotiation commenced with Parish Council. Update report to be presented to the Executive 14 March 2019.	Owned by SHDC	Closure resolved by Executive 22 November 2018. However, called in by O&S 12 December 2018. Reconsidered by Executive 13 December 2018 where it was resolved to reopen discussions with Staverton Parish Council.
Stoke Fleming	Stoke Fleming	Close.	Owned by SHDC	Closure resolved by Executive 22 November 2018.
Stokenham	Torcross Tank	Car park charge increase been agreed by Parish Council and subject to separate Executive report.	Leased	Alternative solution resolved by Executive 22 November 2018. Parking charges to be considered 7 February 2019.
Strete Gate	Strete Gate	Car park charge increase been agreed by Parish Council and subject to separate Executive report.	Owned by SHDC	Alternative solution resolved by Executive 22 November 2018. Parking charges to be considered 7 February 2019.
Totnes	Civic Hall	Awaiting proposal from Totnes Town Council. PoE to be installed if not received by 28 February 2019.	Leased	PoE resolved by Executive 22 November 2018. However, called in by O&S 12 December 2018. Reconsidered by Executive 13 December 2018 where it was resolved to reopen discussions with Totnes Town Council.
	Coronation Road		Owned by SHDC	
	Steamer Quay		Owned by SHDC	
Thurlestone	Thurlestone	Asset transfer agreed in principle.	Owned by SHDC	Asset transfer resolved by Executive 22 November 2018.
Ugborough	Bittaford	Asset transfer agreed but to be delayed until April 2020.	Owned by SHDC	Asset transfers resolved by Executive 22 November 2018.
	Ugborough	Asset transfer agreed.	Owned by SHDC	
Wembury	Wembury	Allow lease with National Trust to expire in June 2020	Leased from National Trust	Resolved by Executive on 22 November 2018 to allow lease to expire in June 2020. The lease states we must put the land back to original condition, ie remove building if the Landlord is mindful to request this.

Current position as at January 2019

Modelling for pay on entry scheme

Facility	Parish	Total annual service cost (for info only)	Annual income from pay on entry scheme	Annual savings from consumables and utilities
		£	£	£
Ham	Dittisham	9,740	-1,600	-420
Glanville's Mill	Ivybridge	25,313	-2,000	-525
Hope Cove	South Huish	14,531	-2,000	-525
Civic Hall	Totnes	16,186	-5,600	-1,820
Coronation Road	Totnes	20,462	-5,600	-1,820
Steamer Quay	Totnes	27,747	-6,400	-1,680
		113,980	-23,200	-6,790

Modelling for income to be generated in lieu of pay on entry scheme

Facility	Parish	Total annual service cost	Income in lieu of pay on entry income	
		£	£	
Bigbury	Bigbury	32,234	-8,000	Review of pay & c
Fore Street	Kingsbridge	13,738	-4,200	Annual contributi
Torcross	Stokenham	21,934	-2,000	Review of pay & c
Strete Gate	Strete	7,651	-2,000	Review of pay & c
		75,557	-16,200	

Modelling for asset transfers to take place or facility to close in September 2019

Parish	Facility	Total annual service cost	Less current parish contribution	Net annual service cost
		£	£	£
Malborough	Malborough	6,470	-915	5,555
South Brent	South Brent	7,543		7,543
Holbeton*	Holbeton	4,788		4,788
Kingswear	Lower Ferry	16,462		16,462
Newton & Noss*	Newton Ferrers	7,918		7,918
Salcombe	Cliff House Gardens	4,858		4,858
Staverton*	Staverton	6,617		6,617
Stoke Fleming	Stoke Fleming	12,695		12,695
Thurlestone	Thurlestone	8,671		8,671
Ugborough	Bittaford and Ugboroug	14,883		14,883
		90,905	-915	89,990

*Negotiations with Parish Council have re-opened. An update will be provided at the Executive meeting on 14th

Modelling for other arrangements to take place or facility to close in September 2019

Parish	Facility	Total annual service cost	
			£
Dartmouth	Manor Gardens	18,263	To close in September 2019 with no asse
Kingswear	Higher Ferry	10,571	To close with no asset transfer to the Par
South Brent	Shipley Bridge	9,389	Will be transferred back to Dartmoor Nati
South Milton	South Milton	17,925	To close in September 2019 unless a 75%
Wembury	Wembury	20,748	To allow current lease with the National T
		76,897	

Salcombe Estuary arrangements - Annual service cost less income in lieu of pay on entry sch

Facility	Total annual service cost (based on 2017-18)	Less income in lieu of pay on entry scheme	Estimated annual service cost
	£	£	£
Millbay	17,614	-1,200	16,414
Ferry Steps	11,599	-2,000	9,599
Batson Creek	15,674	-1,750	13,924
North Sands	12,338	-1,750	10,588
South Sands	11,827	-1,750	10,077
Whitstrand	29,388	-8,000	21,388
	98,441	-16,450	81,991

APPENDIX B

Annual cost of collection and maintenance of equipment	Total financial benefit	One off capital cost of installing pay on entry	Pay back period
£		£	Years
641	-1,379	7,368	5.3
983	-1,542	10,552	6.8
665	-1,860	7,368	4.0
2,066	-5,354	19,220	3.6
2,066	-5,354	19,860	3.7
1,519	-6,561	13,270	2.0
7,940	-22,050	77,638	

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% contribution from one or both stakeholders is achieved
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eme (based on 2017-18 actuals)

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Appendix C



**COMPREHENSIVE IMPACT
ASSESSMENT**

PUBLIC TOILET PROJECT

Comprehensive Impact Assessment Template

Assessment being undertaken		Public Convenience Review
Group: Commercial Services		Commercial Services
Service:		Environment Services
Name of Officer/s completing assessment:		Emma Widdicombe
Date of Assessment:		31 October 2018 updated Dec 2018 and 29.01.19
1.	<p>Why are you doing this CIA?</p> <p>Provide a brief explanation of the reason. Is it: new/change in policy, procedures, strategy, function, service.</p>	<p>Further to the review of the public conveniences in South Hams a number of toilets have been identified to be transferred to the Parish Councils however, should this not arise, these facilities could close. The purpose of this CIA is to identify if the proposed closure of these selected public toilets will impact on health & safety, equality & diversity etc and to assess whether any mitigating action is required.</p>
2.	<p>What are the aims, objectives, outcomes, purpose of the policy, service change, function that you are assessing?</p>	<p>South Hams District Council resolved to make a £226,000 saving in the cost of providing and maintaining public conveniences. It was agreed these savings would be achieved through the installation of pay on entry at its higher footfall facilities with anticipated income of £36,000 to be achieved by 2019/20 and the proposed transfer of a number of identified public conveniences to Parish/Town Councils or should this not occur the closure of these sites where the footfall and cost of running are low with a saving of £180,000</p>

