

West Devon Council



West Devon
Borough
Council

Title:	Summons																														
Date:	Tuesday, 17th September, 2019																														
Time:	4.00 pm																														
Venue:	Chamber - Kilworthy Park																														
Full Members:	<p style="text-align: center;">Mayor Cllr Leech Deputy Mayor Cllr Mott</p> <p><i>Members:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Cllr Ball</td> <td style="width: 33%;">Cllr Moody</td> </tr> <tr> <td>Cllr Bolton</td> <td>Cllr Moyse</td> </tr> <tr> <td>Cllr Bridgewater</td> <td>Cllr Musgrave</td> </tr> <tr> <td>Cllr Cheadle</td> <td>Cllr Pearce</td> </tr> <tr> <td>Cllr Coulson</td> <td>Cllr Ratcliffe</td> </tr> <tr> <td>Cllr Crozier</td> <td>Cllr Renders</td> </tr> <tr> <td>Cllr Davies</td> <td>Cllr Ridgers</td> </tr> <tr> <td>Cllr Daniel</td> <td>Cllr Samuel</td> </tr> <tr> <td>Cllr Edmonds</td> <td>Cllr Sellis</td> </tr> <tr> <td>Cllr Ewings</td> <td>Cllr Southcott</td> </tr> <tr> <td>Cllr Heyworth</td> <td>Cllr Spettigue</td> </tr> <tr> <td>Cllr Hipsey</td> <td>Cllr Vachon</td> </tr> <tr> <td>Cllr Jory</td> <td>Cllr Wood</td> </tr> <tr> <td>Cllr Kemp</td> <td>Cllr Yelland</td> </tr> <tr> <td>Cllr Kimber</td> <td></td> </tr> </table>	Cllr Ball	Cllr Moody	Cllr Bolton	Cllr Moyse	Cllr Bridgewater	Cllr Musgrave	Cllr Cheadle	Cllr Pearce	Cllr Coulson	Cllr Ratcliffe	Cllr Crozier	Cllr Renders	Cllr Davies	Cllr Ridgers	Cllr Daniel	Cllr Samuel	Cllr Edmonds	Cllr Sellis	Cllr Ewings	Cllr Southcott	Cllr Heyworth	Cllr Spettigue	Cllr Hipsey	Cllr Vachon	Cllr Jory	Cllr Wood	Cllr Kemp	Cllr Yelland	Cllr Kimber	
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Cllr Kemp	Cllr Yelland																														
Cllr Kimber																															
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. Apologies for Absence

2. Confirmation of Minutes

1 - 10

To approve and adopt as a correct record the Minutes of the Meeting of Council held on 23 July 2019

3. 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.

If Councillors have any questions relating to predetermination, bias or interests in items on this Summons, then please contact the Monitoring Officer in advance of the meeting.

4. To receive communications from the Mayor or person presiding

5. Business brought forward by or with the consent of the Mayor

6. To respond to any questions submitted by the public and to receive deputations or petitions under Council Procedure Rule 21

7. To consider (any) questions submitted under Council Procedure Rule 21;

8. To consider motions of which notice has been duly submitted by Members in accordance with Council Procedure Rule 15;

Motion received from Cllr Daniel:

'This Council bans the use of chemical pesticide spraying including herbicides, pesticides and fungicides in the urban and public areas that the Council is responsible for maintaining, with the only exception being for the control of Japanese Knotweed, that will be carried out by stem injection of herbicide not spraying.'

9. To receive the Minutes of the following Committees, to note the delegated decisions and to consider the adoption of those Unstarred Minutes which require approval:

	<i>Page No</i>
(a) AUDIT COMMITTEE Meeting held 23 July 2019	11 - 12
(b) DEVELOPMENT MANAGEMENT & LICENSING Meeting held 30 July 2019	13 - 16
(c) OVERVIEW & SCRUTINY COMMITTEE Meeting held 3 September 2019:	17 - 26
(d) HUB COMMITTEE Meeting held 10 September 2019 To follow	
10. Medium Term Financial Strategy 2020/21 to 2024/25	27 - 68
11. Call-In of the Hub Committee Resolution on Minute *HC 15: 'Northern Outreach'	69 - 118
12. Heart of the SW - Joint Committee Governance Review	119 - 128
13. Appointment of a Substitute Member to the Devon Authorities Strategic Waste Committee for the Remainder of the 2019/20 Municipal Year	

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Agenda Item 2

At the Meeting of the **WEST DEVON BOROUGH COUNCIL** held in the **COUNCIL CHAMBER, KILWORTHY PARK, TAVISTOCK** on **TUESDAY** the **23rd** day of **JULY 2019** at **4.00pm** pursuant to Notice given and Summons duly served.

Present

Cllr A F Leech – The Mayor (In the Chair)

Cllr K Ball	Cllr T Bolton
Cllr A Bridgewater	Cllr R Cheadle
Cllr A Coulson	Cllr P Crozier
Cllr L Daniel	Cllr M Davies
Cllr C Edmonds	Cllr M Ewings
Cllr N Heyworth	Cllr S Hipsey
Cllr N Jory	Cllr C Kemp
Cllr J B Moody	Cllr C Mott
Cllr D E Moyse	Cllr T G Pearce
Cllr B Ratcliffe	Cllr L Samuel
Cllr D K A Sellis	Cllr T Southcott
Cllr P Vachon	Cllr L Wood
Cllr J Yelland	

Chief Executive
Deputy Monitoring Officer
Senior Specialist – Democratic Services

CM 20 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs P Kimber, C R Musgrave, M Renders, P J Ridgers and J Spettigue.

CM 21 **DECLARATION OF INTEREST**

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

Cllr T G Pearce declared a personal interest in Item 9 (ii): 'Minutes of Committees: (b) Hub Committee and specifically Unstarred Minute HC 08 'Community Housing Delivery – Capital Requirements' (Minute CM 24 b ii below refers) by virtue of being the Chairman of Brentor Parish Council and he remained in the meeting during the debate and vote on this unstarred minute; and

Cllrs K Ball and J Yelland both declared a Disclosable Pecuniary Interest in Item 9 (ii): 'Minutes of Committees: (b) Hub Committee and specifically Unstarred Minute HC 17 'Parking Order Amendments – Electrical Charging and Additional Parking in Okehampton' (Minute CM 24 b iv below refers). Cllr Ball declared his interest by virtue of one of the three areas being in close proximity to his home address and Cllr Yelland declared her interest by virtue of her husband's business interests and, whilst both Members

remained in the meeting, they abstained from the vote on this unstarred minute.

CM 22 CONFIRMATION OF MINUTES

It was moved by Cllr N Jory, seconded by Cllr L Samuel and upon the motion being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the Council agree the Minutes of the 21 May 2019 Annual Meeting as a true record.”

CM 23 URGENT BUSINESS

The Mayor advised that he had agreed for one item of urgent business to be raised at this meeting that related to Housing Standards. This item had been deemed urgent in light of the time constraints associated with this matter.

At this point, the Mayor invited Cllr T G Pearce to **PROPOSE** the following motion:

‘This Council will lobby MPs and write to MHCLG to express its concerns about the standards of new housing, calling for:

1. *A minimum number of inspections to be carried out on every new dwelling by the Building Control body, local authority or private sector;*
2. *Quality of work to be incorporated to a higher degree than present, in the Building Regulations;*
3. *Newly constructed timber framed housing to be included in the Governments Building Safety Programme; and*
4. *Local Authorities to become the sole provider of Building Control, at least on high risk and all new residential buildings.’*

The motion was then **SECONDED** by Cllr R Cheadle.

In his introduction, the proposer made reference to:-

- there being an increased number of build issues relating to the construction of new dwellings. In addition, this problem was magnified as a result of national building companies frequently employing their own Building Inspectors. As an example, it was often the case that private Building Inspectors would undertake one site inspection and a desktop survey, in comparison to up to six visits that were carried out by officers employed by the Devon Building Control Partnership;
- a version of this motion having already been approved by South Hams and Teignbridge District Councils;
- the competitive nature of the market resulting in price margins being incredibly tight, which was proving to be to the detriment of build standards.

During the ensuing debate, the following points were raised:-

- (a) It was noted that this issue was being experienced across the country and a number of local authorities were in the process of approving similar motions and were lobbying central government and their local MPs accordingly;
- (b) Some concerns were expressed over part 4 of the motion and an amendment was **PROPOSED** and **SECONDED** as follows:

'That Building Control on high risk and all new residential buildings is to be carried out by properly accredited surveyors independent of the Developers.'

At the invitation of the Mayor, the Deputy Monitoring Officer advised that, since private Inspectors were deemed as being independent of the Developers, then this amendment would simply result in the status quo being retained.

In light of this advice, the proposer and seconder proceeded to withdraw their amendment;

- (c) To reassure the wider membership, some Members were of the view that any attempts to improve build quality standards should be supported.

Upon being submitted to the Meeting, it was then declared to be **CARRIED** and "**RESOLVED** that:

This Council will lobby MPs and write to MHCLG to express its concerns about the standards of new housing, calling for:

1. A minimum number of inspections to be carried out on every new dwelling by the Building Control body, local authority or private sector;
2. Quality of work to be incorporated to a higher degree than present, in the Building Regulations;
3. Newly constructed timber framed housing to be included in the Governments Building Safety Programme; and
4. Local Authorities to become the sole provider of Building Control, at least on high risk and all new residential buildings."

CM 24

MINUTES OF COMMITTEES

a. **Development Management and Licensing Committee – 4 June 2019**

It was moved by Cllr J Yelland, seconded by Cllr T G Pearce and upon being submitted to the Meeting was declared to be **CARRIED**

and “**RESOLVED** that the Minutes of the 4 June 2019 meeting be received and noted”.

b. Hub Committee – 4 June 2019 and 16 July 2019

It was moved by Cllr N Jory, seconded by Cllr L Samuel and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the Minutes of the 4 June 2019 and 16 July 2019 meetings be received and noted, with the exception of Unstarred Minutes HC 07, HC 08, HC 13, HC 14, HC 16 (parts 3 and 4 only), HC 17 and HC 19”. With regard to Unstarred Minutes HC 13, HC 14 and HC 19, it was noted that these were to be considered later at this meeting (Minutes CM 25, CM 26 and CM 27 below refer).

In respect of the remaining Unstarred Minutes:

i. HC 07 Devon Housing Assistance Policy

It was moved by Cllr N Jory, seconded by Cllr L Samuel and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that the existing 2018-19 Homes Assistance Policy be updated with the revised 2019-21 Devon Housing Assistance Policy.”

ii. HC 08 Community Housing Delivery

It was moved by Cllr N Jory, seconded by Cllr L Samuel and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that:

1. Community Housing Development expenditure of up to £4.3 million be approved to build out the first two Community Housing Schemes thereby delivering 29 residential units;
2. funding of up to £4.3 million be approved from a combination of internal borrowing and external borrowing (from the Public Works Loan Board);
3. specialist Treasury Management and Legal advice be taken on the optimum way of financing the Community Housing schemes and the proposals outlined in the published agenda report that was presented to the Hub Committee meeting;
4. authority be delegated to the Head of Assets Practice and the Section 151 Officer to approve associated long leaseholds and disposals, in consultation with the Leader of the Council.”

iii. HC 16 Medium Term Financial Position for 2020/21 Onwards

It was moved by Cllr N Jory, seconded by Cllr L Samuel and upon being submitted to the Meeting was declared to be **CARRIED** and “**RESOLVED** that:

1. the Borough Council consults with all of the Town and Parish Councils within the Borough on the basis that the Borough Council is 'minded to' withdraw the Council Tax Support Grant from Town and Parish Councils with effect from 1 April 2020; and
2. a capital budget provision be approved for remedial works to the Tavistock Viaduct with the budget provision being funded from usable capital receipts.

iv. **HC 17 Parking Order Amendments – Electrical Charging and Additional Parking in Okehampton**

It was moved by Cllr N Jory, seconded by Cllr L Samuel and upon being submitted to the Meeting was declared to be **CARRIED** and **“RESOLVED** that:

1. the three areas in Okehampton (named: 'North Road', 'Rear of Northfield Road' and 'Neville Road') be added to the Off Street Parking Places Order so that the land may be protected for the future and so that enforcement may be undertaken; and
2. the Off-Street Parking Places Order be amended to include reference to Electric Charging Points to thereby enable future provision and enforcement.”

c. **Overview and Scrutiny Committee – 11 June 2019 and 9 July 2019**

It was moved by Cllr M V L Ewings, seconded by Cllr A Coulson and upon being submitted to the Meeting was declared to be **CARRIED** and **“RESOLVED** that the Minutes of the 11 June 2019 and 9 July 2019 meetings be received and noted, with the exception of unstarred minute O&S 18”.

In respect of the unstarred minute:

i. **O&S 18 Overview and Scrutiny Annual Report**

It was moved by Cllr M V L Ewings, seconded by Cllr A Coulson and upon being submitted to the Meeting was declared to be **CARRIED** and **“RESOLVED** that the Overview and Scrutiny Annual Report for 2018/19 be approved.”

d. **Audit Committee – 25 June 2019**

It was moved by Cllr M Davies, seconded by Cllr S Hipsey and upon being submitted to the Meeting was declared to be **CARRIED** and **“RESOLVED** that the Minutes of the 25 June 2019 meeting be received and noted”.

CM 25 TAVISTOCK HOTEL ACTION PLAN UPDATE

Members considered a report that sought approval of the Action Plan arising from the Internal Audit report on Tavistock Hotel.

The lead Hub Committee Member introduced the report and, with no questions or debate ensuing, it was then proposed by Cllr C Edmonds, seconded by Cllr L Samuel and upon being submitted to the Meeting was declared to be **CARRIED** and **"RESOLVED** that the contents of the Internal Audit report (Tavistock Hotel) Action Plan be approved."

CM 26 COMMERCIAL INVESTMENT STRATEGY UPDATE

The Council considered a report that sought approval of the revised Commercial Investment Strategy.

In discussion, the following points were raised:

- (a) In the event of the revised Strategy being approved, it was recognised that there were opportunities in renewable energy storage and generation that could then be explored by the Invest to Earn Committee;
- (b) Reassurances were given to the meeting that the proposed revisions would not provide any additional restrictions or limitations on the Committee when it considered investment decisions.

It was then proposed by Cllr R Cheadle, seconded by Cllr T G Pearce and upon being submitted to the Meeting was declared to be **CARRIED** and **"RESOLVED** that the updated Commercial Investment Strategy be approved."

CM 27 RESTRUCTURE OF THE SENIOR LEADERSHIP TEAM

Consideration was given to a report that sought to approve a revised Senior Leadership Team structure, roles and salaries.

(During the debate on this item, the Senior Leadership Team left the meeting room).

In discussion, Members wished to acknowledge the work that had been put in by the Chief Executive; Group Manager – Support Services and Customer First; and the Section 151 Officer since two of the current Group Manager posts had become vacant in May 2019.

It was then proposed by Cllr N Jory, seconded by Cllr L Samuel and upon being submitted to the Meeting was declared to be **CARRIED** and **"RESOLVED** that:

1. With effect from 1 September 2019, a new Senior Leadership Team structure be developed that has the capacity to meet the Councils' needs and addresses four requirements:

- Customer Facing;
- Community Facing;
- Financial; and
- Governance and Assurance.

To meet these requirements, the team will comprise of the Chief Executive and four Director Roles: Strategic Director of Customer Service and Delivery; Strategic Director of Place and Enterprise; Corporate Director of Governance and Assurance; and Corporate Director of Strategic Finance (and Section 151 Officer).

For each of the four Director roles, the role profiles and salaries be approved as set out in Appendix A of the presented agenda report;

2. That the Chief Executive be requested to review and implement changes to the Extended Leadership Team and pay structure to take account of the new Senior Leadership Team structure, other recent changes in the organisation and benchmarking data by the end of December 2019; and
3. That it be noted that the combined restructures will achieve ongoing annual revenue savings estimated to be at least £120,000 per annum (£60,000 per annum for each Council)."

CM 28

CLIMATE CHANGE UPDATE

A report was considered that outlined recent developments with regard to Climate Change and that set out initial proposals to investigate how the Council could further reduce its carbon footprint in response to the Intergovernmental Panel on Climate Change (IPCC) report and the declaration of a Climate Change and Biodiversity Emergency.

In discussion, reference was made to:-

- (a) the next Working Group meeting having been scheduled to be held on 13 August 2019;
- (b) the significance of maritime issues on Climate Change. In response to a Member being of the view that there was a lack of emphasis currently being given to maritime issues, officers committed to raise this point at the next Tactical Officer Group meeting;
- (c) the Committee report template. To reflect its significance, a Member asked that consideration be given to updating the Committee report template to include Climate Change implications as an additional category;

- (d) a recent presentation. A Member highlighted his attendance at a recent global warming presentation and advised that he would circulate a copy of the presentation material to all Members.

It was then proposed by Cllr M Davies, seconded by Cllr C Kemp and upon being submitted to the Meeting was declared to be **CARRIED** and **RESOLVED** that:

1. authority be delegated to the Head of Paid Service, in conjunction with the Leader of the Council, to sign the 'Devon Climate Declaration';
2. the progress of the Climate Change and Biodiversity Working Group (established in response to the declaration of a 'Climate Change and Biodiversity Emergency' at the Annual Council Meeting on 21 May 2019) be noted; and
3. that the Climate Change and Biodiversity Working Group develop an Action Plan to be presented back to the Council for approval at its 10 December 2019 meeting."

CM 29

OUTSIDE BODIES

Members considered a report that requested that the Council made appointments to two additional Outside Bodies: the Tavistock College Endowment Fund and the Tavistock Townscape Heritage Partnership.

The Council proceeded to note that the Group Leaders had been invited to submit their nominations for these Outside Bodies and the following had been received:

- Tavistock College Endowment Fund Trustees – two nominations (Cllrs M Ewings and J Yelland) for one position; and
- Tavistock Townscape Heritage Partnership – one nomination (Cllr A Bridgewater) for one position.

It was then proposed by Cllr N Jory, seconded by Cllr L Samuel and upon being submitted to the Meeting was declared to be **CARRIED** and **RESOLVED** that for the remainder of the 2019/20 Municipal Year:

1. the Council be represented by Cllr J Yelland on the Tavistock College Endowment Fund Trustees and Cllr A Bridgewater on the Tavistock Townscape Heritage Partnership;
2. attendance at meetings of these Bodies be regarded as an 'Approved Duty' (for the purposes of Members' Allowances); and
3. these appointed Members provide regular feedback and consultation on issues affecting the Bodies concerned."

(The Meeting terminated at 5.30 pm)

Mayor

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Agenda Item 9a

At a Meeting of the **AUDIT COMMITTEE** held in the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **23rd** day of **July 2019** at **10.00am**

Present:
Cllr M Davies (Chairman)
Cllr P Vachon (Vice Chair)
Cllr A Bridgewater
Cllr P Crozier
Cllr S Hipsey
Cllr J Yelland

Apologies received from Cllr M Renders

Officers in attendance:
Section 151 Officer
Internal Auditor
Head of Finance Practice
Senior Case Manager – Democratic Services

Also in attendance: Cllr C Edmonds (lead Hub Committee Member)

*** AC 9 CONFIRMATION OF MINUTES**

The Minutes of the Committee Meeting held on 25 June 2019 were confirmed and signed by the Chairman as a correct record.

- * AC 10 GRANT THORNTON EXTERNAL AUDIT REPORT (ISA 260) 2018/19**
Mr Steve Johnson (Grant Thornton Audit Manager) took the Members through the 'Audit Findings' report for the year ended 31 March 2019. In so doing, he stated that the Accounts for 2018/19 were a well presented set of Accounts for the year, with very few issues or amendments to be made as a result of the Audit.

In reply to a Member question regarding pensions, the Section 151 Officer confirmed that the McCloud case could mean an increase in the pension liability of £284,000. In response to a question as to whether this would materially affect the Council's future budget position, the Section 151 Officer explained that the £284,000 for the McCloud case would represent 1.2% of the Council's overall pension liability of just under £24 million. The pension deficit was recovered over a period of 17 years and therefore it was unlikely that this would have any material impact on the Council's future employer pension contributions.

The Committee thanked the S151 Officer and her team for their work.

It was then **RESOLVED** that the report be noted

- * AC 11 AUDITED STATEMENT OF ACCOUNTS 2018/19 AND ANNUAL GOVERNANCE STATEMENT 2018/19**
The Lead Hub Committee Member for Resources and Performance presented the Statement of Accounts and the Annual Governance Statement for 2018/19.

In discussion over the IT audit, it was agreed that it would be useful to invite the ICT Specialist to the next Audit Committee meeting. It was felt that this would be particularly beneficial for newly elected Members.

It was then **RESOLVED** that approval be given to:

1. the wording of the Letter of Representation;
2. the audited Statement of Accounts for the financial year ended 31 March 2019; and
3. the Annual Governance Statement for 2018/19 post audit.

*** AC 12 ANNUAL TREASURY MANAGEMENT REPORT FOR 2018/19**
The Lead Hub Committee Member for Resources and Performance presented the report.

In discussion, the Section 151 Officer confirmed the maximum borrowing figure was £50 million. However, the Council could re-consider the level on an annual basis as part of its Medium Term Financial Strategy.

The Section 151 Officer also gave a synopsis of Treasury Management for the benefit of newly elected Members.

It was then **RESOLVED** that:

1. the actual 2018/19 prudential and treasury indicators be approved; and
2. the Annual Treasury Management Report for 2018/19 be noted.

***AC 13 BUDGET BOOK FOR 2019/20**
The Lead Member for Performance & Resources introduced the report to the Committee. Answering a Member question, the Section 151 Officer gave detail on the expenditure on mobile phones stating the secure connection was the major part in the overall cost.

It was then **RESOLVED** that the content of the Budget Book for 2019/20 be noted.