		<p>by 2020/21.</p> <p>The Council has a power but not a duty to provide public conveniences (Public Health Act 1936). It currently provides 41 public toilet facilities within the South Hams at a cost of just under £1 million. The aim of this project is to provide a sustainable level of public conveniences within the available budget.</p>
3.	Who implements or delivers the above? State if this is undertaken by more than one team, service, and department including any external partners.	The project will be managed by the public review project group which consists of officers from environment services, assets, support services, property maintenance, ICT, legal and the project sponsor being the Executive Director/Group Manager. The team have met with Parish and Town Councils as required to discuss the freehold transfers.
4.	Equality and Diversity, safeguarding, health, safety and wellbeing - Who will be affected by this proposal? Is the proposal likely to result in positive or negative impacts/risks? If so what are they? What plans do you have in place, or are developing, that will mitigate the likely identified negative impacts/risks?	<p>All members of the public and local communities which include more specifically:</p> <ul style="list-style-type: none"> • Users with chronic health issues (bowel and bladder problems) • People with young families • Disabled people • Parish and Town Councils who could potentially be recipients of existing facilities • Travellers • Homeless people • Young people • Older people • Pregnant mothers • Public health teams • Outdoor/mobile workers

- Holiday makers/day visitors
- Private businesses (restaurants/pubs/shops/cafes)
- Tourist groups

Positive Impacts

- Through devolution these public conveniences will be spared from closure, or even enhanced
- Services may be designed in accordance with local priorities and needs, using local knowledge and resources
- There may be the potential to foster a greater degree of civic pride and increased involvement in public services by local residents
- Where alternative facilities have been recognised eg pub, café this may have a positive impact on local businesses due to increased footfall, with an increase in money spent in local areas
- The hours of opening of the alternative facilities may offer a variety of opening hours which would not cause significant disadvantage.
- The Council has retained some facilities and will be introducing charges at others to ensure that they remain open and operational

Negative Impacts

- A reduction in the provision of public conveniences will mean users will have to travel further to find alternative provision, where it is available
- Individuals with disabilities, older people or individuals with health related problems may find alternative facilities difficult to use

- It is likely that there will be an increased demand for remaining facilities
- Some groups such as elderly, those with particular disabilities and mothers with young children will be negatively affected. However, the availability of alternative facilities and the remaining facilities available will go some way to mitigating the worst impacts.
- Closure of public toilets may have a restrictive effect upon the willingness of certain groups to access public space, socialise and shop. This in turn can lead to isolation and negatively impact upon a person's well-being. Disabled people, older people, mothers and fathers of young children and carers and people with chronic health problems all need easy access to toilet facilities.
- Lack of toilet facilities at the right time and right place contributes to dirty streets that are unsanitary, unpleasant and can spread infection. Public toilets in places of open space help to encourage people who may need regular toilet access to take exercise and stay physically active.
- Public toilet provision is an important issue for areas relying on tourism income, or seeking to develop their profile as a visitor destination. Tourists choose their destinations based on previous experience, looking up feedback on the internet and knowledge of facilities. Meeting visitor's needs is vital to secure repeat trade and build a sustainable economy. However, there is also a view that reduced availability of facilities would not impact on a family's choice to visit certain areas. The perception is that private

		<p>facilities are more modern and have better facilities for mothers and babies.</p> <ul style="list-style-type: none">• Older people are more likely to suffer from incontinence problems and other health related issues that require them to use the toilet more frequently. Lack of toilet facilities will result in older people staying at home.• Young children are less likely to be able to wait to use the toilet and mother with babies may need baby changing facilities. Pregnant women are more likely to need the toilet more frequently and will be disadvantaged if there are a lack of facilities.• Some toilets identified for closure include disabled facilities. Those with mobility problems may find it harder to get to alternative facilities. Lack of toilet facilities prevent disabled people from taking part in everyday activities and going out.• Carers who look after older people, disabled and young people may be disadvantaged.• There could be negative impacts to homeless individuals who use public toilets as somewhere to wash as well as a toileting facility. Homeless people may also suffer from stigma, and may not be or may not feel welcome in some establishments. <p>To mitigate the impact the following has been carried out:</p> <ul style="list-style-type: none">• Towns and villages with multiple facilities have been
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		<p>assessed and alternative toilet provisions identified</p> <ul style="list-style-type: none"> • Areas with low usage have been identified first for transfer/closure in order to maximise the benefit of those facilities kept open in higher use areas. • Toilets identified for closure are low usage sites • There will be appropriate knowledge transfer and due diligence processes prior to devolution and during negotiations
5.	<p>Information Management – What type of information will be required to deliver this proposal? Is the proposal likely to result in increased risks to the information? If so, what are they? What plans do you have in place, or are developing, that will mitigate the likely identified negative impacts/risks?</p>	<p>To achieve the aims of the project, data will be required on the service running costs.</p> <p>During negotiations with Town & Parish Councils, it will be necessary for data to be shared.</p>
6.	<p>Community Safety/Crime and Disorder - Who will be affected by this proposal? Is the proposal likely to result in positive or negative impacts/risks? If so what are they? What plans do you have in place, or are developing, that will mitigate the likely identified negative impacts/risks?</p>	<p>If toilets are closed there is a risk of vandalism of the empty building.</p> <p>Positive</p> <ul style="list-style-type: none"> • Where toilets have been devolved to Parish and Town Councils it will have a positive impact in terms of keeping properties in use and reducing the risks associated with crime and vandalism in disused premises <p>Negative</p> <ul style="list-style-type: none"> • Risk of vandalism and antisocial behaviour of the empty building should closure occur

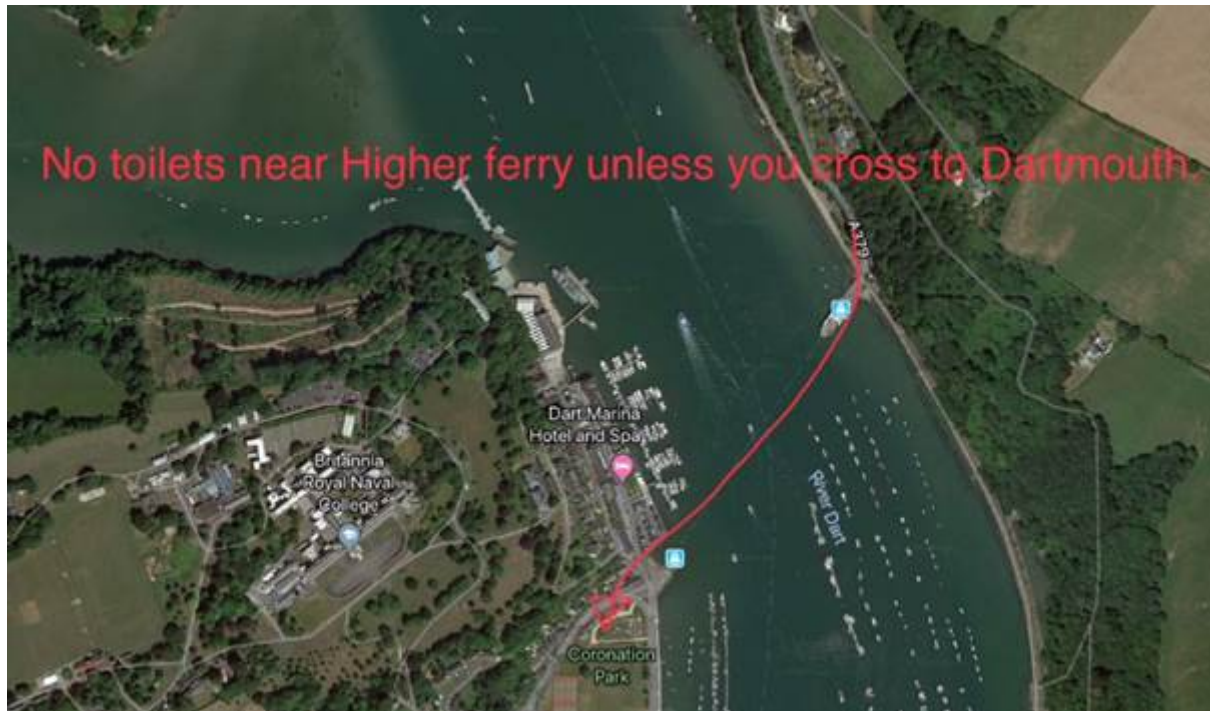
7.	<p>Have the impacts identified in Questions 4 to 6 been assessed using up to date and reliable evidence and data? Please provide a link to the evidence/data or state what the evidence/data is. The data and research page on the intranet is a useful resource.</p> <p>Do you need to engage or consult with any representative group/s?</p> <p>Are our staff affected? Have the unions or staff forums been involved? If not do they need to be?</p>	<p>A full review of existing facilities including types and quality has been carried out as well as detailed assessments of costs. See details per toilet below</p> <p>Consultation has been undertaken with the Town and Parish Councils</p> <p>Consultation has also taken place with National and Local Interest Groups to inform them of the project brief and requested feedback or meetings if desired.</p> <p>A members drop in session was also carried out</p>
8.	<p>What plans do you have in place to monitor the impact of the proposals once they have been implemented? The full impact of the policy/decision may only be known after the proposals have been implemented.</p>	<p>Once a transfer of services and assets has taken place, in legal terms the Council no longer retains an interest or responsibility therefore in such cases there is an argument that the need for ongoing monitoring does not arise. However, in the short term there will need to be a clear communications and support to direct enquiries appropriately.</p> <p>Where facilities may close the opportunity to dispose through sale or demolition would be considered. However, during this time empty buildings would be monitored by our MLO's for antisocial behaviour and vandalism</p>
9.	<p>Are there other implications not covered by this CIA that</p>	<p>No other implications.</p>

	<p>need to be considered? These can include: staffing, procurement and contracts, property, climate change, transport, waste and economy. If yes then please explain.</p> <p>Refer to the Committee Report Template Guidance page for further information.</p>	
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Summary of Comprehensive Impact Assessment Implications (These should be copied and pasted into your report)	
Equality and Diversity	Alternative facilities have been identified where possible. Acknowledge that this project will result in a reduced service but the result will be the provision of a sustainable number of public toilets (the higher footfall facilities) within the available budget.
Safeguarding	Vulnerable customers are more likely to be affected by the outcome of this review. However, as above, alternative facilities have been identified.
Community Safety, Crime and Disorder	The installation of PoE should result in reduced vandalism within toilets and will discourage anti-social behaviour. Closed facilities will be sold where feasible so that empty, unused buildings are not left as targets for vandals, and, in the meantime, will be monitored.
Health, Safety and Wellbeing	Alternative facilities have been identified where it is proposed that public toilet facilities are closed. Where PoE is proposed, disabled customers will still have free access to toilets (where we have disabled facilities in place) using a RADAR key.
Other implications	