***AC 14 AUDIT COMMITTEE WORKPLAN 2019/20**
The Audit Committee Workplan for 2019/20 was presented.

It was then **RESOLVED** that the Audit Committee Workplan 2019/20 be noted.

(The Meeting terminated at 10.55am)

Dated this

Chairman

Agenda Item 9b

At a Meeting of the **DEVELOPMENT MANAGEMENT & LICENSING COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **30th** day of **JULY 2019** at **10.00am**

Present:

Cllr J Yelland – Chairman

Cllr T G Pearce – Vice Chairman

Cllr P Crozier

Cllr C Mott

Cllr B Ratcliffe

Cllr P Vachon

Cllr S Hipsey

Cllr D E Moyse

Cllr M Renders

Development Management Senior Specialist (AHS)
Development Management Specialists (CS and RM)

Devon County Council Highways Authority
Representative (PT)

Legal Advisor (BF)

Senior Specialist Democratic Services (DW)

Other Members also in attendance: Cllrs L Daniel, M Ewings, N Heyworth, T Leech, R Musgrave and T Southcott

***DM&L 09 APOLOGIES FOR ABSENCE**

An apology for absence was received from Cllr R Cheadle.

***DM&L 10 DECLARATION OF INTEREST**

Members were invited to declare any interests in the items of business to be considered and the following were made:

Cllr T G Pearce declared a personal interest in all applications by virtue of being a Member of the Devon Building Control Partnership. He remained in the meeting and took part in the debate and vote on the item.

***DM&L 11 CONFIRMATION OF MINUTES**

The Minutes of the Development Management and Licensing Committee Meeting held on 4 June 2019 were confirmed and signed by the Chairman as a correct record.

***DM&L 12 PLANNING, LISTED BUILDING, TREE PRESERVATION ORDER AND ENFORCEMENT REPORTS**

The Committee proceeded to consider the applications that had been prepared by the Development Management Specialists and considered also the comments of the Town and Parish Councils together with other representations received, which were listed within the presented agenda report and summarised below, and **RESOLVED** that:

(a) Application No: 1684/19/ARM

Ward: Bere Ferrers

Site Address: 8 Drakes Park, Bere Alston PL20 7DY

Application for approval of Reserved Matters following outline approval 4043/17/OPA for erection of one dwelling.

Case Officer Update: one additional letter of support had been received and one additional condition proposed in relation to the parking and turning space being laid out and made available prior to the dwelling being occupied.

Speakers included: local Ward Members – Cllrs Crozier and Musgrave.

RECOMMENDATION: Conditional Approval

COMMITTEE DECISION: Conditional Approval

Conditions:

1. Accord with plans;
2. Drainage;
3. Natural slate;
4. Stone wall;
5. Tamar EMS mitigation;
6. Removal of Permitted Development rights for first floor windows and roof openings on rear elevation; and
7. The parking and turning space (as shown on the approved plans) be laid out and made available prior to the dwelling being occupied.

(b) Application No: 1074/19/FUL

Ward: Tavistock South West

Site Address: 83 Plymouth Road, Tavistock PL19 8BZ

Form new dwelling by subdivision of existing dwelling

Case Officer Update: one additional condition proposed in relation to the removal of the conservatory and shed to ensure that the amenity space was provided.

Speakers included: Supporter – Mr Jeremy Maddock; and local Ward Member – Cllr Ewings.

RECOMMENDATION: Conditional Approval

COMMITTEE DECISION: Conditional Approval

Conditions:

1. Time limit;
2. Accord with plans;
3. PD rights removed;
4. Parking to be implemented and retained;
5. Car parking/access drainage details;

6. Zone of Influence mitigation; and
7. Removal of the conservatory and shed and erection of boundary fence to ensure amenity space provided.

***DM&L 13 PLANNING APPEALS UPDATE**

The Committee received and noted the updated list of Planning Appeals, including Enforcement Appeals.

In so doing, the Senior Specialist Development Management made reference to the recent planning appeal decision at the Milking Parlour, Higher Wilminstone and felt that this was a particularly interesting outcome that Committee Members should read.

(The Meeting terminated at 11.15 am)

Chairman

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Agenda Item 9c

At a Meeting of the **OVERVIEW & SCRUTINY COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **3rd** day of **SEPTEMBER 2019** at **2.00 pm**.

Present: Cllr M Ewings – Chairman
Cllr P Kimber – Vice Chairman

Cllr K Ball	Cllr A Coulson
Cllr L Daniel	Cllr C Kemp
Cllr D Moyse	Cllr C R Musgrave
Cllr B Ratcliffe	Cllr P J Ridgers
Cllr T Southcott	Cllr J Spettigue
Cllr L Wood	

Chief Executive
Group Manager – Support Services and Customer First
Senior Specialist – Democratic Services
Head of Place Making Practice
Specialist – Assets
Commissioning Manager
Planning Enforcement Officer

Also in Attendance: Cllrs R Cheadle, P Crozier, C Edmonds, S Hipsey, N Jory, T Leech, J Moody, C Mott, T Pearce, M Renders and J Yelland

***O&S 22 APOLOGIES FOR ABSENCE**
Apologies for absence for this meeting were received from Cllrs T Bolton and N Heyworth.

***O&S 23 CONFIRMATION OF MINUTES**
The minutes of the Meeting of the Overview and Scrutiny Committee held on 9 July 2019 were confirmed and signed by the Chairman as a true and correct record.

***O&S 24 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 there was none made.

Whilst not wishing to declare an interest, Cllr K Ball did wish for it to be noted that, in respect of agenda item 6: 'Tavistock – Bere Alston Update: Presentation' (Minute *O&S 26 below refers), he was a Devon County Councillor (DCC) who knew both of the DCC Transport Planning Officers in attendance.

***O&S 25 HUB COMMITTEE FORWARD PLAN**

The Chairman informed that no prior requests had been received for updates on any future Hub Committee agenda items at this meeting.

***O&S 26 TAVISTOCK - BERE ALSTON UPDATE: PRESENTATION**

Representatives from Devon County Council Transport Planning conducted a presentation to the Committee that provided an update on potential infrastructure improvements in the Tavistock area.

In the ensuing debate, reference was made to:-

- (a) the cost breakdown of the reinstatement of a railway from Tavistock to Bere Alston. In response to a number of Members expressing their concerns that the cost projections of reinstatement had now risen to £93 million, it was agreed that a breakdown of these figures would be provided to all Members;
- (b) accessing funding from Central Government. The representatives highlighted some of the potential solutions (e.g. the use of autonomous or electric buses) and advised the meeting that Central Government funding tended to be more readily available for innovative and original infrastructure concepts;
- (c) a report that considered the benefits between a light and heavy rail solution in the area. In response to a request, the representatives agreed to circulate a copy of the report that had been produced;
- (d) the Okehampton to Exeter rail route. It was confirmed that the progress of the rail route would have a positive impact on the Tavistock to Bere Alston proposals and a number of lessons learned could be taken forward;
- (e) the opportunity for a segregated cycle route to be created adjacent to the busy A386. Members expressed their support for feasibility options (including the segregated cycle route proposals) to be further investigated;
- (f) the data source. When questioned, it was confirmed that the 2011 Census was the data source that was applied for a number of the projections. In reply, some Members wished to make the point that data such as population figures and commuter trends and statistics had significantly changed since 2011;
- (g) the Dawlish to Teignmouth rail line. The representatives emphasised that the clear steer from Central Government was that its focus was on improving the resilience of the existing Dawlish to Teignmouth rail line.

As a consequence, it was recognised that there was no Central Government appetite to establish an alternative rail route across Dartmoor and DCC was therefore focusing its efforts on progressing local routes such as Okehampton to Exeter.

DCC representatives confirmed that, at present, they were not actively lobbying Central Government to reinstate the Tavistock to Bere Alston rail line and their top priorities were currently:

1. funding the remainder of the Dawlish to Teignmouth rail line;
2. improving mobile connectivity was travelling by rail; and
3. creating a diversionary route around the Exeter Waterloo line;

In response, some Members highlighted the constant changes at Central Government and requested that DCC increase its lobbying efforts to ensure that funding was made available for the Tavistock to Bere Alston line;

In conclusion, the Committee thanked the representatives for their presentation and informative responses. Such was the importance of this matter that Members requested that a further update be given to the Committee meeting on 7 April 2020. In the meantime, it was felt that Member Workshops should be convened to consider the infrastructure requirements across the whole of the Borough with the views of the Council then being forwarded to DCC before the next update was considered.

It was then:

RESOLVED

1. That the DCC representatives be invited to provide a further update to the Committee at its meeting on 7 April 2020; and
2. That Member Workshops be convened to consider the infrastructure requirements across the whole of the Borough with the views of the Council then being forwarded to DCC before the next update was considered.

***O&S 27**

PUBLIC FORUM

Whilst no formal requests had been received in accordance with the Overview and Scrutiny Procedure Rules, the Chairman exercised her discretion to permit a member of the public to make a brief statement.

In so doing, Mr Paul Richardson advised that:-

- he considered it unwise to believe that all of the Section 106 monies would be forthcoming for the Callington Road, Tavistock site;

- he felt that there was a need for an Autonomous Guided Vehicle Strategy to be adopted. In reinforcing the point made by the DCC representatives, Mr Richardson advised that such initiatives could attract innovation funding and tap into new funding sources.

The Committee concluded that the points raised by Mr Richardson should be given consideration during the Member Workshops that had just been approved (Minute *O&S 26 above refers).

***O&S 28 FUSION UPDATE AND FEEDBACK ON THEIR CASHLESS PROJECT**

Representatives from Fusion Leisure conducted a presentation that outlined their cashless project proposals that were to come into effect on 1 October 2019. During their presentation, the representatives expressed their apologies to Members for the late notification and poor communication strategy that had prompted this agenda item.

In discussion, the following points were raised:-

- (a) It was confirmed that these proposals included the on-site café facilities becoming cashless;
- (b) With regard to the established Customer Forums at Meadowlands and Parklands, representatives confirmed that they would check outside the meeting whether or not these proposals were considered. A local Ward Member stated that, since the Parklands Forum had not met for a long term, he could confirm that these proposals had not been presented to this Body;
- (c) As part of the next phase, the representatives confirmed that they would be reviewing the management of the reception areas within the leisure centres and the merits of centre vending machines also becoming cashless;
- (d) Whilst reward cards were very user friendly, some Members did wish to point out there would still be a detrimental impact on some of the most vulnerable groups in the Borough. In response to a specific question, the representatives assured the meeting that it was possible for a single activity to be purchased and added to a reward card;
- (e) The Committee endorsed the suggestion that a Task and Finish Group should be established to undertake a review of the relationship between Fusion and our local communities.

It was then:

RESOLVED

That a Task and Finish Group (comprising of Cllrs Daniel, Ewings, Musgrave, Spettigue and Wood) be established to undertake a review of the relationship between Fusion and our local communities, with a concluding report being presented to the Committee meeting on 14 January 2020 before Fusion representatives present their annual report to the Committee meeting on 25 February 2020.

***O&S 29 CALL-IN OF THE HUB COMMITTEE RESOLUTION ON MINUTE *HC 15: 'NORTHERN OUTREACH'**

The Chairman introduced this agenda item and highlighted that, in accordance with the Overview and Scrutiny Procedure Rules, three Members of the Committee had invoked a Call-in on Hub Committee Minute HC 15 'Northern Outreach'.

Upon the conclusion of the debate on the Call-in, the Chairman advised that there would be three options available to the Committee. These were:

1. that the Committee was content with the original Hub Committee resolution and the decision would therefore take immediate effect;
2. that the Committee refer the decision back to the next Hub Committee meeting (on 10 September 2019) for further consideration; and
3. that the Committee opt to refer the decision to the next full Council meeting (on 17 September 2019).

At this point, the Chairman invited the Member who was representing the three signatories of the Call-in to explain their reasoning behind this decision. In so doing, the Member made particular reference to:-

- the main concerns relating to the ability of local communities in the north of the Borough to access the Council and its services. As a result, the Members were strongly of the view that the withdrawal of the northern outreach service should be considered at the same time as the proposed option appraisal on the future of Tavistock Reception. Whilst not his own personal belief, the Member stressed that there was a widespread view amongst residents living in the north of the Borough that the Council was too Tavistock orientated and he requested that the need for the Council to take steps to overcome this perception be noted;
- the Hub Committee being divided when making its original decision;
- a number of residents were not digitally enabled and, whilst improvements had been made, there did remain some issues with call waiting times in the Contact Centre;
- it was the wish of the signatories for the original Hub Committee decision to be referred to the Council for further consideration at its meeting on 17 September 2019.

The Chairman then proceeded to invite the lead Hub Committee Member for Customer First to respond to the points raised. During which, the lead Member informed that:-

- great strides had been made to Contact Centre performance and the Council website;
- Mobile Locality Officers would continue to offer to carry out personal visits to vulnerable residents;
- the current Northern Outreach service did not represent good value for money. In support of this statement, the lead Member advised that it was costing £8,000 per year to resource the outreach office one day each week and, as a guide in August 2019, there had been only 11 visits, with the majority of the enquiries raised not relevant to the Borough Council;
- he had recently attended a meeting with the Vice-Chairman of the Committee and the lead officer at Okehampton Library to discuss the possibility of the facility providing a signposting service for the Borough Council. Upon the conclusion of this meeting, the Library representatives had confirmed that they would be happy to provide a signposting service.

During the ensuing debate, the following points were raised:-

- (a) Some Members were of the view that there was a general lack of awareness that the current outreach service was in existence. In addition, the local ward Members stated that they had previously been discouraged from promoting the service. To counter these comments, the lead Hub Committee Member stated that, in his opinion, the outreach service had been well publicised via Council press releases (that had subsequently been picked up by both the Okehampton Times and Devon Live) and a poster being on prominent display in the previous office window at James' Street, Okehampton;
- (b) Local Ward Members expressed their disappointment that they had not been made aware of the meeting that had recently been held at Okehampton Library;
- (c) Support was expressed for the point made by the call-in signatories whereby the withdrawal of the northern outreach service should be considered at the same time as the proposed option appraisal on the future of Tavistock Reception. Moreover, a number of Members felt that the decision should be referred to the Council meeting on 17 September 2019 for further consideration.

It was then:

RESOLVED

That the Committee has debated the Call-in on Hub Committee Minute HC 15 'Northern Outreach' and requests that it be considered at the next Council meeting on 17 September 2019.

O&S 30

PLANNING ENFORCEMENT PLAN REVIEW

The Committee considered a report that recommended that the Hub Committee approve:

- an updated Enforcement Plan;
- a Harm Assessment Matrix;
- a draft Enforcement Plan.

In addition, the report also requested that the Council ultimately approve a proposal to recruit an additional two permanent members of staff for Planning Enforcement.

During the debate, the following points were raised:-

- (a) The Committee was reminded that performance measures related to Planning Enforcement were formally presented to the Development Management and Licensing Committee and published with the relevant agenda papers;
- (b) Such was the reputational importance of the planning enforcement service that Members emphasised their support for the proposal to increase staffing levels in this area;
- (c) To help the service, the lead Hub Committee advised fellow Members that it was vitally important for them (and their local town and parish councils) to provide Enforcement Officers with as much accurate detail as was practically possible on cases within their wards.

It was then:

RECOMMENDED

That the Hub Committee be **RECOMMENDED** that:-

1. the updated Enforcement Plan; the Harm Assessment Matrix; and the proposed Enforcement Action Plan each be approved; and

2. Council be **RECOMMENDED** that the additional two permanent staff for Planning Enforcement be approved to be funded from the Planning Earmarked Reserve in 2019/20 and to be built into the Budget Setting process as a cost pressure for 2020/21 onwards.

***O&S 31 CUSTOMER SATISFACTION ACTION PLAN PROGRESS**

The lead Hub Committee Member for Customer First introduced a report that detailed the progress that had been made since June 2019 on improving customer satisfaction levels.

During his introduction, the lead Member asked that colleagues critically evaluate all aspects of the Council website before making their views known to him or the Commissioning Manager. To increase awareness, it was also requested that an article be included to this effect in a future edition of the Members' Bulletin.

With no further questions or issues being raised, it was then:

RESOLVED

That the Committee notes:

1. the progress made to date in improving customer satisfaction (as set out in section 3 of the presented agenda report); and
2. the next steps (as outlined in section 5 of the presented agenda report).

***O&S 32 FINANCIAL STABILITY REVIEW GROUP UPDATE**

The Chairman informed that monthly meetings had now been arranged for the remainder of the 2019/20 Municipal Year, with the first meeting scheduled to take place on Tuesday, 24 September 2019 at 1.30pm.

***O&S 33 TASK AND FINISH GROUP UPDATES**

Members noted that there were no active Task and Finish Groups at this present time.

***O&S 34 ANNUAL WORK PROGRAMME 2019/20**

The Committee considered the latest version of its Work Programme for the 2019/20 Municipal Year. In discussion, it was confirmed that the Work Programme would be amended to reflect the decisions to request an update from Devon County Council Transport Planning representatives (Minute *O&S 26 above refers) and to establish a Leisure Task and Finish Group (Minute *O&S 28 above refers) at future Committee meetings.

***O&S 21 MEMBER LEARNING AND DEVELOPMENT OPPORTUNITIES ARISING FROM THE MEETING**

The Committee was reminded of the request for Member Workshops to be convened to consider the infrastructure requirements across the whole of the Borough (Minute *O&S 26 above refers).

In addition, the Chairman of the Member Development Steering Group informed that the first meeting of the Group was to be arranged in the next few months to give consideration to the review of the 2019 Member Induction Programme and the future Member Learning and Development Programme.

In reply to a question, it was noted that the issue of meeting and briefing start times would be considered, in the first instance, at the next meeting of the Political Structures Working Group.

(The meeting terminated at 5.30 pm)

Chairman

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Report to: **COUNCIL**

Date: **17 September 2019**

Title: **Medium Term Financial Strategy 2020/21 to 2024/25**

Portfolio Area: **Cllr N Jory - Budget Setting Process**

Wards Affected: **All**

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

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

Contact: **Email: lisa.buckle@swdevon.gov.uk**

RECOMMENDATIONS:

It is **RECOMMENDED** that Council considers the Medium Term Financial Strategy and **RECOMMENDS** that:

(NOTE: These recommendations are set out in detail in Appendix C)

Recommendation 1: To set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to endeavour to continue to deliver services. The actual council tax for any given year will be decided by Council in the preceding February.

Recommendation 2: To respond to any Government announcement/consultation in September 2019 on Business Rates Reform

Recommendation 3: To continue to actively lobby and engage with the Government, Devon MPs and other sector bodies such as the District Councils Network and the Rural Services Network, for a realistic business rates baseline to be set for the Council for 2020 onwards, if business rates reform is introduced for 2020-21 or a later timescale (it is widely thought that it will be delayed until

2021-22).

Recommendation 4: That WDBC continues to lobby in support of the Government eliminating Negative Revenue Support Grant in 2020/21 (and thereafter) and continues to lobby for Rural Services Delivery Grant allocations which adequately reflect the cost of rural service provision.

Recommendation 5: To use £200,000 of New Homes Bonus funding for 2020-21 (or any alternative scheme) to fund the revenue base budget and then reduce to £100,000 by 2021-22 and £50,000 by 2022-23 for modelling purposes.

Recommendation 6: That the minimum level of Unearmarked Reserves to be retained is increased from £750,000 (2019/20 level) to £900,000 for 2020/21, to reflect the increase in financial risks which the Council faces.

Recommendation 7: To transfer £200,000 of Unearmarked Reserves into the Financial Stability Earmarked Reserve.

Recommendation 8: That the Council continues dialogue with the actuaries of the Devon Pension Fund and DCC on the options for the Council's Pension position, with the aim of reducing the current contributions, increasing affordability, whilst best managing the pension deficit. A report will be presented to Members by January 2020 of options, once the results of the Triennial Pension Revaluation are known.

Recommendation 9: That the Council maintains an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £50 million.

It is also RECOMMENDED that Council notes the:-

- (x) forecast budget gap for 2020/21 of £0.38 million and the position for future years; and**
- (xi) current options identified and timescales for closing the budget gap in 2020/21 and future years, to achieve long term financial sustainability.**

1. Executive summary

- 1.1 The Council's Medium Term Financial Strategy (MTFS) is based on a financial forecast over a rolling five year timeframe to 2024/25. The Council, along with other local authorities, has faced unprecedented reductions in Government funding since the

Comprehensive Spending Review 2010. Between 2009/10 and 20/21, the Council's Core Government funding has reduced by £3 million.

- 1.2 West Devon has continued to work in partnership with South Hams District Council which has allowed West Devon Borough Council to achieve annual savings of £2.2 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 West Devon Borough Council is currently forecasting a £0.38 million budget gap in 2020/21. It is important to note that this is a snapshot (a position statement) in September 19 and future Member decisions on the budget strategy and Government announcements will inform future figures within the Medium Term Financial Strategy (MTFS).
- 1.5 In the Financial Modelling in Appendix B, the total budget gap is £379,913 in 2020/21 and this is predicted to decrease to £354,158 in 2021/22 (the £354,158 assumes the budget gap in 20/21 of £379,913 has not been closed). The aggregated Budget Gap is £1.24 million over the five years.
- 1.6 It is important to note that this Medium Term Financial Strategy sets 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 (e.g. it is envisaged that the One Year Spending Review for 2020-21 will be announced in September 2019).
- 1.7 This 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. The Council will then be able to rely on this to inform future decisions.
- 1.8 A Cross Party Member Working Group (Financial Stability Review Group) was set up in November 2017 with defined Terms of Reference to look at the Medium Term Financial Strategy and to further look at options for securing financial stability for the longer term. The FSRG is due to reconvene in September 2019 when the announcements on the Spending Review for 2020-21 are envisaged to be made (see details in Section 2.4). The FSRG will regularly report to the Hub Committee and the Overview and Scrutiny Committee.
- 1.9 A version of this report will be considered by the Hub Committee at its meeting on 10 September 2019 and the views arising from this meeting will be given to the Council meeting.