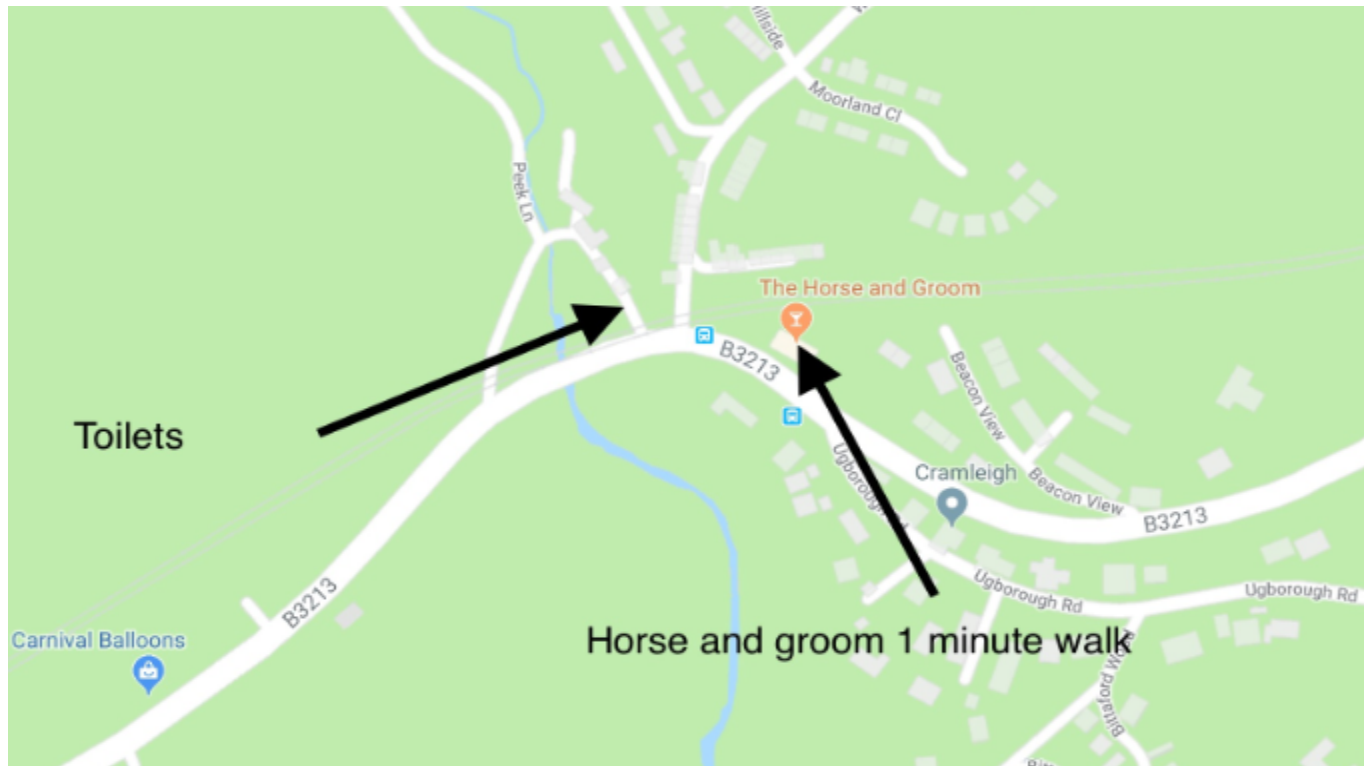
Higher Ferry, Kingswear

- Minimal usage due to very poor access to the toilets. Minor use by the occasional walker. The increased capacity on the higher ferry and the crossing times means this toilet is no longer required as in previous years
- No other toilets in the area unless you cross on the ferry where there are a number of toilets
- Already subject to winter closure Nov – Feb with no complaints



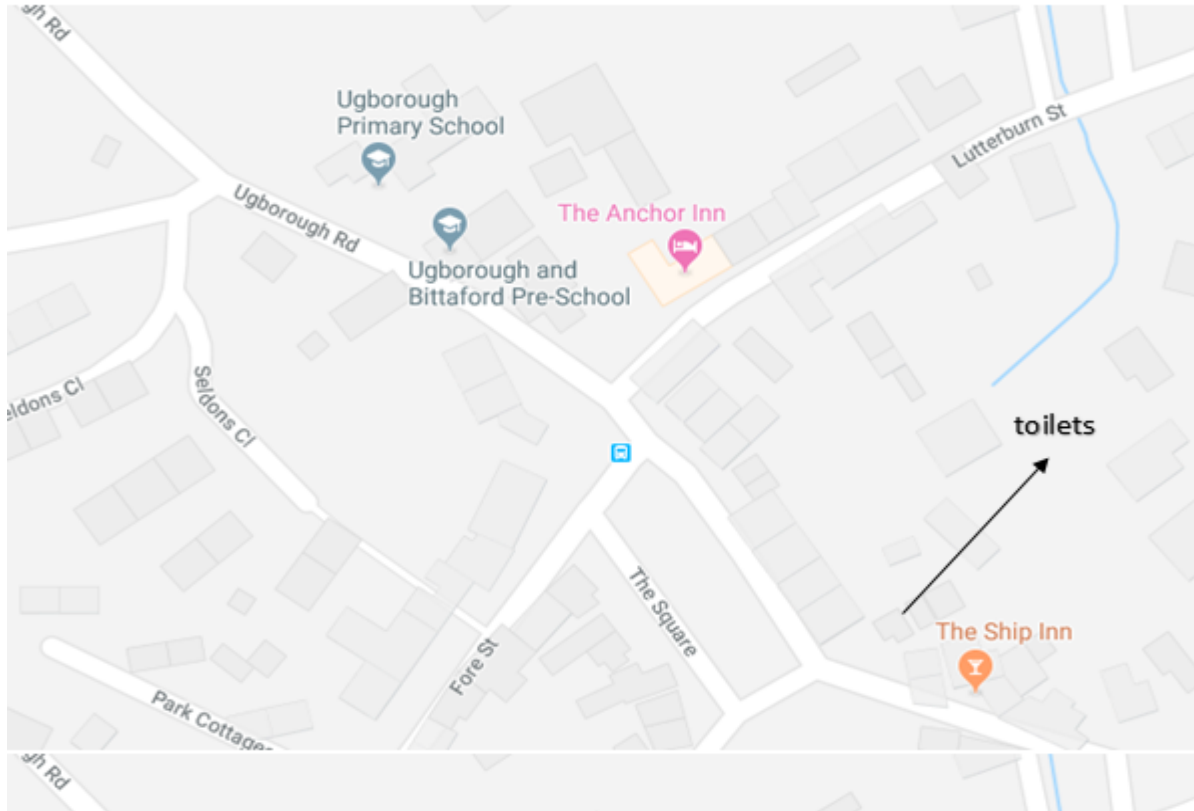
Bittaford

- Already subject to a seasonal closure of Nov – Feb
- Minimal usage
- There is one public house – The Horse and Groom located 1 minute walk (approximately 0.04 miles) from the public toilets and another public convenience in Ivybridge which is a short drive



Ugborough

- Already subject to a seasonal closure of nov- feb
- Minimal usage
- There are currently two public houses located in the area with The Ship (approximately 0.05 miles) located directly in front of the toilets and The Anchor Inn located a short walk (approximately 0.11 miles) from the public toilets.