1.10 Since this report was written, the Chancellor has announced the Spending Review for 2019. The full implications of this announcement will be presented in the next Budget report to the Hub Committee meeting on 5 November 2019. The Council is awaiting a technical consultation to be announced by the Government, but it is thought that the key elements will be as below:

- The Council Tax Referendum limit is likely to be proposed at 2% for District Councils. It has not yet been confirmed whether this would also include the normal £5 limit – officers are anticipating it will be a 2% or £5 council tax limit for District Councils – whichever is the higher. The reduction in the limit from 2.99% to 2% would mean a loss of council tax income of £47,000;
- It is probable that there will be funding to remove negative Revenue Support Grant (RSG) for one year in 2020/21. In addition, legacy payments for New Homes Bonus are likely to be honoured but the scheme for 2020/21 is still for discussion with Ministers. Business Rates Pilots will come to an end and there are no new pilots planned for 2020/21;
- Reform of the Business Rates Retention Scheme and the Fairer Funding Review will both be delayed until 2021/22.

Individual Council figures are due to be released in December 2019 with the Local Government Finance Settlement. The budget report to the Hub Committee on 5 November 2019 will include all of the latest information that is known to date.

2 BACKGROUND AND UPDATE ON THE BUDGET 2020/21

2.1 Over the past four years, West Devon Borough Council has had a 38.2% reduction in Government funding. This compares against 38.8% for the average for Shire District Councils. The Council now receives **no main Government Grant (Revenue Support Grant)** – this has been reduced to zero. Core Government funding has been reduced by £3million per year since 2009/2010.

2.2 Negative Revenue Support Grant (RSG) for 2019/20 of £293,000 was eliminated by the Government for one year. 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 £293,000 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). The Council would need to pay this money (£293,000) over to the Government out of its business rates income.

- 2.3 It is thought that the Council Tax Referendum limits for District Councils for 2020/21 will remain the same (the higher of £5 or 2.99%).
- 2.4 The new Chancellor (Sajid Javid) has announced that there will be a one year Spending Review covering the period 2020-21, with a multi year Spending Review held thereafter. The one year Spending Review will be announced in September 2019 – this will mean the Council should find out more information about its finances in September for 2020-21.
- 2.5 Rishi Sunak (Chief Secretary to the Treasury) announced that the Government’s Priorities in the Spending Review will be: “We will invest in the priority areas of schools and policing, while delivering our promises on the NHS, defence and Official Development Assistance (ODA).” It is noted that local government is not mentioned as a priority for funding by Rishi Sunak – therefore investment for local Councils is not a stated priority.
- 2.6 The Council was already expecting a one year funding settlement for 2020-21, with any more fundamental changes in funding delayed until 2021-22. It is expected that the Fair Funding Review and the reform of Business Rates will now be delayed until 2021-22 but this has not yet been confirmed. The Council assumes that no decisions or announcements are going to be made until Parliament reconvenes in September. It is also thought more likely that New Homes Bonus will continue in its current form in the one year settlement for 2020-21, with changes being put in place after that.

3 ASSUMPTIONS FOR FINANCIAL MODELLING PURPOSES

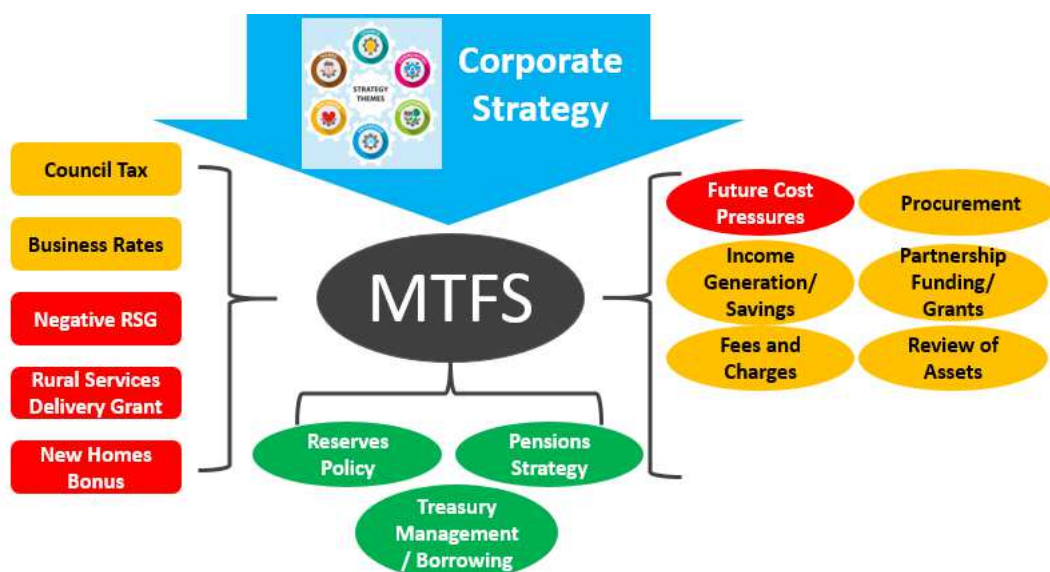
- 3.1 The last pay offer covered the two years up to 31 March 2020. A 1% pay increase has been modelled from 2020/21 onwards. In view of past national agreements, consideration may need to be given to this being increased for modelling purposes to say 2%. The Medium Term Financial Strategy is not an 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 This report assumes inflation will run at 2% over the five year period. The Consumer Prices Index (CPI) was 2.0% in July 2019.
- 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 December 2020. By March 2022 the bank base rate is predicted to increase to 1.25%.
- 3.4 An increase in council tax of 2.99% for the next five years has been modelled for council tax purposes. This would equate to a Band D council tax for West Devon of £238.54 in 2020/21 as shown in Appendix B (an increase of £6.91 for the year which equates to 2.99%).

3.5 It has been assumed that the number of properties within the Borough will increase by 70 per annum from 2020/21 onwards – this is an increase of approximately 0.3% and is based on projections from the Strategic Planning team.

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

4.1 The Diagram below sets out all of the component parts which constitute the make-up of a Medium Term Financial Strategy. Appendix C goes through each of these components in detail and makes recommendations where appropriate. The recommendations are summarised below. 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.

2019/20 Net Budget £7.1 million



Council Tax

4.2 Members have options to either freeze council tax or to raise council tax anywhere between zero and 2.99%. Anything above 2.99% currently requires a council tax referendum, which is a costly exercise. Recent funding settlements from the Government are based on the assumption that Councils increase council tax by the maximum allowed. The actual council tax for any given year will be decided by Council in the preceding February. (The council tax for 2020/21, the WDBC share, will be set at the Council meeting on 18th February 2020).

A 2.99% increase in council tax for 2020/21 would equate to an increase of £6.91 and a Band D council tax for WDBC of £238.54.

Recommendation 1: To set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to endeavour to continue to deliver services. The actual council tax for any given year will be decided by Council in the preceding February.

Business Rates

- 4.3 The income from Business Rates which West Devon Borough Council retained in 2018-19 was the funding baseline of £2,049,573 plus the pilot gain of £460,000. Estimates have been made of the Baseline funding Level for 2020/21 onwards as set out in Appendix B. This is £1.66m for 2020/21 and £1.70m for 2021/22.

It is widely thought that the reform of Business Rates will now be delayed until 2021-22 but this has not been publicly confirmed by the Government. It is hoped that further clarity on the timescale for Business Rates Reform will be announced by the Government as part of the One Year Spending Review for 2020-21 in September 19.

Recommendation 2: To respond to any Government announcement/consultation in September 2019 on Business Rates Reform

Recommendation 3: To continue to actively lobby and engage with the Government, Devon MPs and other sector bodies such as the District Councils Network and the Rural Services Network, for a realistic business rates baseline to be set for the Council for 2020 onwards, if business rates reform is introduced for 2020-21 (it is widely thought that it will be delayed until 2021-22).

Negative Revenue Support Grant and Rural Services Delivery Grant (RSDG) for 2020-21 onwards

The negative RSG currently included within the Council's modelling for 2020/21 amounts to £293,000. If the Government eliminates this, as an outcome of the one year Spending Review for 2020/21, the Council's budget position is bettered by £293K for 2020/21. However the benefit of this is likely to only be for one year, with negative RSG expected to be implemented in full in 2021/22 – so it just gives the Council longer to prepare for the extra cuts in funding. If the position changes, the MTFs will be updated to reflect this.

Rural Services Delivery Grant (RSDG) – The Council currently receives an allocation of £464,365 per annum for this grant which is given to Councils to compensate for the extra costs of delivering services in rural areas. The Government has not indicated what RSDG allocations will be for 2020-21 onwards (The financial modelling for 2020-21 onwards assumes that this grant will continue at the same level of £464K per annum).

Recommendation 4: That WDBC continues to lobby in support of the Government eliminating Negative Revenue Support Grant in 2020/21 (and thereafter) and continues to lobby for Rural Services Delivery Grant allocations which adequately reflect the cost of rural service provision.

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 £200,000 of New Homes Bonus (or its replacement) funding for 2020/21 to fund the revenue base budget and this has then been reduced to £100,000 for 2021/22 and £50,000 for 2022/23 onwards for modelling purposes. The Council is awaiting announcements from the Government on how New Homes Bonus is going to be reformed.

4.5 For 2019/20 there were 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 – this is the equivalent of 98 properties for West Devon. So the Council receives no New Homes Bonus on the first 98 properties of property growth per year. The Council's New Homes Bonus allocation for 2019/20 was £500,595.

Recommendation 5: To use £200,000 of New Homes Bonus funding for 2020-21 (or any alternative scheme) to fund the revenue base budget and then reduce to £100,000 by 2021-22 and £50,000 by 2022-23 for modelling purposes.

Reserves Policy

4.6 The current Levels of Reserves: £1.286 million Unearmarked Reserves and Earmarked Reserves of £4.3 million. The Council's Net Budget is £7.1 million for 2019/20. Therefore Unearmarked Reserves equate to 18% of the Council's Net Budget. There is £0.2m uncommitted in the Invest to Earn Earmarked Reserve and £0.2m uncommitted in the Financial Stability Earmarked Reserve. It is further recommended to transfer £0.2m of Unearmarked Reserves into the Financial Stability Earmarked Reserve, to allow the Council to have further flexibility and options around how to close the Budget Gap in 2020/21.

- 4.7 Given the increase in financial risks which the Council faces, the Council should consider increasing the minimum level of Reserves to be held, through a stepped increase over the next five years, to reflect the new level of risks. The increased financial risks are in part from the Council's commercial investment strategy where prudential borrowing of up to a total borrowing limit of £50 million (for all Council services) has been approved.

Recommendation 6: That the minimum level of Unearmarked Reserves to be retained is increased from £750,000 (2019/20 level) to £900,000 for 2020/21, to reflect the increase in financial risks which the Council faces.

Recommendation 7: To transfer £200,000 of Unearmarked Reserves into the Financial Stability Earmarked Reserve.

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 were presented to the Council's Audit Committee on 22nd January and this work is being progressed by the S151 Officer in accordance with the timetable for the Triennial Pension Revaluation.

Recommendation 8 - That the Council continues dialogue with the actuaries of the Devon Pension Fund and DCC on the options for the Council's Pension position, with the aim of reducing the current contributions, increasing affordability, whilst best managing the pension deficit. A report will be presented to Members by January 2020 of options, once the results of the Triennial Pension Revaluation are known.

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 (see Exempt Appendix G to the Medium Term Financial Strategy in September 2018). The Council set an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy (MTFS) in September 2018 of £50 million. In March 2019, the Council considered its Capital Strategy and Treasury Management Strategy which contained the new requirements issued by MHCLG in February 2018 of the new guidance.
- 4.10 The Council needs to re-consider its borrowing limit as part of this MTFS in September 2019. Officers are not recommending any change to the current borrowing limit of £50 million. The previous treasury management advice on an appropriate and proportional borrowing limit

for Borough Council was based on a range of benchmarking of indices. Borrowing needs to be proportionate and affordable and with always having regard to the risks involved in the repayment of the debt.

Recommendation 9 – That the Council maintains an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £50 million.

Income Generation/Savings and Fees and Charges

- 4.11 The Council's Extended Leadership Team will present further budget options to Members for income generation/savings/reduced expenditure, as part of the Budget Setting Workshop being planned for late September/early October.

Procurement

- 4.12 There is a separate report on the Hub Committee agenda for the IT procurement. This report considers the options available for procuring an IT platform which meets the Councils' customer satisfaction aspirations, and digital vision, and describes the rationale and methodology used in arriving at a recommendation.

Partnership Funding/Grants

- 4.13 Partnership Funding levels for 2020/21 onwards is a separate report on the Hub Committee agenda. It is recommended that the Hub Committee adopts a commissioning model to award partnership funding from 2020-23, based on one or all of the following:

- i) local need
- ii) alignment to the Council's Corporate Strategy
- iii) statutory duty

Commercial Property and Review of Assets

- 4.14 The Council's Asset Base is £46 million at 31 March 2019. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.
- 4.15 The Invest to Earn Committee consider commercial property business cases within the Commercial Investment strategy. The Council has approved a commercial investment strategy within the Council's overall borrowing limit of £50 million. To date, four investment properties have been purchased in 2018/19 with a value of just over £21 million in aggregate. An income projection of £200,000 from the net ancillary income from investments in commercial property has been built into the 2019/20 Base Budget.

Council Tax Support Grant (CTSG) for 2020/21 onwards

- 4.16 The Borough Council is consulting with all of the Town and Parish Councils within the Borough, on the basis that the Borough Council is 'minded to' withdraw the Council Tax Support Grant from Town and Parish Councils with effect from 1st April 2020, in line with the other Devon District Councils and given the number of years which have passed since Council Tax Benefit was abolished in 2014. The Council has requested responses back from Town and Parish Councils by the end of September 2019 and the results will be presented to Members at the Hub Committee meeting on 5th November 2019.

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.
- 5.3 ***These figures in Appendix A show the changes to the existing base budget.***

(As set out in Appendix A)	2020/21	2021/22	2022/23	2023/24	2024/25
Cost Pressures	£479,500	£300,000	£260,000	£335,000	£260,000
Contributions to Earmarked Reserves	£120,000	£120,000	£120,000	£120,000	£120,000
Savings and additional income	(£316,200)	(£221,200)	(£391,200)	(£1,200)	(£1,200)

- 5.4 On 3 September 2019 the Overview and Scrutiny Committee are considering a report on Planning Enforcement, which contains a recommendation for two additional permanent case managers for Planning Enforcement.
- 5.5 If approved, the two posts are recommended to be funded from the Planning Earmarked Reserve in 2019/20 and would be built into the budget setting process as a cost pressure for 2020/21 onwards (these posts are not yet included as a cost pressure within the financial modelling in Appendices A and B). The annual cost pressure would be £21,460 (WDBC share of the cost).

6. OVERALL POSITION – BUDGET GAP

- 6.1 Appendix B illustrates the overall financial forecast for the forthcoming five years. The Council's Net Budget is £7.1 million in 2019/20.

6.2 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 the Council Tax is increased by 2.99% per annum (shown in Appendix B).

6.3 The following table illustrates the predicted budget gap from 2020/21 onwards for the Council as shown in Appendix B:

Cumulative Budget Gap	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	Total Aggregated Budget Gap £
Modelling as set out in Appendix B	379,913	354,158	60,124	181,562	262,220	1,237,977

6.4 In the Modelling in Appendix B, the total budget gap is £379,913 in 2020/21 and this is predicted to decrease to £354,158 in 2021/22 (the £354,158 assumes the budget gap in 20/21 of £379,913 has not been closed). The aggregated Budget Gap is £1.24 million.

7 FINANCIAL SUSTAINABILITY AND TIMESCALES

7.1 The Council is progressing various options for closing the budget gap for 2020/21 onwards, 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
Pensions Strategy (Actuarial Valuation) The Council has received specialist pensions advice on its Pensions position (informing the actuarial valuation). Options were reported to the January Audit Committee and the	To be quantified (could be up to £100,000	Reported to the Audit Committee 22 nd January 2019. New pensions

Option	Possible Budget Impact	Timescale
S151 Officer is progressing this work with the Pensions team at Devon County Council and the actuaries.	or more)	contributions for the three years 2020/21 to 2022/23 are likely to be notified to the Council by December 2019.
<p>Council Tax Support Grant</p> <p>The grant to Town and Parish Councils has been reduced by 8.6% over the four year period of the finance settlement from 2016/17 to 2019/20.</p> <p>Council has approved to consult with all of the Town and Parish Councils within the Borough, on the basis that the Borough Council is 'minded to' withdraw the Council Tax Support Grant from Town and Parish Councils with effect from 1st April 2020, in line with the other Devon District Councils and given the number of years which have passed since Council Tax Benefit was abolished in 2014.</p>	£59,000 for 2020/21 onwards	<p>To be considered as part of the 2020/21 Budget process</p> <p>The results of the consultation exercise will be reported back to Members at the Hub Committee meeting on 5th November 2019.</p>
<p>Extended Leadership Team (ELT) Budget options</p> <p>The Extended Leadership (ELT) have been tasked with identifying budget options for Members to consider in September and these are currently being collated and assessed.</p>	To be quantified	September 2019

Option	Possible Budget Impact	Timescale
<p>Asset Review</p> <p>The Invest to Earn Committee are considering commercial property business cases within the Commercial Property acquisition strategy. A report on the updated Commercial Investment Strategy was a separate report on the July 2019 Hub Committee agenda.</p>	<p>To be quantified</p>	<p>On-going through meetings of the Invest to Earn Committee</p>
<p>Funding Options</p> <p>Negative Revenue Support Grant (RSG)</p> <p>Negative Revenue Support Grant (RSG) for 2019/20 of £293,000 was eliminated by the Government for one year. 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).</p> <p>It is currently estimated to be £293,000 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). The Council would need to pay this money (£293,000) over to the Government out of its business rates income.</p>	<p>Negative RSG of £293,000 for 2020/21 onwards has been built into this budget report.</p>	<p>The position for 2020/21 onwards is not known and it is hoped that this will be announced as part of the One Year Spending Review for 2020/21.</p>
<p>New Homes Bonus allocations for 2020/21 onwards</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.</p>	<p>To be assessed</p> <p>It is not</p>	<p>Awaiting further announcements from the Government</p>

Option	Possible Budget Impact	Timescale
<p>The financial modelling has included using £200,000 of New Homes Bonus (or its replacement) funding for 2020/21 to fund the revenue base budget and this has then been reduced to £100,000 for 2021/22 and £50,000 for 2022/23 onwards for modelling purposes. The Council is awaiting announcements from the Government on how New Homes Bonus is going to be reformed. This remains a risk for the Council.</p>	<p>known what NHB allocations (or a similar scheme) will be in future years when the NHB scheme is replaced.</p>	
<p>Use of Reserves as a temporary measure</p> <p>The Council could temporarily utilise Reserves to balance an element of the 2020/21 budget, whilst longer term solutions are being implemented.</p> <p>This would be a very short term solution though. The current levels of Reserves are £1.3 million Unearmarked Reserves and Earmarked Reserves of £4.3 million.</p>	<p>To be assessed</p>	<p>To be decided as part of the Budget Process</p>

7.2 Through the Financial Stability Review Group, further measures will be considered to balance the 2020/21 onwards budget positions.

8 CAPITAL PROGRAMME AND PRUDENTIAL BORROWING

8.1 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. Bids to the Capital Programme will be presented to Members by December 2019.

8.2 **Commercial Property Acquisition Strategy** – The Council has agreed a commercial property acquisition strategy. To date, four investment properties have been purchased with a value of £21.3 million in aggregate. Purchases made within the strategy are capital expenditure. A report on the updated Commercial Investment Strategy was a separate report on the July 2019 Hub Committee agenda.

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.

9. Sensitivity analysis and risk analysis

9.1 The Council carries out sensitivity analysis and risk analysis of its Budget Proposals on an annual basis and this is shown in Appendix E.

10 PROPOSED WAY FORWARD

10.1 The MTFS 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. The Council will then be able to rely on this to inform future decisions. The different elements that make up a Medium Term Financial Strategy are shown in the diagram in 4.1 and Appendix C. This report is asking Members to set the strategic intention for each of these components of the MTFS.

10.2 Officers will continue to work with the Cross Party Member Working Group (Financial Stability Review Group) and the results of this will be incorporated into future Budget reports. Section 7 sets out the potential timescales against the areas identified.

11. IMPLICATIONS

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The Hub Committee is responsible for recommending to Council the budgetary framework. It is the role of the Overview and Scrutiny Committee to scrutinise the Budget proposals being proposed by the Council on an annual basis. In accordance with the Financial Procedure Rules, Council must decide the general level of Reserves and the use of Earmarked Reserves.</p> <p>The preparation of the Budget report 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.</p>
Financial Implications to	Y	In the Modelling in Appendix B, the total budget gap is

include reference to value for money		£379,913 in 2020/21 and this is predicted to decrease to £354,158 in 2021/22 (the £354,158 assumes the budget gap in 20/21 of £379,913 has not been closed). The aggregated Budget Gap is £1.24 million. The recommendations adopted and the annual budget setting process will ensure the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources. The Council's auditors, Grant Thornton, provided an unqualified value for money opinion for the Borough Council for 2018-19, which was reported to the Council's Audit Committee in July 2019.
Risk	Y	Each of the budget options taken forward by Members will consider the risks of the option.
Supporting Corporate Strategy		The Budget report supports all six of the Corporate Themes of Council, Homes, Enterprise, Communities, Environment and Wellbeing.
Comprehensive Impact Assessment Implications		
Equality and Diversity		Equality 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 Position

Appendix C – Components of a MTFS

Appendix D – Schedule of Reserves (Unearmarked and Earmarked)

Appendix E – Sensitivity Analysis

Background Papers

Council – 12 February 2019 – Budget Proposals 2019-20 onwards update report

Hub Committee – 11 September 2018 – Medium Term Financial Strategy 2019/20 to 2023/24

Hub Committee – 16 July 2019 – Medium Term Financial Position for 2020/21 onwards

BUDGET PRESSURES AND SAVINGS
(This shows the changes to the existing Base Budget)

WEST DEVON BOROUGH COUNCIL

BUDGET PRESSURES	BASE 2019/20 £	Yr1 2020/21 £	Yr2 2021/22 £	Yr3 2022/23 £	Yr4 2023/24 £
Waste collection, recycling and cleansing contract (estimate)	80,000	80,000	80,000	80,000	80,000
ICT future service provision	0	150,000	0	0	0
Triennial Pension revaluation	0	75,000	0	0	75,000
Inflation on goods and services	70,000	70,000	70,000	70,000	70,000
Increase in salaries - increments and pay and grading	40,000	40,000	40,000	40,000	40,000
Increase in salaries - pay increase at 2% modelled (1% for 20/21 onwards)	95,000	40,000	40,000	40,000	40,000
Maintenance of trees	0	(20,000)	0	0	0
ICT support contracts - increase the budget to better align to actual expenditure	95,000	0	0	0	0
Reduction in Housing Benefit administration subsidy	20,000	10,000	10,000	10,000	10,000
National Insurance and National Living Wage	20,000	20,000	20,000	20,000	20,000
Additional Level 5 Planning Specialist post (wdbc share of costs 40%)	19,000	0	0	0	0
Member Locality Fund (£500 per Member)	15,500	(15,500)	0	0	0
Payment Collection Expenses	0	30,000	0	0	0
Housing Benefit overpayment recoveries	0	0	40,000	0	0
TOTAL IDENTIFIED BUDGET PRESSURES	454,500	479,500	300,000	260,000	335,000

WEST DEVON BOROUGH COUNCIL

Contribution to Earmarked Reserves (This line shows the annual contributions into the Reserve)	Yr1 2019/20 £	Yr2 2020/21 £	Yr3 2021/22 £	Yr4 2022/23 £	Yr5 2022/23 £
Contribution to IT Development Reserve (£25K per annum)	25,000	25,000	25,000	25,000	25,000
Contribution to Planning Reserve (£25K per annum)	25,000	25,000	25,000	25,000	25,000
Contribution to Elections Reserve (20K per annum)	20,000	20,000	20,000	20,000	20,000
Contribution to Vehicles Replacement Reserve (£50K per annum) - see 10.4 - Minute CM42	50,000	50,000	50,000	50,000	50,000
Total Contribution to Earmarked Reserves	120,000	120,000	120,000	120,000	120,000

BUDGET PRESSURES AND SAVINGS
(This shows the changes to the existing Base Budget)

APPENDIX A

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SAVINGS AND INCOME GENERATION IDENTIFIED	Yr1 2019/20 £	Yr2 2020/21 £	Yr3 2021/22 £	Yr4 2022/23 £	Yr5 2023/24 £
Income from investments in commercial property	100,000	80,000	40,000	120,000	0
Re-procurement of contracts (e.g. savings from Leisure contract)	0	100,000	130,000	270,000	0
Re-procurement of waste collection, recycling and cleansing contract (The £50K contribution to the Vehicle Replacement Earmarked Reserve is deducted from these savings to give a net saving of £254,000 per annum as per 2.10)	304,000	0	0	0	0
Public Conveniences	50,000	0	0	0	0
Kilworthy Park - reduction in operating costs	0	0	50,000	0	0
Housing Benefit recoveries of overpayments (increase income target to reflect actual income being achieved)	50,000	0	0	0	0
Planning Fees (increase income target to reflect actual income being achieved)	50,000	0	0	0	0
Senior Leadership Team - Interim arrangement (£34,000) - Restructure (£60,000) as per July 2019 Council report	34,000	60,000	0	0	0
Reduction in Partnership funding (Minute CM24 - Council 24th July 2018)	14,000	0	0	0	0
Corporate consultancy income	20,000	0	0	0	0
Introduction of Direct Lets Scheme	12,000	0	0	0	0
Energy Certification for Eco Schemes	10,000	0	0	0	0
Cessation of Communities Together Fund	5,000	0	0	0	0
Council Tax Support Grant (CTSG) - the withdrawal of CTSG has been modelled from 1.4.2020	5,500	59,000	0	0	0
Charging for duty planning service	3,500	0	0	0	0
Advertising on websites and e-bulletins	3,500	0	0	0	0
Review corporate training budgets	15,000	0	0	0	0
Reduction in ICT contracts	12,000	16,000	0	0	0
Implement e-billing in council tax	1,200	1,200	1,200	1,200	1,200
TOTAL SAVINGS AND INCOME GENERATION	689,700	316,200	221,200	391,200	1,200



Modelling assumptions: Assumes Council Tax is increased by 2.99% annually					
Line	BASE	Yr1	Yr2	Yr3	Yr 4
No.	2019/20 £	2020/21 £	2021/22 £	2022/23	2023/24 £
1	7,313,795	7,078,595	6,861,982	6,966,537	7,129,371
2	454,500	479,500	300,000	260,000	335,000
3	(689,700)	(316,200)	(221,200)	(391,200)	(1,200)
4	7,078,595	7,241,895	6,940,782	6,835,337	7,463,171
Funded By:-					
5	4,673,499	4,829,617	4,991,172	5,158,006	5,330,368
6	84,000	80,000	80,000	80,000	80,000
7	1,620,367	1,661,000	1,704,000	1,750,000	1,790,000
8	0	(293,000)	(293,000)	(293,000)	(293,000)
9	0	40,000	40,000	40,000	40,000
10	464,365	464,365	464,365	464,365	464,365
11	375,000	200,000	100,000	50,000	50,000
12	(120,000)	(120,000)	(120,000)	(120,000)	(120,000)
13	25,000	0	0	0	0
14	(43,635)				
15	7,078,595	6,861,982	6,966,537	7,129,371	7,341,733
Budget gap/(surplus) per year					
15	0	379,913	(25,755)	(294,034)	121,438
Actual Predicted Cumulative Budget Gap					
	0	379,913	354,158	60,124	181,562
Aggregated Budget Gap (if no action is taken in each individual year to close the budget gap annually)					
	0	379,913	734,071	794,195	975,757

Modelling Assumptions: (Assumes an increase in Band D Equivalent properties of 70 per annum)					
Council Tax (Band D) (an increase of 2.99% per annum has been modelled)	231.63	238.54	245.67	253.01	260.57
Council TaxBase	20,176.57	20,246.57	20,316.57	20,386.57	20,456.57

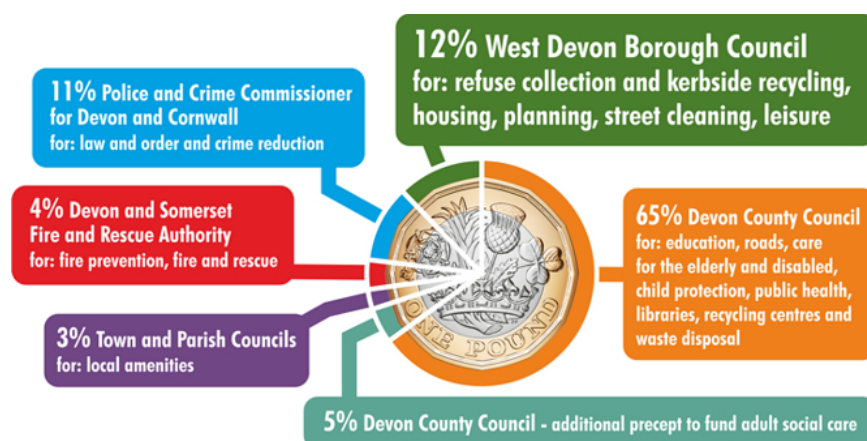
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Council Tax

- Average Band D total bill was £1,987 for 2019-20 (WDBC Band D of £231.63 equates to a 12% share of the council tax bill)



- 2019/20 increase of £6.72 to £231.63 (2.99%) – a 1% increase raises £47,000
- Government Council Tax referendum threshold higher of £5 or 2.99% for 2019-20. There has been no announcement from the Government as to what the referendum threshold will be for 2020-21 (maybe announced in September).
- The Government has not announced any plans to change the council tax system or to carry out a council tax revaluation within the near future. In 2018/19 the Council had 25,576 properties on the Valuation List, the make of up of which was 3,474 (Band A), 6,411 (Band B), 5,332 (Band C), 4,138 (Band D), 3,359 (Band E), 1,764 (Band F), 1,015 (Band G) and 83 properties in Band H. There are more Band B properties in the Borough than any other Band (representing 25%).

Council Tax Strategy Options: Members have options to either freeze council tax or to raise council tax anywhere between zero and 2.99%. Anything above 2.99% currently requires a council tax referendum, which is a costly exercise. Recent funding settlements from the Government are based on the assumption that Councils increase council tax by the maximum allowed.

Recommendation 1: To set the strategic intention to raise council tax by the maximum allowed in any given year, without triggering a council tax referendum, to endeavour to continue to deliver services.

If this recommendation were to be agreed, it would have the following impact on council tax:

Council Tax	2019/20 CURRENT YEAR	2020/21 Year 1	2021/22 Year 2	2022/23 Year 3	2023/24 Year 4	2024/25 Year 5
Band D	£231.63	£238.54	£245.67	£253.01	£260.57	£268.36
£ Increase		£6.91	£7.13	£7.34	£7.56	£7.79
% Increase		2.99%	2.99%	2.99%	2.99%	2.99%

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Business Rates

- Self-sufficient local government: Business Rates Retention (BRR) of **growth above the business rates baseline**. The Government introduced the BRR system in April 2013 with the aim of providing a direct link between business rates growth (economic growth) and the money councils have to spend on local services.
- The title of the scheme (Business Rates Retention) has caused public confusion – as it implies that Councils are able to keep 40% of **all of** the business rates that they collect. This is not the case. Councils are only able to keep a share of any business rates growth above a baseline set by the Government.
- The baseline is the amount of money that the Government has assessed that the Council needs to keep to fund its services, based on a needs formula. The Baseline is around £1.66 million for West Devon for 2020/21 (rising to £1.7 million in 2021/22). Out of the business rates collected of £10.3 million, the Council keeps approximately 16 pence in every £1 to run its services. The rest is paid back to the Government and a proportion goes to Upper Tier Councils e.g. the County Council, to pay for their services.
- There is a risk of volatility in the system because Councils are exposed to any loss of income if businesses go into decline. The Council retains a Business Rates Volatility Earmarked Reserve to cope with any fluctuations in business rates and at 31.3.19 the balance on this Reserve was £0.492m. The Council's appeals provision was £1.62m.
- Since 2013/14 (when Business Rates Retention was introduced with a 50% scheme), the Council has been part of a Devonwide Business Rates Pool which has included all of the Devon District Councils (except South Hams for some of the latter years), Plymouth City Council (Lead Authority), Devon County Council and Torbay Unitary Council. The Pool has made Pooling gains every year and West Devon receives a share of the gains. The table below shows the business rates position from the 2018/19 Accounts.

Business Rates Income receivable 2018/19 (collected)	£10,293,212
Add on Section 31 Grants and Small Business Rates Relief	£1,865,276
TOTAL	£12,158,488
WDBC share (40% - see next page)	£4,863,395
Less Tariff (amount deducted and paid to Government)	£(3,107,710)
Total Business rates remaining after the Tariff (A)	£1,755,685
Funding Baseline 18/19 (money retained by WDBC) (B)	£1,585,208

(Note: As WDBC was a Pilot in 2018/19, the £464,365 of Rural Services Delivery Grant was also included within the Business Rates Baseline for 18/19).

Growth (Business Rates achieved over the Baseline) (A-B)	£170,477
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Therefore the income from Business Rates which West Devon Borough Council retained in 2018-19 was the funding baseline of £2,049,573 (£1,585,208 plus £464,365) plus the pilot gain of £460,000.

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Business Rates Pilot 18/19

- In 2018/19 the Devon Authorities applied to the Government to be a business rates Pilot area and Devon was chosen by the Government to be one of ten Pilot areas nationally.
- West Devon benefitted by approximately £460,000. This was one-off additional revenue money for the year of the pilot only (2018-19). Some of this funding was used to fund the revenue base budget in 2018-19 and the remainder of £316,484 was put into a future financial stability earmarked reserve.
- West Devon is a low growth area as shown overleaf (growth above baseline in 2018/19 was £170,000). West Devon is a beneficiary of the pooling and pilot arrangements as the growth across the whole of Devon is divided up amongst all Devon Councils
- In the future as Council funding is more reliant on business rates income, it puts West Devon in a more precarious position than most Councils due to its low growth and it is extremely important that the Council remains within the Devon pooling arrangements.
- The diagram below compares the split of business rates income under the 50% scheme (from 2013/14 to 2017/18) to the 100% scheme (Pilot status in 2018/19) to the 75% scheme which could be rolled out nationally from 2020/21 onwards.

Split of business rates income	50% scheme (Devon Pool) From 2013/14 to 2017/18	100% scheme (Devon Pilot status) 2018/19 only	75% scheme (could be rolled out nationally)
WDBC (see note)	40%	40%	40%
Central Government	50%	Nil	25%
DCC	9%	59%	34%
Fire	1%	1%	1%
Total	100%	100%	100%
NOTE: Even though West Devon starts off with a 40% share, a tariff is then deducted and paid over to Central Government, and therefore the amount of money West Devon ends up keeping is its business rates baseline funding amount plus any Pooling or Pilot Gain each year.			

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Business Rates Baseline Re-set

The future for Business Rates in 2020 onwards

- One of the largest financial risks that the Council is facing is around how the Government will re-set the Business Rates Baseline for the Council in 2020 onwards when the 75% scheme is rolled out nationally. Many factors will influence this, including the Government's Fairer Funding Review.
- It is widely thought that the reform of Business Rates will now be delayed until 2021-22 but this has not been publicly confirmed by the Government. It is hoped that further clarity on the timescale for Business Rates Reform will be announced by the Government as part of the One Year Spending Review for 2020-21 in September 19.

Recommendation 2: To respond to any Government announcement/consultation in September 2019 on Business Rates Reform

Recommendation 3: To continue to actively lobby and engage with the Government, Devon MPs and other sector bodies such as the District Councils Network and the Rural Services Network, for a realistic business rates baseline to be set for the Council for 2020 onwards, if business rates reform is introduced for 2020-21 or a later timescale (it is widely thought that it will be delayed until 2021-22).

Rural Services Delivery Grant

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- Rural Services Delivery Grant – The Council currently receives an allocation of £464,365 per annum for this grant which is given to Councils to compensate for the extra costs of delivering services in rural areas. In 2018-19 the £464,365 was built into the Council's business rates baseline due to the Council's Pilot status. The Government has not indicated what RSDG allocations will be for 2020-21 onwards (The financial modelling for 2020-21 onwards assumes that this grant will continue at the same level of £464K per annum).
- The Strategy for Rural Services Delivery Grant (RSDG) is that the Council will continue to provide local evidence of the cost of delivering services in rural areas, in order to lobby for higher allocations of RSDG as has happened in previous years.

Negative Revenue Support Grant



Business Rates Tariff Adjustment in 2019/20 (Negative Revenue Support Grant)

- The Business Rates Tariff Adjustment is an amount (originally scheduled to be applied in 2019/20) which increases an authority's tariff. It is applied where cuts to a Council's Settlement Funding Assessment (SFA) cannot be achieved through further cuts to the Revenue Support Grant (RSG), as the RSG is already zero. In effect the Tariff Adjustment is negative Revenue Support Grant which the Government chose to reflect through a change to the tariff, although this change has nothing to do with the business rates system and has caused confusion.
- In response to the technical consultation issued on 24 July 2018, the Government withdrew temporarily Negative Revenue Support Grant in 2019/20. This cost the Government £153m as negative RSG affects 168 Councils (with both West Devon and South Hams being affected).
- It is not known what will happen to negative RSG in 2020/21 and Councils including ourselves have stressed to the Government the importance of being given certainty of this as soon as possible. It is hoped that the Government will make an announcement on this as part of the One Year Spending Review for 2020/21 due to be announced in September 2019.
- The modelling within the MTFS currently assumes that negative RSG remains in some form (e.g. as part of the business rates baseline reset) from 2020/21 onwards.
- The negative RSG currently included within the Council's modelling for 2020/21 amounts to £293,000. **If the Government eliminates this, as an outcome of the one year Spending Review for 2020/21, the Council's budget position is bettered by £293K for 2020/21. However the benefit of this is likely to only be for one year, with negative RSG expected to be implemented in full in 2021/22 – so it just gives the Council longer to prepare for the extra cuts in funding.** If the position changes, the MTFS will be updated to reflect this.

Recommendation 4: That WDBC continues to lobby in support of the Government eliminating Negative Revenue Support Grant in 2020/21 (and thereafter) and continues to lobby for Rural Services Delivery Grant allocations which adequately reflect the cost of rural service provision.



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New Homes Bonus

- The New Homes Bonus was introduced in 2011 to provide a clear incentive for local authorities to encourage housing growth in their areas. It rewards local Councils for additional homes added to the council tax base, as well as long term empty properties brought back into use. The Council receives £1,337 per property over the baseline plus £280 per affordable home. The Council has modelled an extra 70 properties per annum in its Taxbase (estimate of housing growth).
- The length of New Homes Bonus payments was reduced in length from 6 years to 5 years in 2017-18 and 4 years from 2018-19. From 2017-18 the Government has introduced a national baseline for housing growth of 0.4% below which New Homes Bonus will not be paid, which the Government has said reflects a percentage of housing that would have been built anyway. The baseline equated to 98 Band D Equivalent properties for West Devon. **So for the first 98 extra properties per annum the Council receives no NHB.**
- **The Government has previously 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, for example by using the Housing Delivery Test results to reward delivery or incentivising plans that meet or exceed local housing need. The Government will consult widely on any changes prior to implementation. It is not known if NHB will continue for one more year in 2020-21 with wider reform for 2021-22. It is also not known if legacy payments already earned will be honoured.
- The table below shows possible levels of NHB (or an alternative introduced post 2020) and how this could be used.

	2019-20	2020-21	2021-22	2022-23
Amount of NHB (or alternative scheme)	500,595	337,000?	270,000?	270,000?
To fund Capital (affordable housing)	(80,000)	(50,000)	(50,000)	(50,000)
To fund the Revenue Base Budget	(375,000)	(200,000)	(100,000)	(50,000)
Funding remaining/shortfall	45,595	TBA	TBA	TBA

Recommendation 5: To use £200,000 of New Homes Bonus funding for 2020-21 (or any alternative scheme) to fund the revenue base budget and then reduce to £100,000 by 2021-22 and £50,000 by 2022-23 for modelling purposes.

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Reserves Policy

- Current Levels of Reserves(at 31/3/19): £1.286 million Unearmarked Reserves and Earmarked Reserves of £4.3 million
- The Council's Net Budget is £7.1 million for 2019/20. Therefore Unearmarked Reserves equate to 18% of the Council's Net Budget.
- The Council currently makes annual contributions to Earmarked Reserves of £120,000 to the IT Development Reserve (£25,000), Planning Reserve (£25,000), Elections Reserve (£20,000) and Vehicle Replacement Reserve (£50,000).
- There is £0.2m uncommitted in the Invest to Earn Earmarked Reserve and £0.2m uncommitted in the Financial Stability Earmarked Reserve. It is further recommended to transfer £0.2m of Unearmarked Reserves into the Financial Stability Earmarked Reserve, to allow the Council to have further flexibility and options around how to close the Budget Gap in 2020/21.

Minimum level of Reserves to be held

- As part of the Medium Term Financial Strategy report, it is recommended to approve to retain the policy of maintaining a minimum level of Unearmarked Reserves of £900,000. The Unearmarked Reserves (General Fund) balance of £1.286 million stands above the minimum balance of £900,000 and acts as a safeguard against unforeseen financial pressures. Given the increase in financial risks which the Council faces, the Council should consider increasing this level through a stepped increase over the next five years, to reflect the new level of risks. The increased financial risks are in part from the Council's commercial investment strategy where prudential borrowing of up to a total borrowing limit of £50 million (for all Council services) has been approved.
- Further detail on the Council's Unearmarked and Earmarked Reserves is set out in Appendix D of the Medium Term Financial Strategy.

Recommendation 6: That the minimum level of Unearmarked Reserves to be retained is increased from £750,000 (2019/20 level) to £900,000 for 2020/21, to reflect the increase in financial risks which the Council faces.

Recommendation 7: To transfer £200,000 of Unearmarked Reserves into the Financial Stability Earmarked Reserve.



Pension Strategy

- WDBC currently pays a 13.3% employer pension contribution for staff in the Local Government Pension Scheme. This is called the future service contribution rate. This is the anticipated cost to the Council of the pension rights that staff will accrue in the future and is expressed as a percentage (%) of pensionable payroll. Employees pay a separate amount out of their salary into the Pension Fund (the employee contribution).
- In addition to the 13.3%, the Council pays an annual sum of £524,000 into the Pension Fund as a past service deficit annual contribution. This cost arises where the cost of pension rights that have already been accrued turn out to be higher than expected. This happens where the Fund experience differs from previous assumptions, and so the contributions paid do not match the cost of the pension rights accrued during a previous period. The Council has been paying this sum annually for a long period of time.
- The Pension Fund has an Actuarial Valuation every 3 years which re-calculates the employer contributions that need to be paid for the next three years and the deficit contributions. Below are the results of the 2016 Actuarial Valuation. The results of the 2019 Actuarial Valuation are expected to be known around December 2019.
- WDBC is currently paying the Deficit off over a 17 years recovery period. An option being discussed with the actuaries is to extend the 17 years deficit recovery period to align with the period of other employers within the Devon Pension Fund (which is longer e.g. 20 to 25 years) and to increase the affordability of the payments in the next Actuarial Revaluation. The Council has currently included a £75,000 cost pressure for 2020/21 for the Triennial Pension Valuation. New contribution rates will be advised to the Council by DCC in December 2019, which will inform the cost pressure.