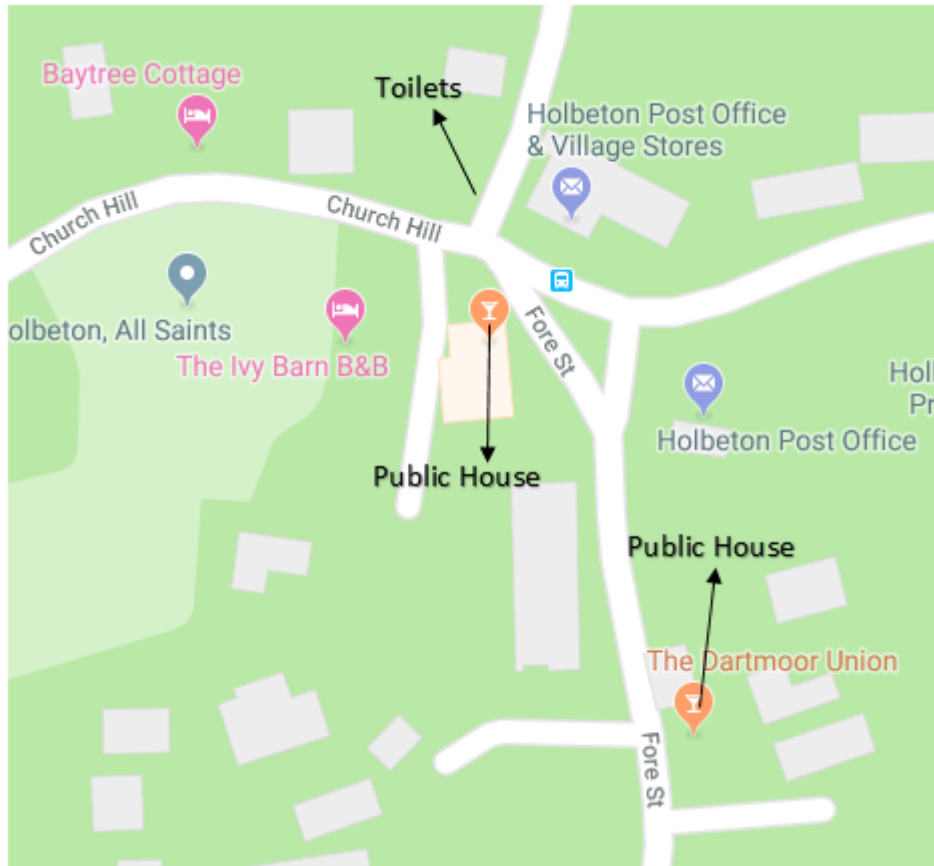
Thurlestone

- Already on a seasonal winter closure Nov-Feb
- Minimal use due to location
- There is the Thurlestone Hotel/Public House located approximately 0.4 mile walk from the current public toilets



Holbeton

- The Parish Council already clean this toilet during the winter shutdown of Nov-Feb
- There are no cafes within the village but two public houses – Dartmoor Union (approx. 0.13 miles) and Mildmay Colours (approx. 0.03 miles), a short walk from the current toilets



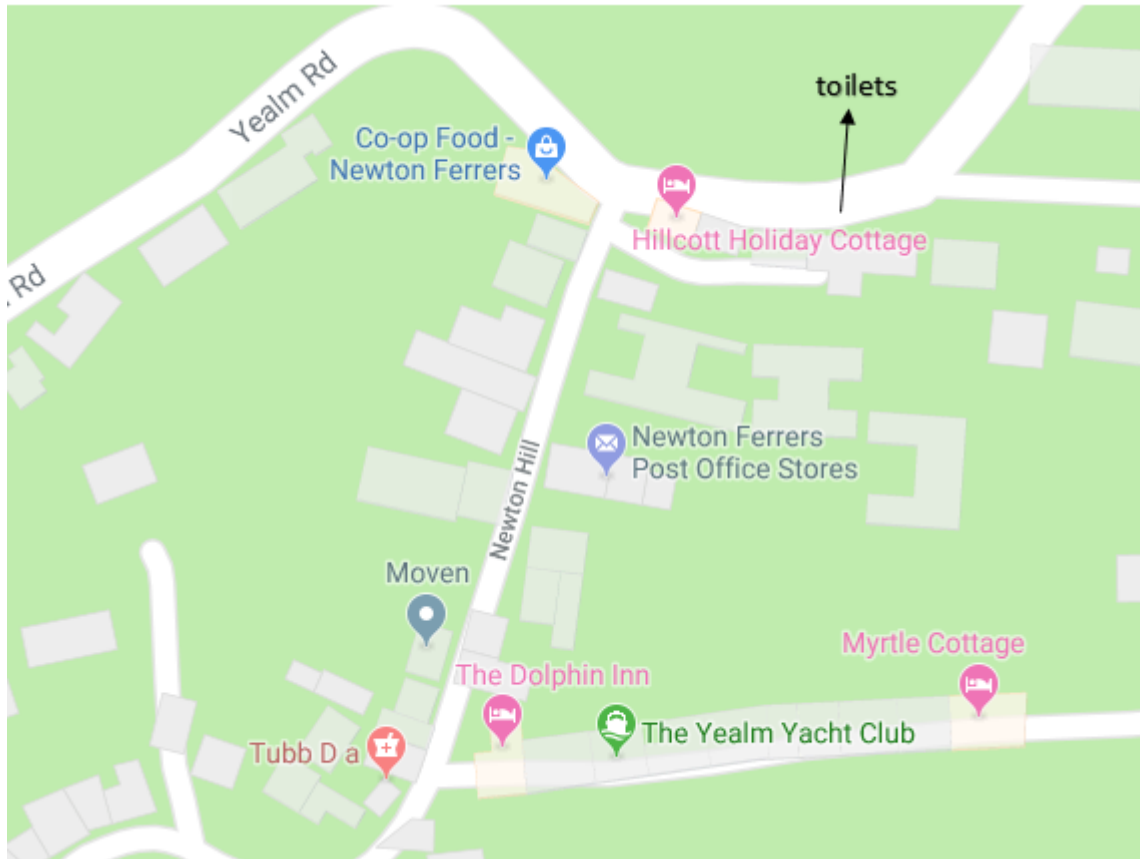
Staverton

- Seasonal closure already applies from Nov – Feb
- Sea Trout Inn located across the road from the current public toilets (approximately 0.07 miles).



Newton Ferrers

- Seasonal closure already applies between Nov-Feb
- There is a café located within the village but they do not want customers just using the toilets. There is also a public house (The Dolphin approximately 0.12 miles) located a short walk from the current toilets.



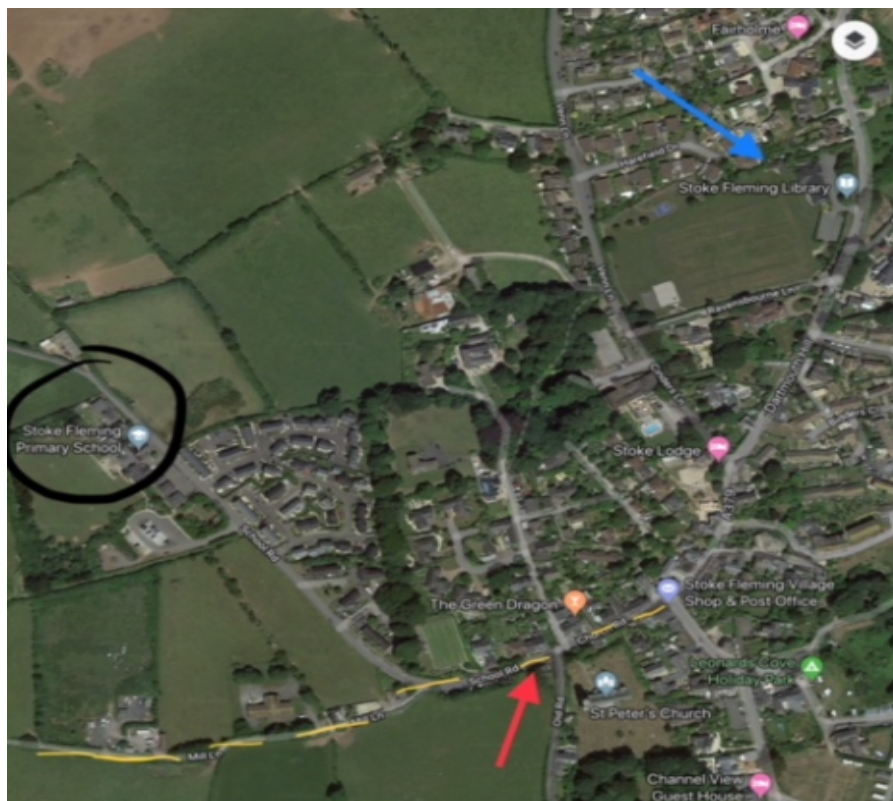
Lower Ferry, Kingswear

- There are currently two public houses located within close proximity to the current public toilets as well as the Steam Train toilets located next to their café



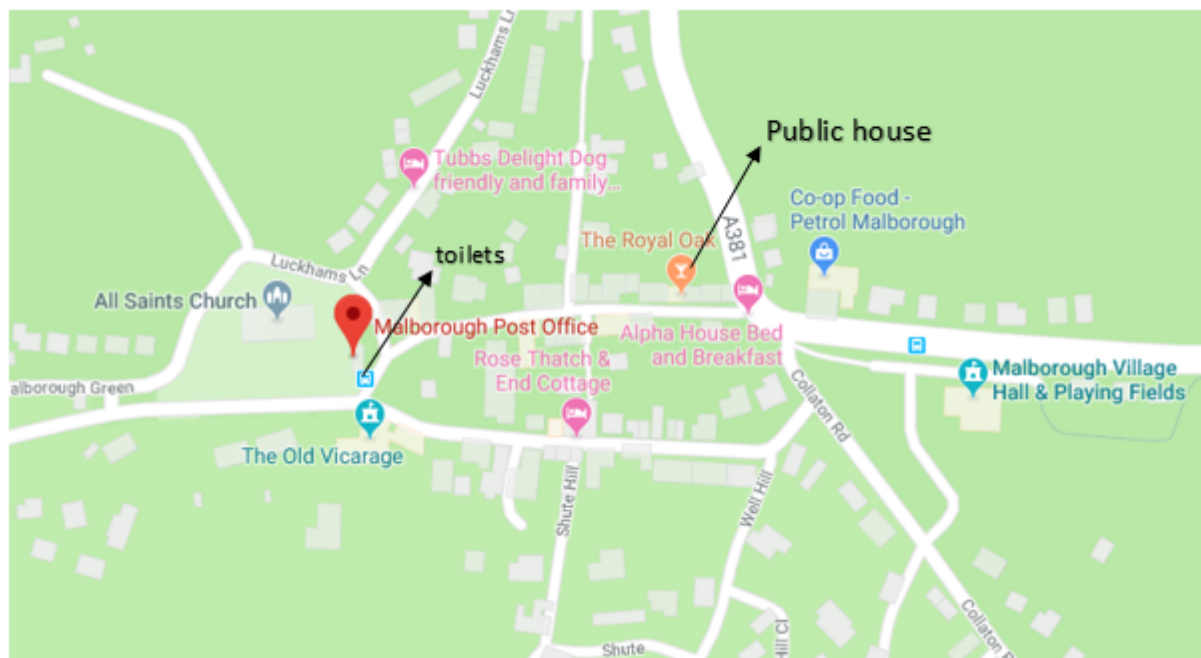
Stoke Fleming

- Minimal usage but is located on a footpath used by visitors to the area or potentially on the school visit
- There are toilets available to use in the playing field however only open when events are on at the field
- The Green Dragon public house is located on the same road as the toilets but with limit opening hours



Malborough

- Already subject to reduced cleaning in from Nov – Feb
- The Royal Oak public house is located 0.1 miles from the current toilets and alternative public conveniences available in Salcombe



Manor Gardens, Dartmouth

- There are numerous restaurants, public houses and cafes with toilets provided in the centre of Dartmouth which is a short distance walk (approximately 5 minutes) from the Manor Garden toilets
- Public toilets are also available at Royal Avenue Gardens, Coronation Park, Market Square and the Castle which are provided by Dartmouth Town Council
- Access to these toilets are down a number of steps and are not highly visible to the general public unless you knew they were there