WDBC Pension Fund	2016 Actuarial Valuation
Assets	£22.2 million
Liabilities	£(29.4) million
Deficit	£(7.2) million
Funding Level	76%
Deficit Recovery Period	17 years

Recommendation 8 - That the Council continues dialogue with the actuaries of the Devon Pension Fund and DCC on the options for the Council's Pension position, with the aim of reducing the current contributions, increasing affordability, whilst best managing the pension deficit. A report will be presented to Members by January 2020 of options, once the results of the Triennial Pension Revaluation are known.

Treasury Management /Borrowing Strategy



The Council's Treasury Management Strategy details its borrowing limits and specifies approved institutes for investment, (with maximum limits), based on credit ratings and other pertinent factors. It also publishes Prudential Indicators which set investment and borrowing performance indicators to ensure that the Council stays within these guidelines.

- Borrowing Limits – The Treasury Management Strategy for 2019-20 (approved by Council in March 2019) shows the approved level of Borrowing Limits: Operational Boundary of £47.5 million and Authorised Limit of £50 million
- The Council took external treasury management advice on the Council's overall borrowing levels in September 2018 and this advice was attached in Exempt Appendix G to the Medium Term Financial Strategy in September 2018. Their recommendation was that the Council limits its overall borrowing envelope for its whole operations and services to £50 million. This advice was based on a range of benchmarking of indices that they undertook. Borrowing needs to be proportionate and affordable and with always having regard to the risks involved in the repayment of the debt. Members are able to set a higher borrowing limit if they wish to do so. The S151 Officer's advice is to keep borrowing levels within the £50 million limit advised. Sensitivity analysis is shown in Appendix E.
- The Council has published new indicators for the Investment Strategy for 2019/20 and these include indicators such as the following:
 - Level of debt compared to Net Service Expenditure (proportionality)
(This indicator shows debt is projected to be 6.62 times the net service expenditure of £7 million)
 - Net Commercial Income to Net Service Expenditure ratio (3.86%)
 - Interest cover ratio (this indicator shows the ratio of income from commercial property investments compared to the interest expense incurred by them – stated as 207.88%) – This indicator shows that gross income from commercial property is over twice that of the interest expense.

Recommendation 9 – That the Council maintains an Upper Limit on External Borrowing (for all Council services) as part of the Medium Term Financial Strategy of £50 million.

Treasury Management /Borrowing Strategy (continued)

- The Council maintains regular engagement with our Treasury Management advisors and constantly seeks their advice on our strategic direction and key operational decisions. The Council's Borrowing Strategy will be to borrow appropriately to meet the Council's objectives as a form of financing. The key is affordability criteria and the Council being able to service that borrowing.
- The Council will set a framework around the borrowing through its annual Treasury Management Strategy. There will be regular (at least annual) reviews of the Council's borrowing levels and the Council will weigh up opportunities against that borrowing limit. The key borrowing mechanism is through the PWLB. However the Council will continue to explore other sources.

Minimum Revenue Provision (repaying the Principal element of debt repayments)

- The Council has currently approved the following Minimum Revenue Provision Policy through its Treasury Management Strategy for 2019/20. No changes are currently proposed to the Council's MRP Policy but this will be kept under regular review. If there are projects which officers feel would warrant a different approach, this will be brought back to Members on a business case basis for approval to vary the current MRP Policy.

Borrowing	MRP Methodology
Commercial Property acquisition (Total Council Borrowing of up to £50 million to include all Council services)	<i>Annuity Method</i> <i>(over the 50 years)</i> Under this calculation, the revenue budget bears an equal annual charge (for principal and interest) over the life of the asset by taking into account the time value of money. Since MRP only relates to the 'principal' element, the amount of provision made annually gradually increases during the life of the asset. The interest rate used in annuity calculations will be referenced to prevailing average PWLB rates.

Borrowing	MRP Methodology
	<p>In area Council developments on Council land may propose to repay MRP based on 50% on the annuity method over the 50 year life (the assets will be regularly maintained), and 50% will be paid on maturity of the loan from either sale of the asset (a capital receipt) or through refinancing of the debt. The position would be regularly monitored. If at any point in time the valuation of the asset falls below the open market value then the MRP policy will be revisited.</p>
<p>Waste Fleet, Leisure Investment and Kilworthy Park</p>	<p>Asset Life Method</p> <p>MRP is charged using the Asset Life method – based on the estimated life of the asset.</p> <p>This option provides for a reduction in the borrowing need over approximately the assets' life.</p>

Investments

The Council has widened its use of approved counterparties from countries with a minimum sovereign credit rating of AA-. The criteria, time limits and monetary limits applying to institutions were set out within the Council's treasury management strategy approved at Council in March 2019.


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Future Cost Pressures

- The Council's Strategy is to identify cost pressures as early as possible. Cost pressures can be annual or one-off and can arise for a variety of reasons e.g. legislative changes, increase in demand, factors beyond the Council's control e.g. market conditions such as recycling rates, economic conditions or natural events.
- Appendix A of the Medium Term Financial Strategy (MTFS) sets out the cost pressures which have been identified for the next five years and these total £479,500 for 2020/21.
- The Medium Term Financial Strategy has included a cost pressure of £70,000 for Inflation and increases on Goods and Services. The main items are £20,000 for Business Rates increases, £2,500 for the Apprenticeship Levy, £7,500 Utilities inflation and an amount of £40,000 is to fund a 2.5% uplift on other expenditure budgets.
- The strategy takes account of a 1% rise in pay, however, the Council needs to respond to national pay bargaining. The Council built the 2% pay award for 2019/20 which was nationally agreed into the MTFS and this equated to £95,000. Thereafter 1% has been profiled each year for years 1 to 5 of the MTFS.
- A cost pressure of £150,000 has been included in 19/20 for ICT future service provision and there is a separate report on the Hub Committee agenda regarding this for consideration.
- The strategy will be to state cost pressures as they come onto the horizon and to put mitigation in place through the budget setting process on an annual basis.

Income Generation / Savings



Fees and Charges

- The Council's Extended Leadership Team will present further budget options to Members for income generation/savings/reduced expenditure, as part of the Budget Setting Workshop being planned for late September/early October.
- The Extended Leadership Team will bring forward business cases to Members to invest in technology to make savings or reduce costs in the base budget. This could also be through working with Partners e.g. Town and Parish Councils.
- Income from Fees and Charges will be annually reviewed and set. Some fees and charges are set by statute (e.g. planning fees) and others are set on a cost recovery basis e.g. licensing.
- The Council's strategy is that COP Leads will work with Hub Lead Members to review fees and charges on a regular (at least annual) basis and these will be presented to the relevant Committee or Council for approval as part of the budget setting process.
- For those not prescribed, fees will be set at a realistic rate following appropriate consultation e.g. car parking tariffs, where the Council will be looking to work with towns to achieve the optimum flow of parking to generate business in the towns with neutral income effect.
- Some income will be incidental e.g. recycling and will be market led in terms of income received. The strategy will be to share that risk with the contractor.
- The Council will continue to carry out paid consultancy work for other Local Authorities for example business transformation (T18), Human Resources (carrying out assessments using the behavioural framework) – to generate income for WDBC.
- Assets and Estate Management – the strategy is that rental income will be at market rates and rents are reviewed in a timely manner with active debt recovery. The Council has target occupancy levels, though rent free periods can also be allowed in limited circumstances where there is a business need.

**ENVIRONMENT**

Protecting, conserving and enhancing our built and natural environment

Procurement

- The Council's strategy is to market test its services through a pragmatic and rational approach and to look at the whole value for money case in terms of whether or not to procure. This would include soft market testing and taking procurement advice around the legislative framework.
- Where the Council does go out to procurement, there will be a balance between cost and quality. The Council's strategy is to build flexibility and risk sharing into the Council's contracts, whilst retaining value for money and having the ability to make potential changes on the contract.
- The Council will look to procure externally, where appropriate, keeping risk in mind. Where the Council doesn't have the necessary in-house expertise, the cost of using external advisers will be included within the cost of the project.
- The Council will also future proof its services. For example ICT contracts are much more dynamic and ever-changing and more suited to shorter contracts. Other services such as waste are more suited to longer term contracts.
- There is a separate report on the Hub Committee agenda for the IT procurement. This report considers the options available for procuring an IT platform which meets the Councils' customer satisfaction aspirations, and digital vision, and describes the rationale and methodology used in arriving at a recommendation.

**COMMUNITIES**

Council and residents working together to create strong and empowered communities

Partnership Funding/Grants

**WELLBEING**

Supporting positive, safe and healthy lifestyles and helping those most in need

- There is a separate report on the Hub Committee agenda for Partnership Funding levels for 2020/21 onwards. It is recommended that the Hub Committee adopts a commissioning model to award partnership funding from 2020-23, based on one or all of the following:
 - local need
 - alignment to the Council's Corporate Strategy
 - statutory duty
- The Council's SeaMoor Lotto (Community Lottery) and the Crowdfunder will help certain projects / groups. Partners can join the Lottery facilitated by the Council in order to raise funding.

Review of Assets



COMMUNITIES

Council and residents working together to create strong and empowered communities

ENTERPRISE

Creating places for enterprise to thrive and business to grow



- The Council's Asset Base is £46 million at 31 March 2019. The Council will continually review and challenge its asset base in order to deliver the optimum value for money from the Council's Assets.
- **Commercial Property Acquisition Strategy** – The Council has approved a commercial investment strategy within the Council's overall borrowing limit of £50 million. To date, four investment properties have been purchased in 2018/19 with a value of just over £21 million in aggregate. An income projection of £200,000 from the net ancillary income from investments in commercial property has been built into the 2019/20 Base Budget.
- On 16th July 2019, the Hub Committee recommended to Council (which was approved) an update to the Commercial Investment Strategy to include the renewable energy sector. The Council's commercial investment strategy has multiple objectives as stated below:
 - To support regeneration and the economic activity of the Borough, the LEP area and the South West Peninsula (in that priority order)
 - To enhance economic benefit & create business rates growth
 - To assist with the financial sustainability of the Council as an ancillary benefit
 - To help the Council continue to deliver and/or improve frontline services in line with the Council's adopted strategy & objectives.

West Devon Borough Council was a business rates pilot area for 2018/19, which set out the economic objectives of the pilot area.
- New property acquisitions are assessed against the Council's multiple objectives and the criteria which are set out in the Strategy. The Council will only acquire properties where the running cost does not require Council subsidy. Per acquisition, a minimum net yield (an ancillary benefit) of 1.0% is to be sought, after acquisition, management, maintenance, capital repayment and funding costs. However, the Council may opt to accept a net yield return of less than 1% if the benefits of job creation or safeguarding, tourism, town centre regeneration, business rate growth or effective asset utilisation are deemed more important than a purely financial return.

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RESERVES - PROJECTED BALANCES					APPENDIX D
	Opening balance 01.04.2019	Additions to the Reserve	Predicted spend	Projected balance 31.03.2020	Comments
	£'000	£'000	£'000	£'000	
EARMARKED RESERVES					
Specific Reserves - General Fund					
2016/17 Budget Surplus Contingency	(375)	0	320	(55)	This is the Budget Surplus from 2016/17 which was put into an Earmarked Reserve. Of the commitments, £76,000 relates to the balance of the JSG funding and £65,000 capital funding. In addition £179,000 has been transferred to the new Vehicle Replacement Reserve.
Business Rates Retention Scheme	(492)	0	0	(492)	This relates to a timing issue on the accounting adjustments required for the localisation of business rates. This reserve also deals with any volatility in Business Rate income e.g. due to appeals.
Cannons Meadow, Tavistock	(11)	0	3	(8)	Written down to revenue annually
Car Parking Maintenance	(417)	0	170	(247)	The commitments relate to Brook Street Car Park and Council Owned Asset Investment & Development (minute ref HC4)
Community Housing Fund	(152)	0	70	(82)	Community Housing Projects
Economic Grant Initiatives	(23)	0	0	(23)	
Elections	(24)	(20)	0	(44)	
Environmental Health	(20)	0	2	(18)	
Financial Stability	(267)	(43)	60	(250)	A new reserve created in 2018/19 from the Business Rates Pilot funding. The commitment relates to the purchase of land at Okehampton. Note Recommendation 7 - To transfer £200,000 of Unearmarked Reserves into the Financial Stability Earmarked Reserve.
Flood Works	(15)	0	0	(15)	
Homelessness Prevention	(115)	0	0	(115)	
ICT Development	(76)	(25)	32	(69)	Commitments include replacement laptops for Members £16,000 and Devon WAN upgrade £10,000
Innovation Fund (Invest to Earn)	(453)	0	190	(263)	The commitment mainly relates to the upgrading of Hayedown Depot and upfront borrowing costs on commercial development opportunities within the Borough.
Invest to Save	(12)	0	8	(4)	The commitment relates to the Council Owned Asset Investment and Development (minute ref HC 4)
Joint Local Plan	(30)	0	30	0	
Leisure Services	(231)	0	0	(231)	
Maintenance Fund (Estates)	(196)	0	0	(196)	
Management, Maintenance & Risk Management	(88)	(119)	16	(191)	This is a new reserve set up to manage the ongoing maintenance costs of the Council's Commercial Property Portfolio. The contributions to the reserve equate to 10% of the rental income.
Neighbourhood Planning Grants	(42)	0	20	(22)	The commitment relates to Neighbourhood Planning Specialists
New Homes Bonus	(291)	(501)	733	(59)	Commitment includes £375,000 to fund the 2019/20 revenue budget and £320,000 for the Capital Programme
Outdoor Sports & Recreation Grants	(18)	0	0	(18)	
Planning Policy and Major Developments	(104)	(25)	7	(122)	The commitment relates to the proposal for two permanent Planning Enforcement case managers as detailed in section 9 of the main report.
Revenue Grants	(422)	0	0	(422)	
Section 106 Monitoring	(8)	0	0	(8)	
Support Services Trading Opportunities	(8)	0	0	(8)	
T18 Strategic Change	(234)	0	227	(7)	The commitments include £50,000 for the capital requirement of the Public Toilets pay on entry review (HC.19) and £167,000 has been transferred to the new Vehicle Replacement Reserve.
Vehicle Replacement	0	(396)	396	0	This is a new reserve set up to fund the Council's vehicle replacement programme (Council 4 Dec 2018)
Waste & Cleansing Options Review	(163)	0	43	(120)	The commitment relates to the three weekly waste collection trial (Hub 4 June 2019)
Other Reserves below £15,000	(29)	0	9	(20)	
TOTAL EARMARKED RESERVES	(4,316)	(1,129)	2,336	(3,109)	
TOTAL UNEARMARKED RESERVES	(1,286)	(16)	0	(1,302)	Projected underspend of £16,000 for 2019/20. Note Recommendation 7 - to transfer £200,000 of Unearmarked Reserves into the Financial Stability Earmarked Reserves.
TOTAL REVENUE RESERVES (EARMARKED AND UNEARMARKED RESERVES)	(5,602)	(1,145)	2,336	(4,411)	

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Sensitivity analysis and risk analysis of the Budget Proposals 2020-21

1. The budget assumes approximately £3.3 million of income from fees and charges, recycling and investments. Whilst this assumption is realistic, given the position of the economy there is a risk that income could fall or be less than anticipated. A 5% reduction in income would result in a loss of £165,000.
2. The Budget Proposals rely on proposed savings over the next 5 years of £931,000. A 5% reduction in the savings would equate to £46,550.
3. The Budget Proposals assume budget pressures over the next 5 years of £1.63 million. A 5% increase in the budget pressures would equate to £81,500.
4. Council Tax Income and New Homes Bonus have been modelled based on an extra 70 Band D Equivalent properties per annum increase. Each extra property attracts £1,337 in NHB. If this figure were to actually be say 50 properties (i.e. 20 properties less), this would mean that Council Tax Income would be £5,000 less and New Homes Bonus income would be £27,000 less.
5. Council Tax has been assumed in the Budget Proposals to increase by £6.91 to £238.54 in 2020/21. The additional council tax income this would generate is £140,000. If council tax for 2020/21 were to remain at £231.63, the income from council tax would be overstated by this amount in the Budget Proposals.
6. If Council Tax income collection fell by 1% (collection in 18/19 was 97.7%), this would mean a reduction of council tax income of £47,000. Similarly if Business Rates income collection fell by 1% (collection in 18/19 was 97.6%), this would mean a reduction in business rates income of £15,000.
7. Income from investments has been assumed to increase in line with the expected interest rate forecasts in Section 3. A 0.25% variation in interest rates on investment income equates to £22,000.
8. An allowance of 2% for inflation is included in the budget. Inflation costs are being managed through cost effective procurement.

9. The capital programme is funded by receipts, grants, and contributions. Realistic assumptions about these have been made for the future.
10. Known liabilities have been provided for and there are no significant outstanding claims.
11. **Borrowing Levels**

Exempt Appendix G of the Medium Term Financial Strategy presented to Council last year in September 2018, gave advice on the borrowing level for the Council (recommended at £50 million) and the Interest payments on the borrowing as a percentage of available Reserves. The tables below show the impact that a change of Interest payable at 2.5% on borrowing to 3% on borrowing has on this Indicator.

Total Borrowing	Interest repayments at 2.5%	Level of Reserves £5.6m*	Interest payments (at 2.5%) as % of available Reserves
£50m	£1,250,000	£5.6m	22.3%

Total Borrowing	Interest repayments at 3%	Level of Reserves £5.6m*	Interest payments (at 3%) as % of available Reserves
£50m	£1,500,000	£5.6m	26.8%

*(£1.3m of Unearmarked Reserves and £4.3m of Earmarked Reserves)

Summary & conclusion

Sensitivity analysis and risks are identified above with a potential total adverse revenue effect for 2020/21 of £549,000.

Recommendation 6 of the report is that the minimum level of Unearmarked Reserves to be retained is increased from £750,000 (2019/20 level) to £900,000 for 2020/21, to reflect the increase in financial risks which the Council faces (see 4.7 of the main report). I therefore confirm the robustness of the Budget Proposals and the adequacy of the reserves.

Mrs Lisa Buckle, Strategic Finance Lead (\$151 Officer)

***O&S 29 CALL-IN OF THE HUB COMMITTEE RESOLUTION ON MINUTE *HC 15: 'NORTHERN OUTREACH'**

The Chairman introduced this agenda item and highlighted that, in accordance with the Overview and Scrutiny Procedure Rules, three Members of the Committee had invoked a Call-in on Hub Committee Minute HC 15 'Northern Outreach'.

Upon the conclusion of the debate on the Call-in, the Chairman advised that there would be three options available to the Committee. These were:

1. that the Committee was content with the original Hub Committee resolution and the decision would therefore take immediate effect;
2. that the Committee refer the decision back to the next Hub Committee meeting (on 10 September 2019) for further consideration; and
3. that the Committee opt to refer the decision to the next full Council meeting (on 17 September 2019).

At this point, the Chairman invited the Member who was representing the three signatories of the Call-in to explain their reasoning behind this decision. In so doing, the Member made particular reference to:-

- the main concerns relating to the ability of local communities in the north of the Borough to access the Council and its services. As a result, the Members were strongly of the view that the withdrawal of the northern outreach service should be considered at the same time as the proposed option appraisal on the future of Tavistock Reception. Whilst not his own personal belief, the Member stressed that there was a widespread view amongst residents living in the north of the Borough that the Council was too Tavistock orientated and he requested that the need for the Council to take steps to overcome this perception be noted;
- the Hub Committee being divided when making its original decision;
- a number of residents were not digitally enabled and, whilst improvements had been made, there did remain some issues with call waiting times in the Contact Centre;
- it was the wish of the signatories for the original Hub Committee decision to be referred to the Council for further consideration at its meeting on 17 September 2019.

The Chairman then proceeded to invite the lead Hub Committee Member for Customer First to respond to the points raised. During which, the lead Member informed that:-

- great strides had been made to Contact Centre performance and the Council website;
- Mobile Locality Officers would continue to offer to carry out personal visits to vulnerable residents;

- the current Northern Outreach service did not represent good value for money. In support of this statement, the lead Member advised that it was costing £8,000 per year to resource the outreach office one day each week and, as a guide in August 2019, there had been only 11 visits, with the majority of the enquiries raised not relevant to the Borough Council;
- he had recently attended a meeting with the Vice-Chairman of the Committee and the lead officer at Okehampton Library to discuss the possibility of the facility providing a signposting service for the Borough Council. Upon the conclusion of this meeting, the Library representatives had confirmed that they would be happy to provide a signposting service.

During the ensuing debate, the following points were raised:-

- (a) Some Members were of the view that there was a general lack of awareness that the current outreach service was in existence. In addition, the local ward Members stated that they had previously been discouraged from promoting the service. To counter these comments, the lead Hub Committee Member stated that, in his opinion, the outreach service had been well publicised via Council press releases (that had subsequently been picked up by both the Okehampton Times and Devon Live) and a poster being on prominent display in the previous office window at James' Street, Okehampton;
- (b) Local Ward Members expressed their disappointment that they had not been made aware of the meeting that had recently been held at Okehampton Library;
- (c) Support was expressed for the point made by the call-in signatories whereby the withdrawal of the northern outreach service should be considered at the same time as the proposed option appraisal on the future of Tavistock Reception. Moreover, a number of Members felt that the decision should be referred to the Council meeting on 17 September 2019 for further consideration.

It was then:

RESOLVED

That the Committee has debated the Call-in on Hub Committee Minute HC 15 'Northern Outreach' and requests that it be considered at the next Council meeting on 17 September 2019.

Northern Outreach Call In – Minute *HC 15: Northern Outreach

**15 It was then RESOLVED that the outreach service at the Ockment Centre be withdrawn as of 31 July 2019 and that an option appraisal on the future of Tavistock Reception be presented to the Hub Committee meeting on 5 November 2019.*

To ensure that the withdrawal of the service has as minimal an impact as possible the following steps be implemented:

- Clear Communication: that all residents, agencies based at the Ockment Centre, Okehampton Library, Okehampton Town Council and local parish councils be advised of the withdrawal and given clear guidance on how best to contact the Council;*
- Vulnerable Customers: in instances where customers are not able to engage with the Council online or over the telephone, that Mobile Locality Officers be on hand to assist these customers;*
- Improved Customer Service: that the Council remain committed to improving customer satisfaction levels in line with its adopted Action Plan.*

We undersigned members Cllrs Ball, Kemp and Ratcliffe, would like this decision taken at the Hub Committee meeting on Tuesday 16th July, to be called into the Tuesday 3rd September meeting of the Overview & Scrutiny Committee.

There are primarily two reasons for this call in. However, we wanted to provide some background first.

When the outreach service for the northern part of the Borough was set up, no publicity was done, and we, as local Members, were discouraged from advertising the service. This meant that in effect the service was “set up to fail.” This makes us feel very uncomfortable; in effect, we provided a service, didn’t promote it and then have suggested it should close it because no one uses it. We think that we should be serving our residents in a better way.

Although this is underpinning information, it is also important. The minutes do not reflect this point.

We think that we could use this reason to call in the decision, using the principle **(g)**

reasonableness and proportionality (i.e. the action must be proportionate to the desired outcome) and a presumption in favour of openness.

However, the main two reasons we would like to use are as follows:

1. There wasn’t sufficient consultation prior to making the decision to close the outreach, hence making the decision to close a flawed process. While we concede the previous O&S committee through a task completed some consultation and finish group chaired by Cllr Cheadle, and good work was done by this, our understanding is that only organisations such as CAB and CVS in Okehampton were approached. Other key northern communities, who use Okehampton as a hub, weren’t consulted. As a result, the conclusions lacked appropriate qualitative or quantitative data.

This isn't a criticism of the members that conducted this work, however the brief should have been wider but this links back to the point about publicity above.

Our understanding is no further consultation of impact on the northern community has occurred. Our understanding that notification only went to Okehampton Town Council just prior to the Hub meeting and no notification went to Okehampton Hamlets Parish Council at all.

We believe that this impacts on **(d) due consultation and the taking of professional advice from officers and/or appropriately qualified consultants.**

2. Within the notes of the minutes, there is a record of the discussion around "engagement of stakeholders." However, this isn't what the northern outreach is about. Engagement is mainly, although not exclusively, about communication from the authority outward. As the quote says, usually to stakeholders.

Those stakeholders are usually, again not exclusively, parish councils, organisations, interest groups etc., and not necessarily individuals. What the northern outreach was about was community access – i.e. the ability of a WD resident having access to information, a service or a person to help their need.

This important point hasn't been reflected. For me this falls under our corporate strategy of "the council."



Under this strategy, we talk about:

- Good customer service
- Listening & responsive
- Open minded
- Transparent & accountable

As already indicated above, we feel that this decision bring up issues around these four bullet points and for that reason the decision impacts on **(f) consideration of the Council's Corporate Strategy and Themes;** and

(g) reasonableness and proportionality (i.e. the action must be proportionate to the desired outcome) and a presumption in favour of openness.

We would like the O&S Committee to consider the recommendation of:

Firstly, to recommend referring this decision to full council, as the impact isn't just about the north it is about the borough wide accessibility of our residents.

Secondly for full council to consider a borough wide review of how we as an authority, enable residents access especially those who may be vulnerable or who have poor connectivity.

Until these points are properly debated, the decision to close the northern outreach will be delayed.

Cllr Kevin Ball Okehampton North, Cllr Clare Kemp Hatherleigh and Cllr Barry Ratcliffe
Exbourne

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Report to: **Hub Committee**
Date: **16 July 2019**
Title: **Northern Outreach**
Portfolio Area: **Customer First**
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **Y**
Date next steps can be taken: **After call in period 24 July 2019**

Author: **Nadine Trout** Role: **Commissioning Manager**
Contact: Nadine.Trout@swdevon.gov.uk or **01822 813624**

RECOMMENDATION

That the Hub Committee approves the proposed future of the Northern Outreach Service as detailed in paragraph 5 of this report.

1. Executive summary

- 1.1 The purpose of this report is to consider usage of the Northern Outreach Service and how best to offer Council services in the future.
- 1.2 The report highlights that use of the Northern Outreach Service is extremely low with 41 customers using the service over a 3 month period - an average of 3 customers per week. Usage has declined by 80% when compared with the average daily usage for the same period last year.
- 1.3 Delivery of an outreach service at the Ockment Centre is costly and takes a disproportionate amount of officer time i.e. 20% of their working week to provide support to approximately 0.07% of West Devon residents.
- 1.4 Data for Kilworthy Park Reception at the Council's office in Tavistock also shows that very few West Devon residents use it as a facility.

2. Background

- 2.1 Based on evidence collated by both Members and officers, the Hub Committee on 19 March 2019 recommended to the Council that its preferred option for the Northern Outreach Service was to reduce the service to a single day per week and monitored for a three month period and a report presented back to the Hub Committee meeting on 16 July 2019 that include the results of the monitoring, along with results of the monitoring at Tavistock to enable a decision on the future provision of the service.
- 2.2 The Northern Outreach service came about due to the closure of the Council's St James Street office. Outreach was formerly provided twice weekly but due to low usage figures and in turn the relative high cost of delivery, the service was reduced to a weekly service as of April this year.
- 2.3 At present Northern Outreach is provided by the Council's Locality Engagement Officer on a weekly basis, on a Wednesday, at the Ockment Centre in Okehampton.
- 2.4 When the Northern Outreach service was first introduced the Council had two Locality Engagement Officers, it now only has one. As well as providing the Northern Outreach service the officer provides support to 31 elected Members compared to 15 Members in previous years.

3. Outcomes/outputs

- 3.1 As requested by this Committee, in March of this year, monitoring has been put in place to assess usage of both the Northern Outreach and the Council's reception facility in Tavistock. Findings from the research can be found in appendices A and B of this report. Key findings are also summarised in the paragraphs below.
- 3.2 The table below shows there were 41 users of the Northern Outreach service from April to June 2019, compared to 191 users for the same period in 2018. This equates to approximately 80% decline in use.

	April-June 2018	April-June 2019
Number of residents using the Northern Outreach Service	191	41

*The outreach operated for 2 days a week in 2018 and only 1 day a week in 2019. For the purposes of a statistically sound comparison an average daily use for 2018 has been used.

- 3.3 The significant decline in use of the Northern Outreach service can be attributed to a decrease in demand for recycling boxes. During 2018 the Council introduced its Box Clever scheme, many of the 191 users detailed above chose to visit the Northern Outreach service to collect recycling boxes. However, the new Waste and Recycling contract, which commenced in April of this year, puts the onus on the contractor to deliver all waste and recycling containers, thus negating the need for residents to collect boxes.

- 3.4 The Locality Engagement Officer has advised queries presented at the Northern Outreach Service could readily be resolved by customers online or via the phone. However, 76% of users over the past three months didn't try calling the Council and 63% didn't try looking online. Unfortunately, in the very rare instance when the Locality Engagement officer has been presented with a complex query, they have been unable to resolve it at the first point of contact. This is because the officer lacks the detailed specialist knowledge required. The officer has therefore referred the customer to a specialist colleague to give advice over the phone.
- 3.5 The data in appendices A and B show a high percentage of users of the Northern Outreach and the Tavistock Reception facility live in the town the service is provided in, with users often stating it was convenient to use the service as they were passing. However, 70% of West Devon residents do not have a face to face presence where they live. It could therefore be argued the Council is offering a service that is only of benefit to the minority of the residents it serves.

4. Options available and consideration of risk

4.1 Increase service

There is no evidence to suggest the Northern Outreach Service should increase. There has been an 80% decline in use of the service. Increasing the service would also place further demands on the Locality Engagement Officer's time and limit their ability to deliver the rest of their duties.

4.2 Maintain service at current level

Office of National Statistics data states the population of West Devon is circa 55,000. The Northern Outreach service has therefore been used by just 0.07 of West Devon residents over the past three months. The annual cost to maintain a service for one day a week in Okehampton is well in excess of £6,000.

4.3 Withdraw service

There has been very poor take up of the Northern Outreach service. Over 70% of its users over the past 3 months stated they would choose to access Council services either online or via the phone in future.

5. Proposed Way Forward

- 5.1 In light of the evidence it is recommended option 4.3 is pursued and the outreach service at the Ockment Centre in withdrawn as of 31 July 2019. And furthermore that an option appraisal on the future of Tavistock Reception be presented to this Committee in November 2019.
- 5.2 To ensure the withdrawal of the Northern Outreach service has as minimal impact as possible it is recommended the following steps are adopted:

5.3 Clear Communication

All residents, agencies based at the Ockment Centre, Okehampton Library, Okehampton Town Council and Parish Councils are advised of the withdrawal and given clear guidance on how best to contact the Council.

5.4 Vulnerable Customers

It is recognised that some customers simply are not able to engage with the Council online or over the phone. In these instances Mobile Locality Officers are on hand to assist these customers.

5.5 Improved Customer Service

The Council is unrelenting in improving its customer service ensuring it provides easy to use services as well as value for money. In late autumn 2018 the Council embarked on a 12 month Customer Satisfaction Action Plan. The focus of the plan is to ensure the Council delivers right first time services thus negating the need for customers to contact the council to report service failure. The plan to date has resulted in a reduction of 3,000 customer calls. The Council knows that providing access to service online line is convenient for residents and is cost effective. In 12 months, customer transactions on the Council's website have increased by 10,000 online transactions. However, there is still work to do and the Council needs to ensure it adheres to its Customer Satisfaction Plan to make sure this happens. Full information on the Council's Customer Satisfaction Plan can be found in online in the minutes of previous Hub Committee meetings.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	There are no direct legal implications to this report. The Hub Committee has a responsibility to provide Leadership to the overall activities of the Council and ensure the services the Council provides are efficient and effective.
Financial implications to include reference to value for money	Y	At present Northern Outreach is provided by the Council's Locality Engagement Officer on a weekly basis, on a Wednesday, at the Ockment Centre in Okehampton. The Northern Outreach Service is not considered the best use of Council resources because it is taking considerable officer time to service a very small cross section of West Devon residents. It therefore presents poor value for money.

Risk	N	Use of the Northern Outreach Service has been closely monitored for 15 months the recommendation to cease the service is therefore grounded in evidence and has been closely considered.
Supporting Corporate Strategy	Y	Council Theme – <i>Efficient and effective</i>
Comprehensive Impact Assessment Implications		
Equality and Diversity	Y	N/A
Safeguarding	Y	N/A
Community Safety, Crime and Disorder	Y	N/A
Health, Safety and Wellbeing	Y	N/A
Other implications	N	None.

Supporting Information:

Appendix A

Northern Outreach, Ockment Centre Usage April-June 2019

Appendix B

Tavistock Reception, Kilworthy Park Usage April-June 2019

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Northern Outreach Ockment Centre Survey

Data collected at each weekly session from
April-June 2019

4
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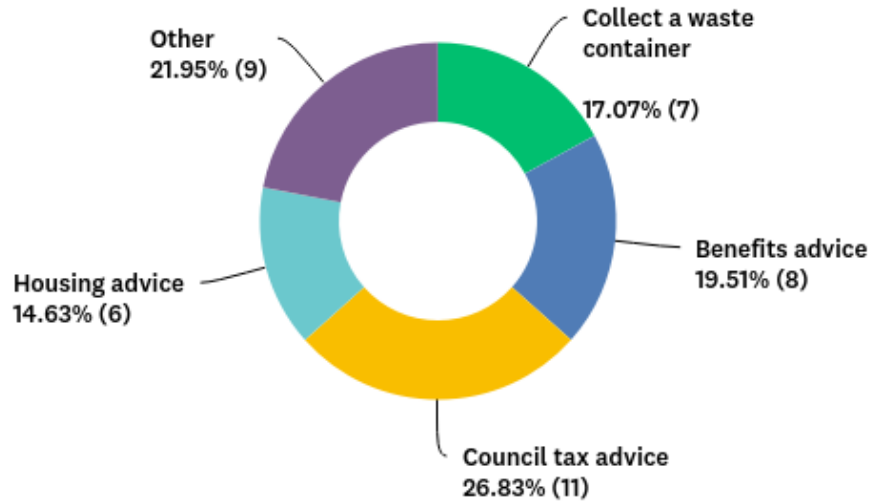
Total Responses

Date Created: Tuesday, March 26 2019

Complete Responses: 39

Q1: What is the purpose of your visit?

Answered: 41 Skipped: 0



Q1: What is the purpose of your visit?

Answered: 41 Skipped: 0

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ANSWER CHOICES	RESPONSES	
Collect a waste container	17.07%	7
Benefits advice	19.51%	8
Council tax advice	26.83%	11
Housing advice	14.63%	6
Planning advice	0.00%	0
Other	21.95%	9
TOTAL		41

Other (9)

- Devon Home Choice
- Waste enquiry
- Waste assisted collection
- Hand in form (3)
- Rent reduction notification
- Help with health and safety concerns with landlord
- Check parking permit

Q2: Where do you live?

Answered: 41 Skipped: 0



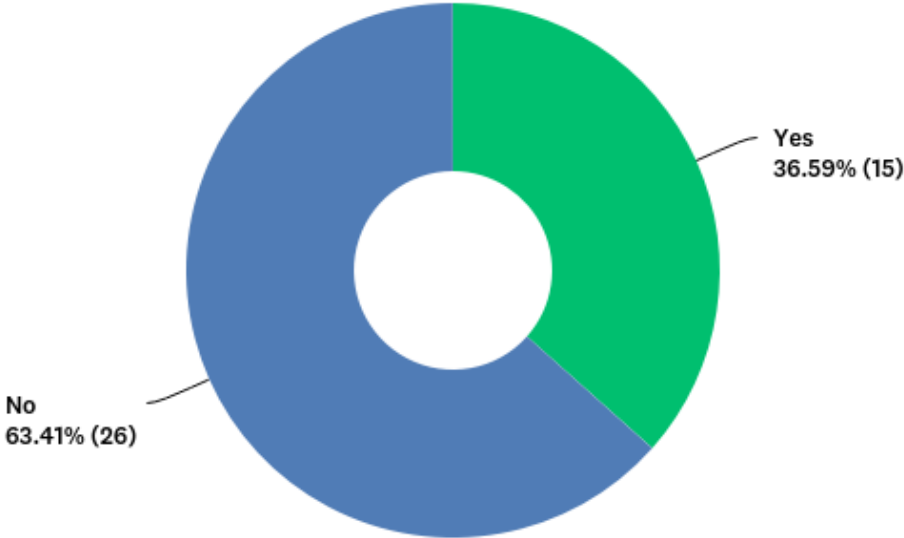
Page 85

- Other (5)
- Hatherleigh – 1
- Exbourne – 2
- Sourton – 1
- Sampford Courtney - 1

Q3: Did you try using our website to deal with your query?

Answered: 41 Skipped: 0

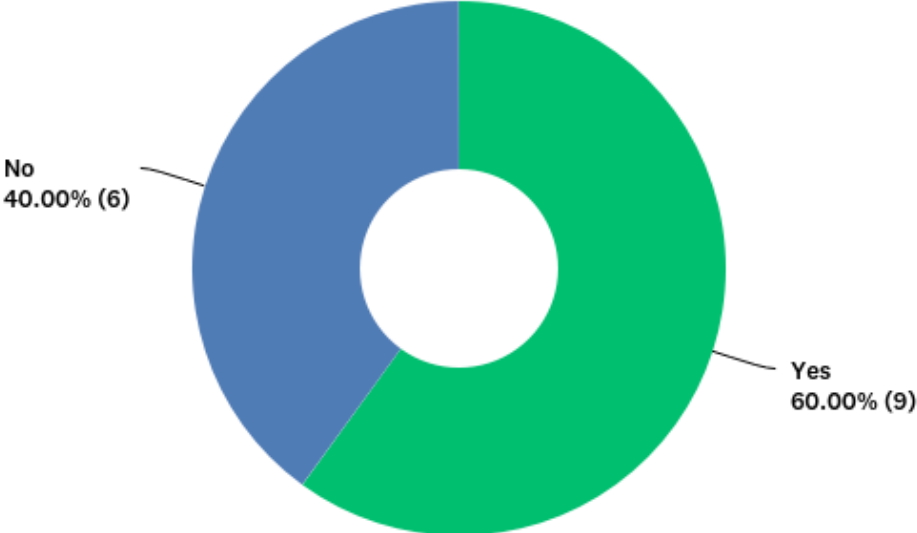
Page 86



Q4: Were you able to find what you needed on our website?

Answered: 15 Skipped: 26

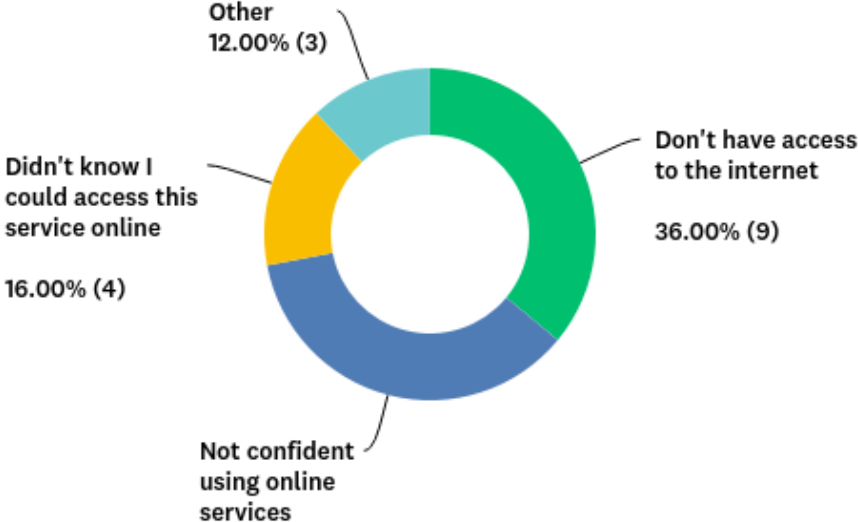
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Q5: What's your reason for not trying our website?

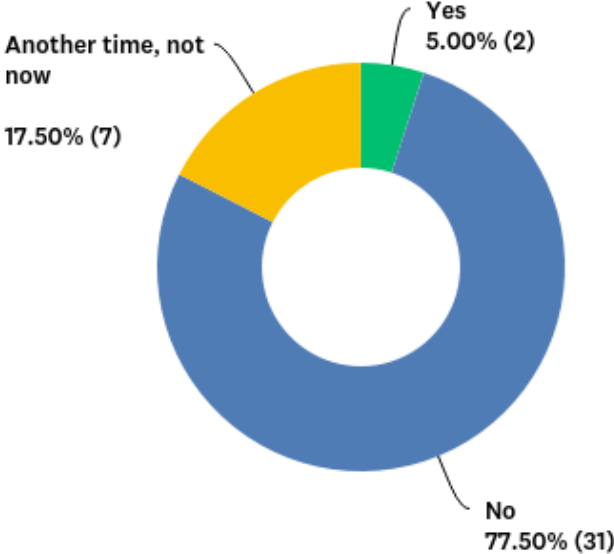
Answered: 25 Skipped: 16

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Q6: Would you like me to show you how to access our services online?

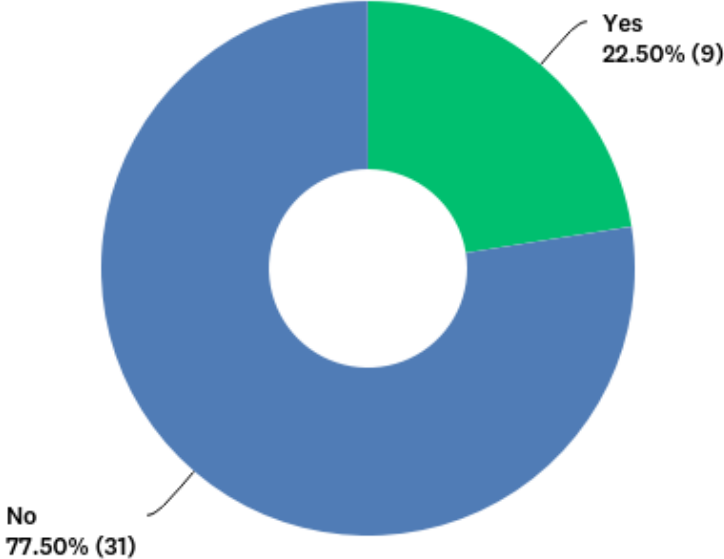
Answered: 40 Skipped: 1



Q7: Did you try telephoning the Council?