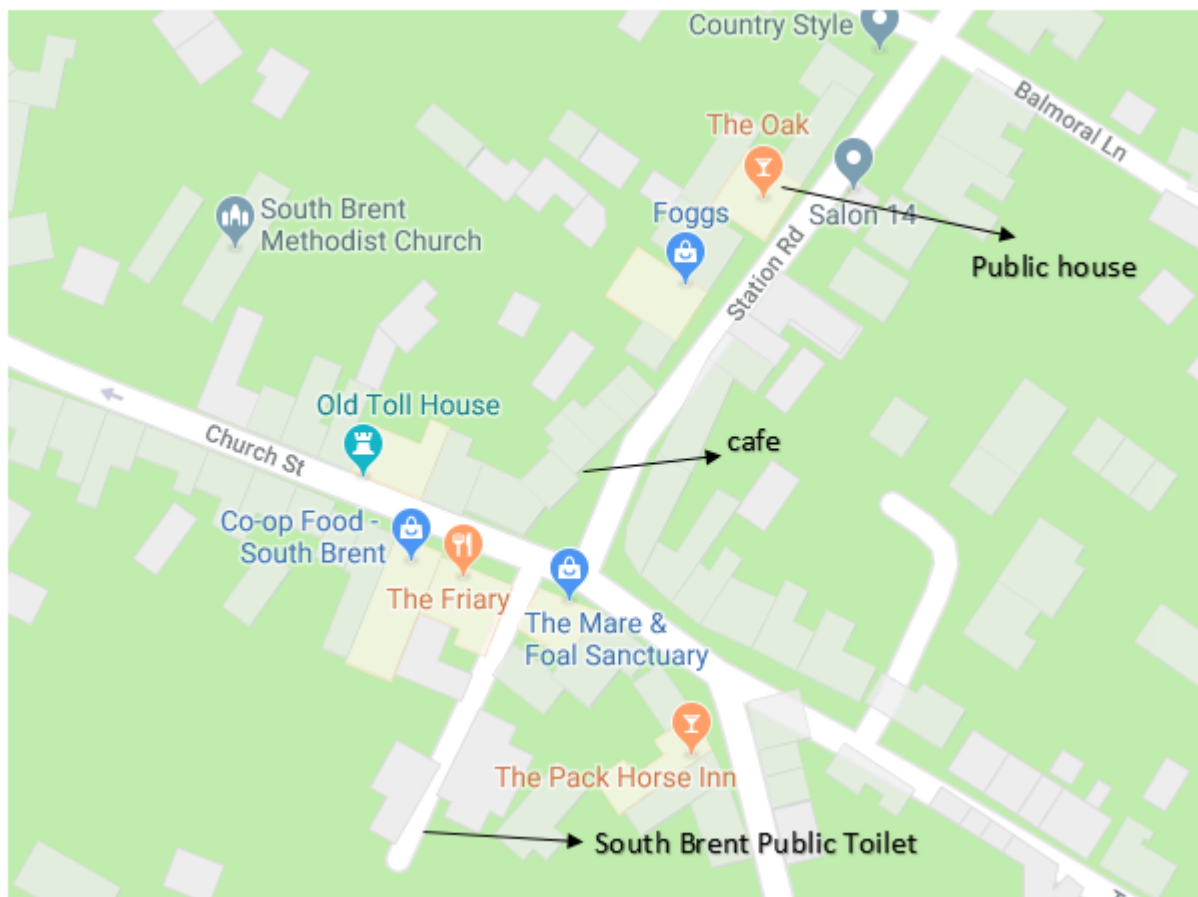
Mill Bay, East Portlemouth

- Alternative public toilets available at Ferry Steps, opposite the Venus Café which is a 0.5 mile walk from the current Mill Bay toilets



South Brent

- There are cafes and public house within the centre of South Brent which have toilet facilities



Shipley Bridge, South Brent

- Closest public toilets would be those in South Brent
- Public toilet already subject to a winter closure from Nov-Feb



Cliff House Gardens, Salcombe

- Already subject to a winter closure of Nov-Feb
- Numerous public houses, restaurants and café providing toilets within a few minutes' walk of these toilets
- Whitestrand and Creek public conveniences also located within walking distance



Public Conveniences	Location	Tourism and Retail	Seasonality	water usage	Proximity to public space	Council car park / service within 50m	Disabled Facilities	Historical or Future Issues	Fit for purpose	
SCORING	Major Town 7 Small Town 5 Village 3 Rural 1	Yes 5 No 0	All year 5 Mar-Oct 3 Peak 1	High 9 Medium 7 Low 5	<100m 7 101-500m 5 501-1km 3 >1km 1	Yes 3 No 0	Pass 3 Fail 0	High 1 Medium 3 Low 5 None 7	Yes 3 No 0	
yellow = transfer/close Green = proposed pay on entry Red = closed Blue = already pay on entry										
Kingswear HF	1	0	3	5	1	0	3	3	0	16
Bittaford	3	0	3	5	1	0	0	5	3	20
Newton Ferrers	3	5	3	5	1	0	0	7	3	27
Thurlestone GC	1	0	3	5	5	0	0	7	3	24
East Prawle	3	5	3	5	1	3	0	3	3	26
EP Ferry	3	5	3	9	7	0	0	3	3	33
Ermington	3	0	3	5	1	3	0	7	3	25
Ugborough	3	0	3	5	1	0	0	7	3	22
Holbeton	3	0	3	5	1	0	0	7	3	22
Malborough	3	0	3	5	1	0	0	7	3	22

Slapton	1	5	3		1	3	3	3	0	
Staverton	3	0	3	5	1	0	0	7	3	22
Bowcombe	1	0	3	5	7	3	0	7	3	29
Noss	3	5	3	5	7	3	0	7	3	36
Salcombe Cliff House	7	0	3	5	7	0	0	5	3	30
Dartmouth MG	7	0	3	7	7	0	0	5	3	32
Loddiswell	3	0	5	5	1	0	3	5	3	25
EP Millbay	1	5	1	9	7	3	3	3	0	32
South Milton Sands	1	5	3	9	7	0	0	5	3	33
Shipleigh Bridge	1	5	5	5	7	3	3	5	3	37
Challaborough	3	5	1	9	7	0	3	7	3	38
Strete Gate	1	5	3	9	7	3	0	5	3	36
Salcombe South Sands	1	5	3	9	7	0	3	7	3	38
Kingswear SQ	3	5	3	5	1	0	3	5	3	28
Dartmouth P&R	7	5	3	7	1	3	3	5	3	37
Hope Cove	3	5	3	9	7	0	0	7	3	37
Salcombe North Sands	1	5	3	9	7	3	3	5	3	39
Stoke Fleming	3	0	5	9	1	0	3	7	3	31
South Brent	3	5	5	5	1	0	3	7	3	32
Dittisham	3	5	3	5	7	3	3	3	3	35
Kingsbridge FO	7	5	5	9	1	3	3	3	3	39
Modbury	5	5	5	5	1	3	3	7	3	37
Wembury	1	5	5	9	7	0	0	5	3	35

Beesands	3	5	3	9	7	3	0	7	3	40
Totnes Coro	7	5	5	9	5	3	3	5	3	45
Torcross	3	5	5	9	7	3	3	7	3	45
Bigbury	3	5	5	9	7	3	3	5	3	43
Salcombe Creek	7	5	3	9	5	3	3	7	3	45
Kingsbridge QY	7	5	5	9	7	3	3	5	3	47
Ivybridge	7	5	5	9	7	3	3	5	3	47
Salcombe Whitestrans	7	5	5	9	7	3	3	7	3	49
Totnes Civic	7	5	5	9	7	3	3	7	3	49
Totnes Quay	7	5	5	9	7	3	3	7	3	49

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Report to: **South Hams Executive**
Date: **7 February 2019**
Title: **Pay & Display review**
Portfolio Area: **Environment Services**
Wards Affected: **Allington & Strete, Charterlands and Stokenham**

Relevant Scrutiny Committee:

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: To be considered by the Council on 21 February 2019.
(*e.g. referral on of recommendation or implementation of substantive decision*)

Author: **Cathy Aubertin** Role: **Head of Environment Services Practice**

Contact: Cathy.Aubertin@swdevon.gov.uk

Recommendations:

That the Executive recommends to Council that the following amendments are made to the South Hams Off-Street Parking Places Order:

1. Pay & Display charges be amended in accordance with Appendix 1, following consultation with local communities.

1. Executive summary

- 1.1 This report requests that Members consider the recommendation to amend Pay & Display charges in accordance with the schedule at Appendix 1.

2. Background

- 2.1 As Members will be aware, South Hams District Council has been reviewing its public toilet service and, as a result, has resolved to implement Pay on Entry in the facilities with higher footfall.

- 2.2 However, for some 'destination' areas, it has been requested that, in place of a Pay on Entry scheme at the public toilets, the District Council incorporate the anticipated income from such a scheme in its parking charges at Bigbury and Slapton.
- 2.3 Having considered this in conjunction with legislation governing the reasonable setting of car parking tariffs the following view is felt to be reasonable.

Destination car parks with public toilets

In the case where a car park has a toilet facility at the location but has no other facilities close by, for example at a beach car park, then it is reasonable to incorporate facility usage within the parking tariff. This is due to the fact that patronage of the car park is highly likely to include use of the toilet facility during a visit. Signage will clearly show that this contribution is being made in order to maintain a free toilet at the site.

- 2.4 As Members will also be aware, South Hams District Council has a 'Community Led Parking Charges' policy, which allows for local Town and Parish Council, plus other stakeholders in each area, to work with the District Council in making recommendations about parking charges. This enables parking charges to be designed to meet the needs of individual communities.
- 2.5 Appendix 1 shows the current and proposed revised parking charges for the following car parks:
- Bigbury
 - Memorial, Slapton
 - Strete Gate
 - Torcross
 - Torcross Layby.
- 2.6 Members will note that the proposed charges will ensure that adequate additional income is generated from the car parks to support the toilets remaining free to access. In addition, and in consultation with the relevant Parish Councils, officers have used this opportunity to resolve the issue of the overnight charge, which was causing concern for customers.

3. Outcomes/outputs

- 3.1 Details of the revised charges are included at Appendix 1.
- 3.2 The additional income generated from this review will be transferred to the public toilet budget each financial year.

4. Options available and consideration of risk

- 4.1 Should the recommendations above be resolved, they will be the subject of a 21-day consultation period, which customers will be

aware of by a notice published in the local press and on the Council's website, together with notices in all affected car parks. This will allow customers to object to the proposals, and to make representations to the Council, should they wish to do so. If a large number of objections are received, the matter and representations will be referred to the Executive for further consideration.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The Council has power to provide off-street parking under the Road Traffic Regulation Act 1984 (as amended). The Council has the power to deal with the provision, management and control of car parks.
Financial		The consultation exercise will cost approximately £400 to advertise, which will be funded by the Car Parks budget. The modelling has been undertaken which demonstrates that the proposed Pay & Display charges will generate sufficient income in place of installing Pay on Entry at the public toilets in Bigbury and the Slapton Line.
Risk		Reduced use of car parks - however, this is considered to be a very low risk.
Comprehensive Impact Assessment Implications		
Equality and Diversity		A comprehensive impact assessment has been completed in respect of this matter which shows that there are no groups of customers which are adversely affected more than others.
Safeguarding		No implications.
Community Safety, Crime and Disorder		No potential positive or negative impact on crime and disorder reduction.
Health, Safety and Wellbeing		No implications.
Other		None.

implications		
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Supporting Information

Appendix 1 – proposed Pay & Display charges.

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes/No
SLT Rep briefed	Yes/No
Relevant Exec Director sign off (draft)	Yes/No
Data protection issues considered	Yes/No
If exempt information, public (part 1) report also drafted. (Cabinet/Scrutiny)	Yes/No

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Bigbury P&D review

Parking tickets sold 1st March 2017 - 28th February 2018

Current tariffs	1/2 hour	1 hour	2 hours	3 hours	4 hours	All day	Overnight	24 Hours	After 2pm Regatta	Gross	Net income
Tariff		£1.20	£2.50	£4.00				£9.00			
Tickets sold		13,999	17,735	14,579				5,370			
Income		£16,798.80	£44,337.50	£58,316.00				£48,330.00		£167,782.30	£134,225.84
									Anticipated income from PoE at PCs		£8,000.00
											£142,225.84

Possible tariffs	1/2 hour	1 hour	2 hours	3 hours	4 hours	12 hours	Overnight	24 Hours	After 2pm Regatta	Gross	Net income
Tariff		£1.50	£2.70	£4.20	£5.50	£12.00					
Tickets sold		13,999	17,735	14,579	2,370	3,000					
Income		£20,998.50	£47,884.50	£61,231.80	£13,035.00	£36,000.00				£179,149.80	£143,319.84

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