Answered: 40 Skipped: 1

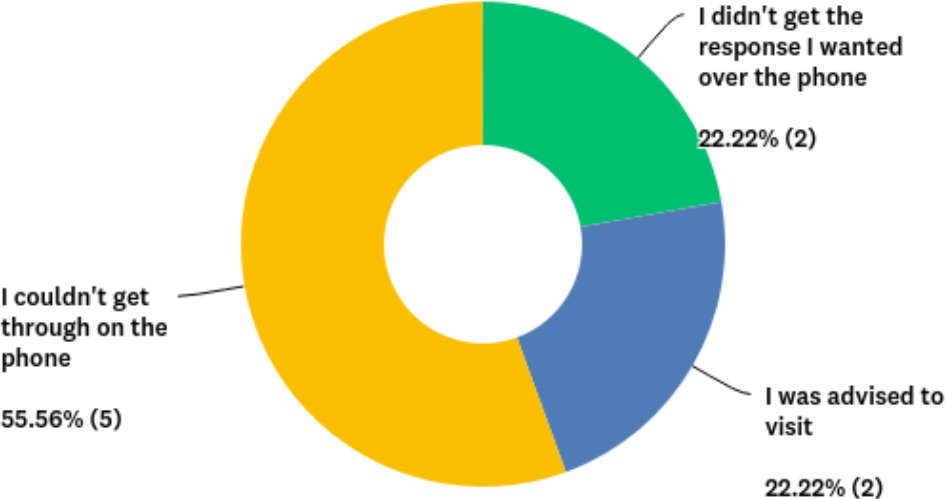
Page 90



Q8: If you tried calling why are you visiting?

Answered: 9 Skipped: 32

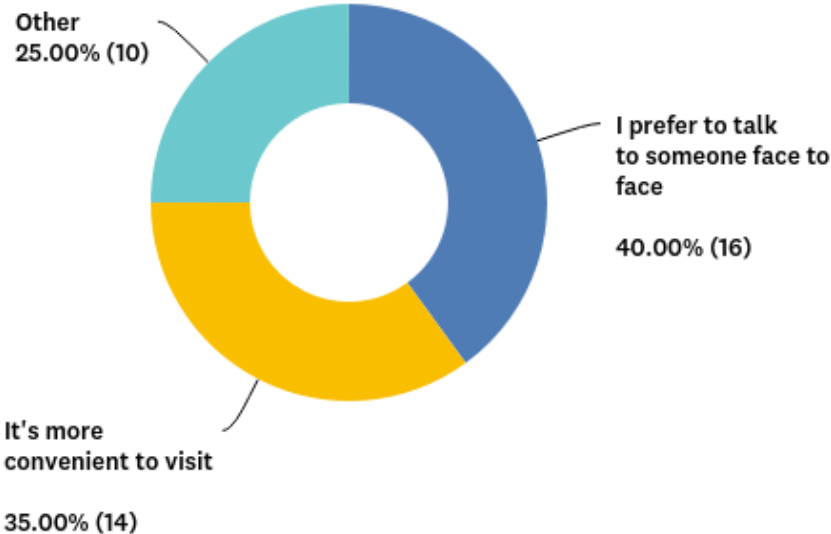
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Q9: Why didn't you call the Council?

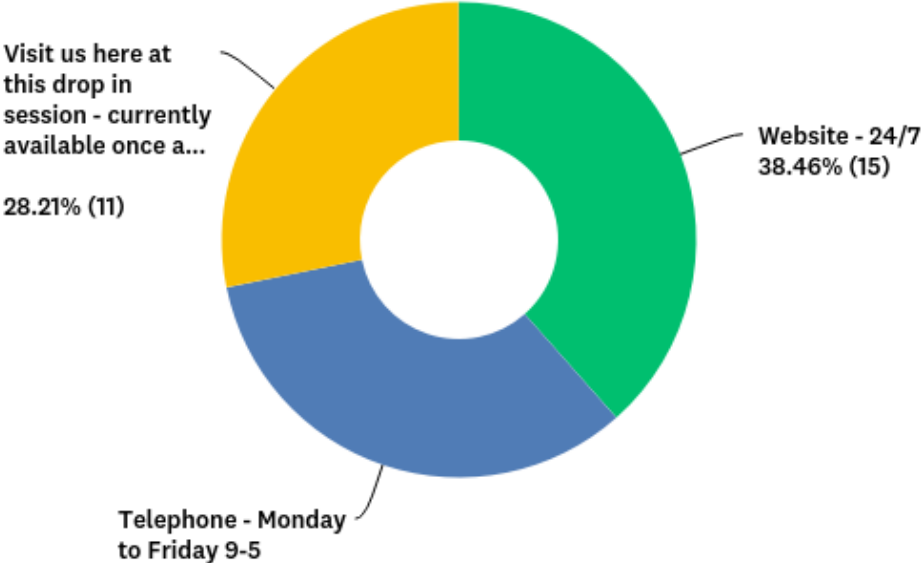
Answered: 40 Skipped: 1

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Q10: If you had to access Council services again which method would you use?

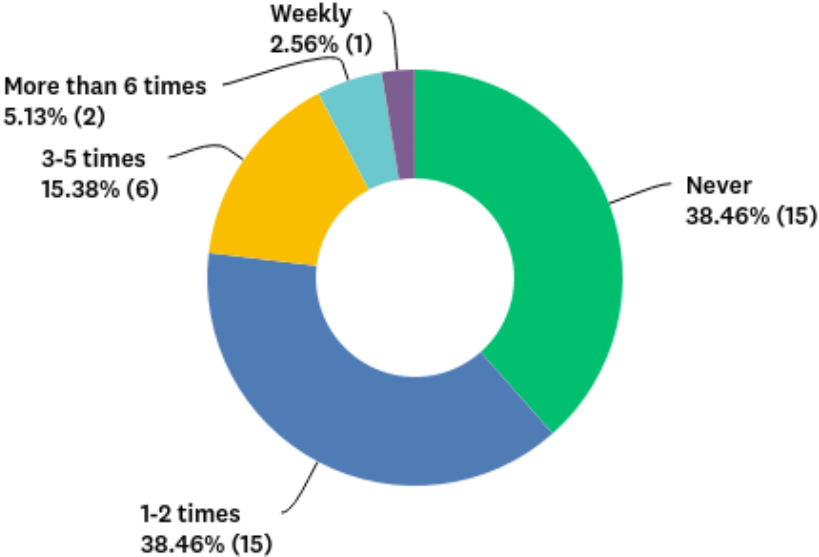
Answered: 39 Skipped: 2



Q11: And finally, apart from today, how many times have you accessed Council services here at the Ockment Centre over the past 12 months?

Answered: 39 Skipped: 2

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Tavistock Reception Kilworthy Park Survey

Data collected from 1 April to Friday 21 June 2019 during the majority of Reception opening hours

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281

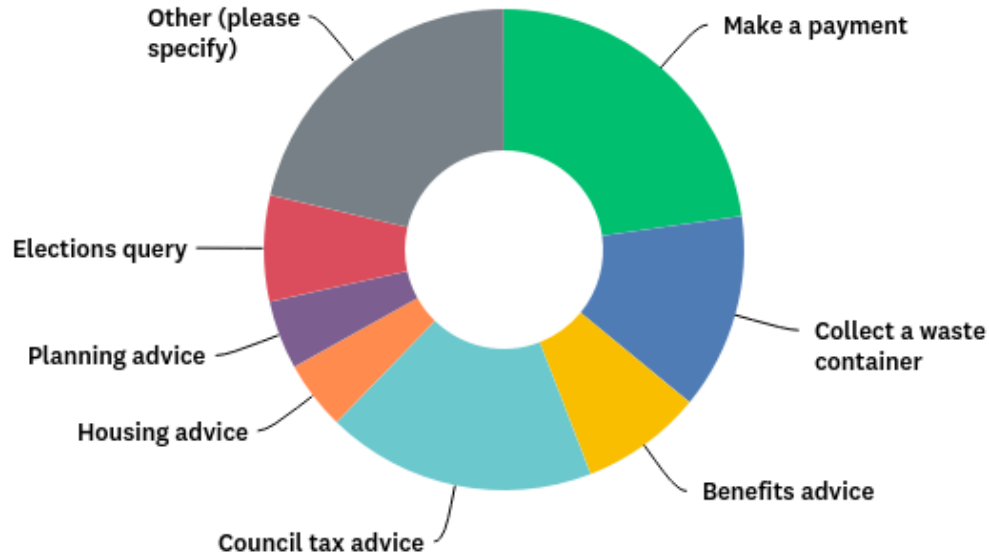
Total Responses

Date Created: Tuesday, March 26, 2019

Complete Responses: 273

Q1: What is the purpose of your visit?

Answered: 281 Skipped: 0



Q1: What is the purpose of your visit?

Answered: 281 Skipped: 0

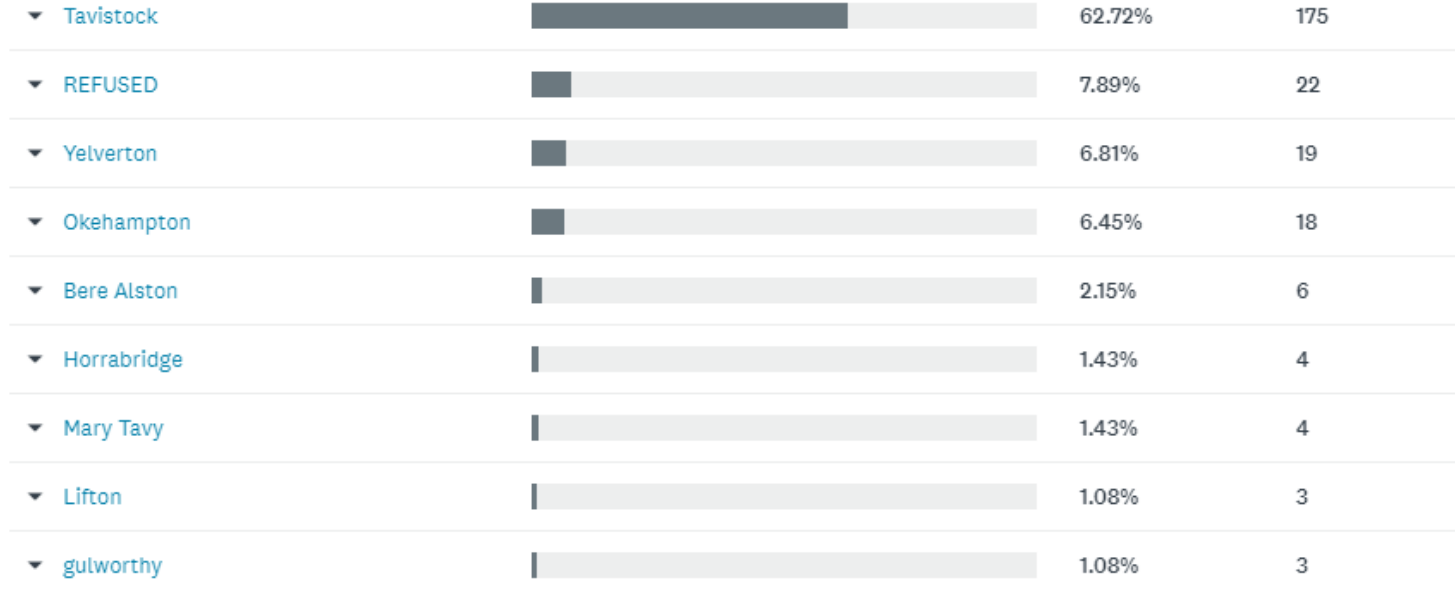
Page 98

ANSWER CHOICES	RESPONSES	
Make a payment	22.78%	64
Collect a waste container	13.17%	37
Benefits advice	8.19%	23
Council tax advice	18.15%	51
Housing advice	4.63%	13
Planning advice	4.63%	13
Attend a Council meeting	0.00%	0
Visit a third party tenant	0.00%	0
Elections query	7.12%	20
Other (please specify)	21.35%	60
TOTAL		281

The 60 Other responses included Licensing, Duty Planner Meeting, Land Charges, Building Control Advice, Bus Pass Renewal, Business Units, PCN Appeal, Road Signs. **Note 23 out of 60 refused** to give a response.

Q2: Where do you live?

Answered: 279 Skipped: 2

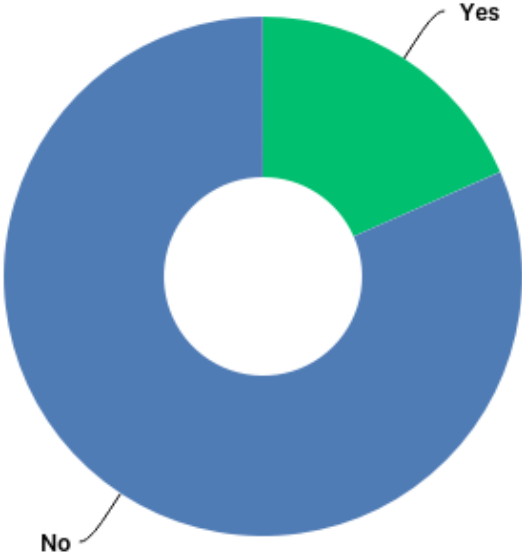


The 25 Other responses included: 1 Drewsteignton, 2 Princetown, 1 Chagford, 2 Lydford, 1 Buckland Monachorum, 1 Peter Tavy, 1 Sticklepath, 2 Whitchurch, 2 Bere Ferrers, 1 Northlew, 1 Meavy, 11 out of area

Q3: Did you try using our website to deal with your query?

Answered: 277 Skipped: 4

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Q3: Did you try using our website to deal with your query?

Answered: 277 Skipped: 4

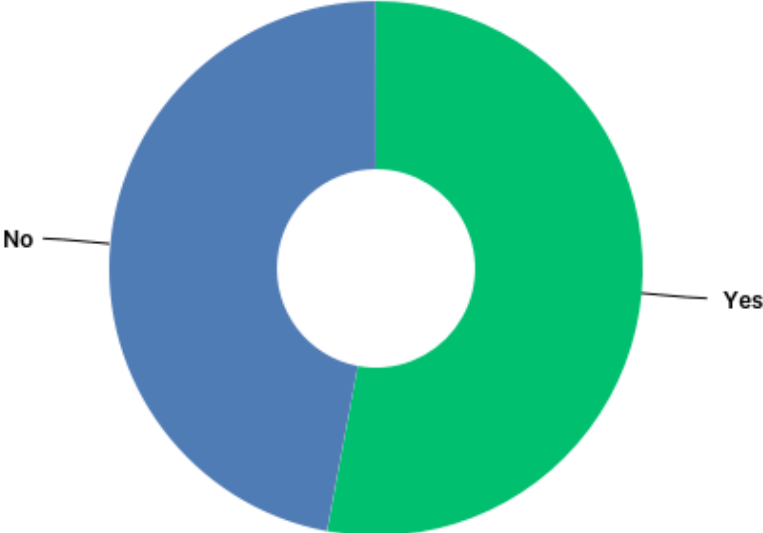
ANSWER CHOICES	RESPONSES	
Yes	18.41%	51
No	81.59%	226
TOTAL		277

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Q4: Were you able to find what you needed on our website?

Answered: 51 Skipped: 230

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Q4: Were you able to find what you needed on our website?

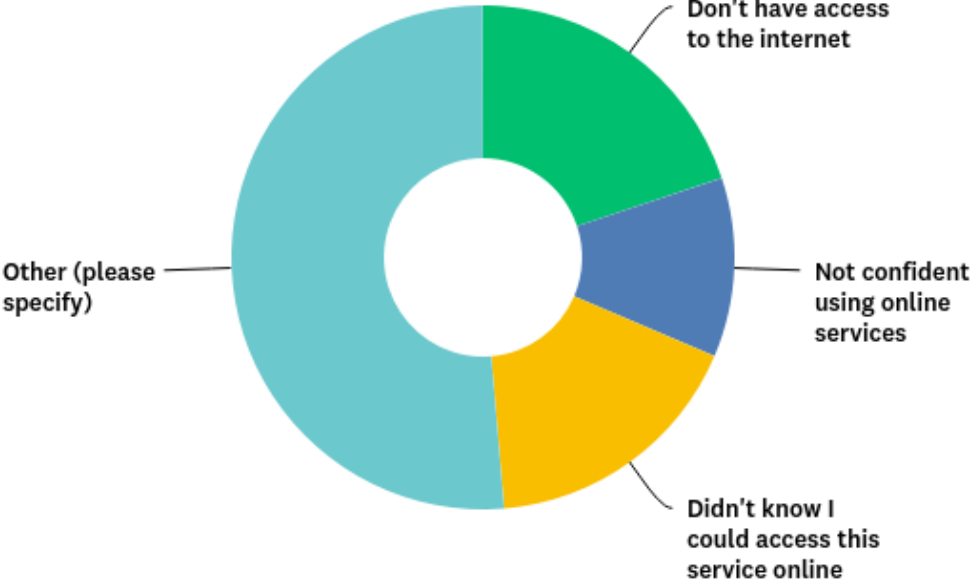
Answered: 51 Skipped: 230

ANSWER CHOICES	RESPONSES	
Yes	52.94%	27
No	47.06%	24
TOTAL		51

Q5: What's your reason for not trying our website?

Answered: 226 Skipped: 55

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Q5: What's your reason for not trying our website?

Answered: 226 Skipped: 55

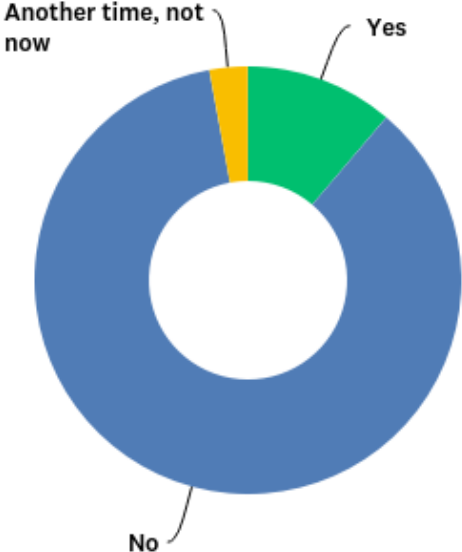
ANSWER CHOICES	RESPONSES	
Don't have access to the internet	19.91%	45
Not confident using online services	11.50%	26
Didn't know I could access this service online	17.26%	39
Other (please specify)	51.33%	116
TOTAL		226

116 Other responses include: 22 refusing to say, 62 prefer to speak to someone face to face, 10 said wanted to visit office, 14 said wanted a form/documents or collect something, 8 said to hand in documents

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Q6: Would you like me to show you how to access our services online?

Answered: 276 Skipped: 5



Q6: Would you like me to show you how to access our services online?

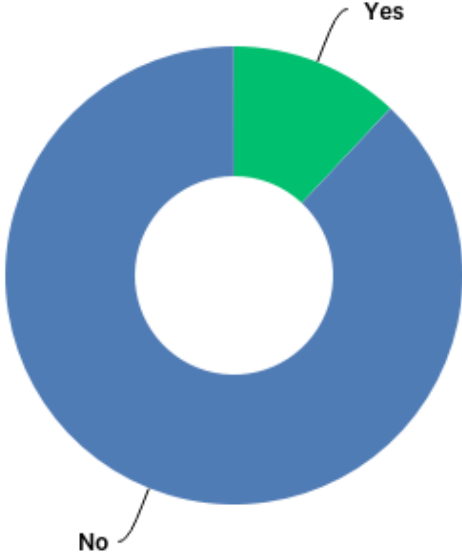
Answered: 276 Skipped: 5

ANSWER CHOICES	RESPONSES	
Yes	11.23%	31
No	85.87%	237
Another time, not now	2.90%	8
TOTAL		276

Q7: Did you try telephoning the Council?

Answered: 275 Skipped: 6

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Q7: Did you try telephoning the Council?

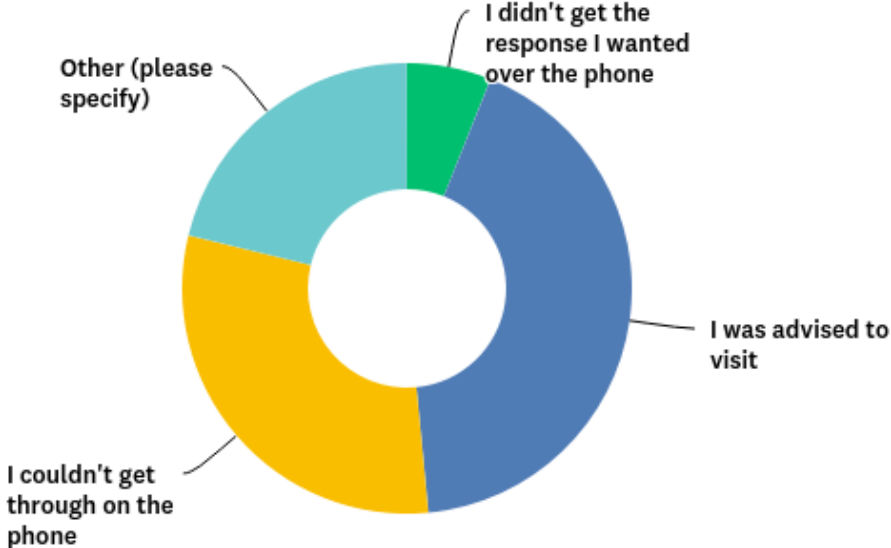
Answered: 275 Skipped: 6

ANSWER CHOICES	RESPONSES	
Yes	12.00%	33
No	88.00%	242
TOTAL		275

Q8: If you tried calling why are you visiting?

Answered: 33 Skipped: 248

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Q8: If you tried calling why are you visiting?

Answered: 33 Skipped: 248

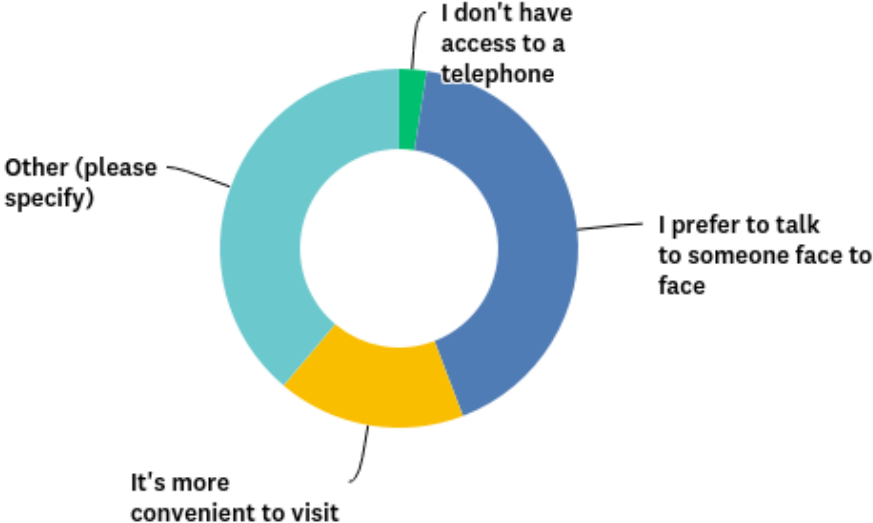
ANSWER CHOICES	RESPONSES	
I didn't get the response I wanted over the phone	6.06%	2
I was advised to visit	42.42%	14
I couldn't get through on the phone	30.30%	10
Other (please specify)	21.21%	7
TOTAL		33

7 Other responses include: 3 to collect recycling boxes, 2 to have a meeting, 2 to hand in information

Q9: Why didn't you call the Council?

Answered: 242 Skipped: 39

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Q9: Why didn't you call the Council?

Answered: 242 Skipped: 39

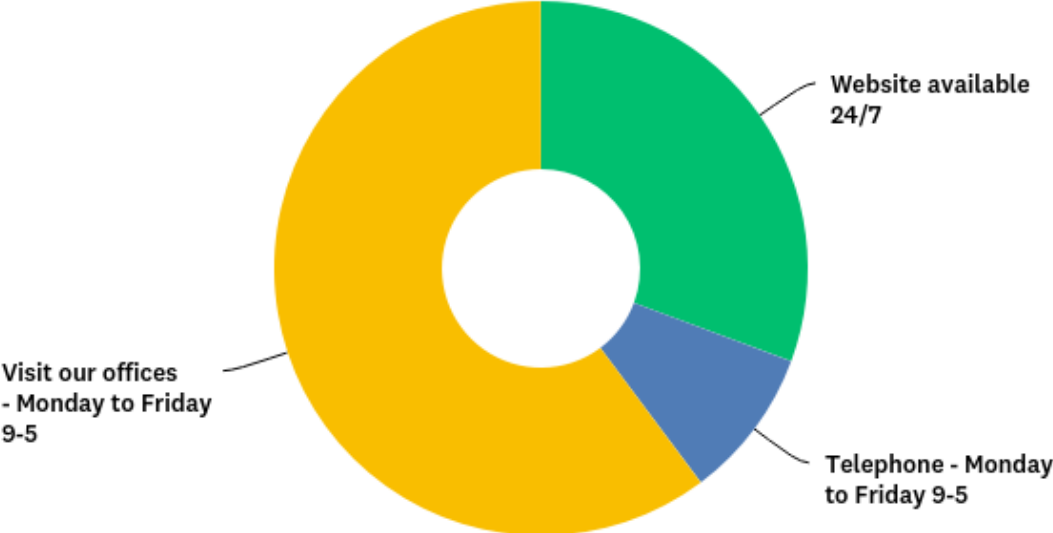
ANSWER CHOICES	RESPONSES	
I don't have access to a telephone	2.48%	6
I prefer to talk to someone face to face	41.74%	101
It's more convenient to visit	16.94%	41
Other (please specify)	38.84%	94
TOTAL		242

94 Other responses include: 22 refused to say, 54 to hand in something, to collect something 18

Q10: If you had to access Council services again which method would you use?

Answered: 274 Skipped: 7

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Q10: If you had to access Council services again which method would you use?

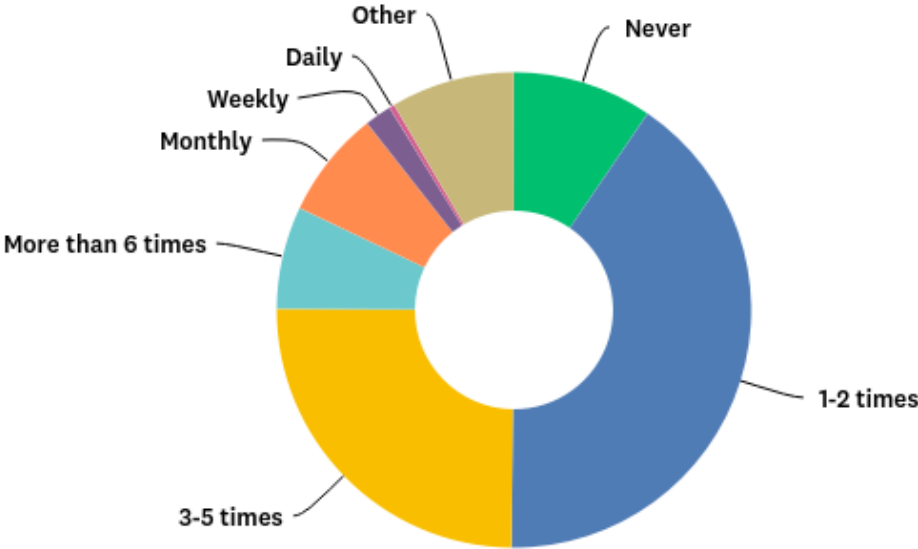
Answered: 274 Skipped: 7

ANSWER CHOICES	RESPONSES	
Website available 24/7	30.66%	84
Telephone - Monday to Friday 9-5	9.12%	25
Visit our offices - Monday to Friday 9-5	60.22%	165
TOTAL		274

Q11: And finally, apart from today, how many times have you visited our offices here at Kilworthy Park in the past 12 months?

Answered: 273 Skipped: 8

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Q11: And finally, apart from today, how many times have you visited our offices here at Kilworthy Park in the past 12 months?

Answered: 273 Skipped: 8

ANSWER CHOICES	RESPONSES	
Never	9.52%	26
1-2 times	40.66%	111
3-5 times	24.91%	68
More than 6 times	6.96%	19
Monthly	7.33%	20
Weekly	1.83%	5
Daily	0.37%	1
Other	8.42%	23
TOTAL		273

23 Other responses were made of people refusing to answer.

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Report to: **Council**

Date: **17 September 2019**

Title: **Heart of the South West Joint Committee Governance Review Report**

Portfolio Area: **Council**

Wards Affected: **all**

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

Date next steps can be taken: **Immediately**

Author: **Sophie Hosking** Role: **Chief Executive**

Contact: **Telephone/email: Sophie.hosking@swdevon.gov.uk**

Recommendations:

That West Devon Borough Council approves the amendments (shown in red on the attached document at Appendix A) to the Committee's list of functions in the Arrangements document and to note the updated budget position for 2019/20 for the Heart of the South West Joint Committee.

1. Executive summary

- 1.1 This report provides an update to the Constituent Authorities on the Joint Committee's governance arrangements and budgetary position for 2019/20. The report contains recommendations for amendments to the Committee's Arrangements document following the governance review.
- 1.2 In recent months the Joint Committee has reviewed and updated its governance arrangements in the light of experience since its establishment in early 2018 and in response to changing Government policy and local circumstances. Some changes are required to the Committee's Arrangements document as a result and these need to be formally agreed by the Constituent Authorities. It is essential that the Joint Committee remains fit for purpose, represents a sustainable way of working into the future; and delivers value for the resources committed to it by the Constituent Authorities.

2. Background

- 2.1 The Heart of the South West (HotSW) partnership consists of 23 organisations: 17 County, Unitary and District Councils, Dartmoor and Exmoor National Park Authorities, the HotSW Local Enterprise Partnership and 3 Clinical Commissioning Groups.
- 2.2 Since 2015 the partnership has been working on proposals to dramatically improve productivity and economic prosperity across the HotSW area. Working together the partners are certain that we will achieve our aims more effectively and quickly than by working alone.
- 2.3 From the outset our partnership has had discussions with Government about the possible benefits that devolution could bring to the HotSW area. The Government's approach to devolution has changed over the 2015-18 period and the partnership has constantly adjusted its position on the subject to ensure continued discussions with Government and to get our voice heard. Devolution under the broadest definition can include devolution of functions and powers to local areas as well as less formal freedoms and flexibilities.
- 2.4 In January 2018 it was agreed to establish a HotSW Joint Committee to put the partnership onto a more formal footing and give it a status that was not possible as an informal arrangement.
- 2.5 The Joint Committee has agreed and published a HotSW Productivity Strategy. This is a 20 year Strategy designed to deliver the ambitions of the Committee to improve productivity and economic prosperity. A Delivery Plan will contain the proposals and actions required to deliver the Strategy and will be overseen by the Committee.
- 2.6 The Joint Committee also provides a formal structure through which to hold discussions with Government under the heading of 'devolution' but which actually spans a wide range of policy areas including opportunities arising from the Brexit negotiations. We hope that opportunities arising from these discussions will help us to deliver programmes where we don't currently have the structures and funding locally for this to happen.

Review of the role and functions of the Joint Committee

- 2.7 The Constituent Authorities have previously agreed one addition to the list of delegated functions by giving the Joint Committee the function of agreeing the local authorities' input into the development of the HotSW Local Industrial Strategy (LIS).

- 2.8 In addition to the above policy development, the need to review the governance arrangements arose from:
- a. Changes in Government Policy away from large devolution 'deals' to a more targeted dialogue on key themes of relevance to the local authorities and partners, e.g. Housing. The Joint Committee's influencing role has become increasingly important as recognised by Ministers, local MPs and Government officials. The ambition remains to draw down additional functions, powers and funding from Government.
 - b. The evolution of the Joint Committee's role from agreeing policy (the HotSW Productivity Strategy) to overseeing delivery of the Strategy alongside the LEP.
 - c. The developing relationships with other key local partnerships to ensure that there are appropriate reporting lines i.e. HotSW LEP Joint Scrutiny Committee, Peninsula Transport Board, Great South West, HotSW Local Transport Board.
- 2.3 Accordingly, the Committee has refined its focus into the following areas:
- Strategic policy development
 - Influencing Government / key agencies to achieve direct intervention, support, funding and powers
 - Designing and delivering strategic HotSW responses to 'Government' offers
 - Designing and delivering public sector reform where this will deliver improved productivity, e.g. in health and education
 - Delivering at scale –(beyond what individual councils can achieve)
 - Oversight of the Delivery Plan – working with the HotSW LEP to ensure delivery of the HotSW Productivity Strategy.
- 2.4 It is not proposed at this stage to request the delegation of further functions from the Constituent Authorities to the Joint Committee.
- 2.5 These refinements to the focus of the Committee have been reflected in amendments to the list of functions contained in the Joint Committee's 'Arrangements' document – see Appendix A attached.

3. Outcomes/outputs

- 3.1 The subject matter focus for the Joint Committee will fall into the following areas of the Delivery Plan:
- Housing – including bid(s) for securing a commitment from Government to work with the HotSW partners to accelerate housing delivery
 - Major Route Corridor Study agreed and completed

- Agreed HotSW LIS which meets our transformational objectives
- Successful engagement plan with MPs / Ministers
- Successful operational phase of the Brexit work in collaboration with Government
- Preparation for / response to offers of public sector reform to improve productivity
- Agreement and submission of Coastal Communities proposal to Government seeking additional Government support for our coastal communities
- Development of the JC's investment framework required to deliver the Productivity Strategy within a new national funding environment.
- Enable the partners to prepare for and respond to opportunities arising from the Comprehensive Spending Review and the Shared Prosperity Fund

Joint Committee Political Arrangements

3.2 The Committee has agreed to change its meeting arrangements to achieve a better balance between formal decision-making meetings (fewer) and more opportunities for informal engagement and challenge sessions.

3.3 In addition, two informal engagement sessions will be arranged per annum to engage relevant Portfolio Holders and Directors on Joint Committee business.

Joint Committee Management Support Arrangements

3.4 Comprehensive management support arrangements have been in place to support the partnership (and latterly the Joint Committee) since 2015. These have been recently reviewed and refined. To minimise direct support costs impacting on the Committee's budget, most of the officer resource is provided by the Constituent Authorities on an 'in-kind' voluntary basis. In addition, Somerset County Council was appointed as the Administering Authority to the Joint Committee to support and run the Joint Committee and its meetings. SCC has been paid for undertaking this role from the Joint Committee budget. Other direct budget contributions towards the Committee support costs have been allocated to refund those Constituent Authorities who have provided officer resources for project management capacity and administrative support to the Brexit Resilience and Opportunities Group.

3.5 The diagram in Appendix B to this report shows the revised management support arrangements of the Joint Committee. The revised arrangements provide for:

- A CEx Executive Group to lead the work of the Joint Committee and to include theme leads from the Delivery Plan. The membership of this Group is set out in Appendix B.

- Use of existing Devon and Somerset Chief Executives' and Leaders' meetings to support the work of the Committee.
- 1 x joint meeting per annum of the Devon and Somerset Chief Executives.
- Better alignment of the Joint Committee's support arrangements with the LEP.
- A Policy and Technical Officer Group of senior policy officers to focus on: delivery of the Delivery Plan; monitoring progress/measuring performance; and drafting responses to national policy changes.
- A dedicated and resourced programme management function, (funded from the Joint Committee's budget) to manage Joint Committee business on behalf of the CEx Executive Group and in addition to the Administering Authority role. This arrangement was initially agreed for 6 months (April to Oct 2019) pending a review of the work load.

Heart of the South West Joint Committee Budget Position

- 3.6 The Joint Committee remains completely reliant on the Constituent Authorities for its budget and there are no obvious sources of additional funding to support running costs or delivery of its work programme.
- 3.7 The Joint Committee budget as at the end of March 2019 was as follows:

Constituent Authorities	Contributions – 18/19 £	Expenditure – 18/19 £
County Council x2	10,500	40,000 – Administering Authority costs (including staffing, venue hire, publicity costs) 16,346 – Brexit admin support costs 9750 – Housing audit 5000 – Housing conference 8759 - Transport consultancy 660 - Portfolio-holder event costs
Unitaries x 2	4,000	
Districts / National Park Authorities x 15	1,400	
Underspend carried forward from Devolution Budget	66838	
Total	116,838	

- 3.8 The Joint Committee budget covers the costs of running the Committee and the work programme. Contribution levels for each council tier are based on population levels. The Committee agreed earlier this year that a larger annual budget was likely to be required to fund work programme priorities in future years and approved 'in principle' to seek the agreement of the Constituent Authorities to double the 2018/19 core contributions as a one-year arrangements so giving maximum contributions of:

County Council - £21,000
 Unitary Council - £8,000
 District Council / National Park Authorities – £2,800

3.9 For 2019/20 the Constituent Authorities have been invoiced 50% of the amounts stated above. A second invoice was to be sent to each Constituent Authority for the other 50% in the autumn if the budget proved to be insufficient to fund the work required in 2019/20 and only if fully costed work programme proposals were available to justify the request.

3.10 The overall budget position for 2019/20 is detailed in the tables in 3.12. There are no plans to invoice the Constituent Authorities for the second budget contribution for 2019/20 because of the need to take stock of the direction of the Committee’s work programme following the recent elections and delays in progressing discussions with Government as a result of Brexit. As it stands the contributions collected from the Constituent Authorities (£48,600) together with the underspend carried forward from 2018/19 (£36,326) totalling £84,926 is sufficient to cover the planned and anticipated costs for 2019/20 of £60K.

3.11 A key unknown aspect of the work programme is the preparations for Brexit and the budget impacts of any work which the Committee may wish to commission. This will be kept under review in the coming months as the position becomes clearer.

3.12

Income	£ (,000)
Constituent Authority contributions	48,600 - committed 48,600 – in principle
2018/19 underspend	36,326
<u>Total</u>	133.5 (of which 48.6k is in principle)

Expenditure	£ ,000
Administering Authority Programme Office	20 – committed (for the year) 10 – committed (April to Sept) (Oct to March 2020 tbc but estimated at £10k)
Brexit Resilience and Opportunities Group – officer support costs	10 – in principle (April to Sept) (Oct onwards tbc but estimated at up to £10k)
Housing Task Force	Tbc
Growth Corridor Work	Tbc
MP/ Ministerial engagement	Tbc
Brexit work programme	Tbc
Coastal Communities proposal	Tbc
<u>Total</u>	£60k (including anticipated commitments detailed above)

3.13 Further discussions are planned as to how to establish a financially stable Joint Committee budget for future years as a pre-requisite to preparing a budget proposal for 2020/21 for submission to the Constituent Authorities.

4. Options available and consideration of risk

4.1 The key risk to the Constituent Authorities is a Committee without a clear role and functions and with unsustainable support arrangements which threaten the security and operation of the model. If the Committee cannot be sustained into the future then the momentum already achieved with Government will be at risk and the opportunity to realise additional funds, powers and responsibilities from the Government for the benefit of HotSW will be severely compromised. This in turn would compromise the ability to deliver the Productivity Strategy.

5. Proposed Way Forward

5.1 It is proposed to accept the amendments to the Arrangements Document and to note the updated budget position of the HotSW Joint Committee.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance		The review of the role and functions of the Joint Committee has clearly taken account of the legal framework within which the Joint Committee operates.
Financial implications to include reference to value for money		Financial implications clearly set out in Section 3 of the report
Risk		Set out in Section 4 of the report
Supporting Corporate Strategy		Council – delivering efficient and effective services
Climate Change - Carbon / Biodiversity Impact		None directly arising from this report
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 – Extract from the Joint Committee’s Arrangements Document

Appendix B – Heart of the South West Joint Committee Support Structure

Background Papers:

- Heart of the SW Joint Committee Arrangements document as agreed by all Constituent Authorities
- Heart of the SW Joint Committee Inter-Authority Agreement as agreed by all of the Constituent Authorities

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes/No
SLT Rep briefed/sign off	Yes/No
Relevant Heads of Practice sign off (draft)	Yes/No
Data protection issues considered	Yes/No
Accessibility checked	Yes/No

APPENDIX A – EXTRACT FROM THE JOINT COMMITTEE’S ARRANGEMENTS DOCUMENT

2. Joint Committee Functions:

2.1 The only delegated functions of the Joint Committee relate to:

- (a) the approval of the HotSW Productivity Strategy; and
- (b) the development and endorsement of the HotSW Local Industrial Strategy (LIS) (noting that final approval of the HotSW LIS rests with the HotSW Local Enterprise Partnership (LEP) and the Government.

All other matters referred to in 2.3 below are ‘referred’ matters where the Joint Committee will make recommendations to the Constituent Authority or Authorities for decision. Additional delegated or referred functions may be proposed for the Joint Committee in the future by the Joint Committee or any of the Constituent Authorities but shall only be agreed if approved by all of the Constituent Authorities.

2.2 The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local Sub-Regional Partnerships with decisions being made at the most local and appropriate level on all matters to do with the delivery of the Productivity Strategy and in relation to the other functions of the Joint Committee.

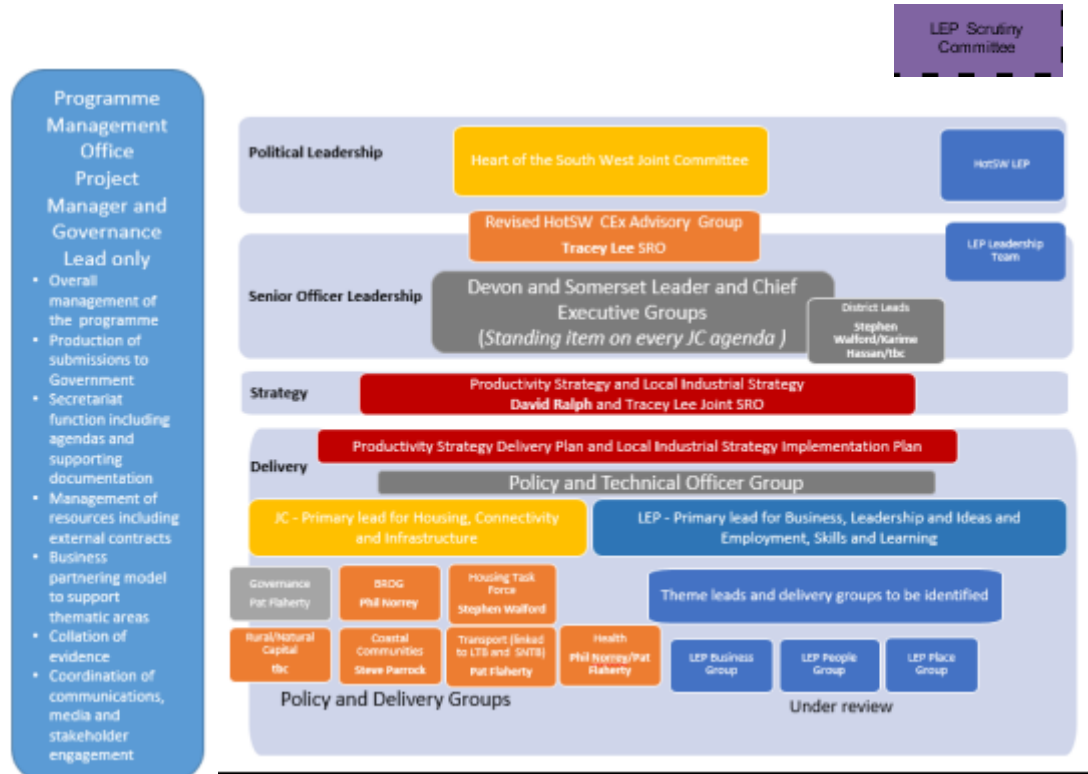
2.3 The Joint Committee shall:

- (a) Develop and agree the HotSW Productivity Plan in collaboration with the LEP.
- (b) Maintain oversight of the HotSW Delivery Plan = working alongside and in collaboration with the LEP using each other’s strengths and roles to ensure delivery of the HotSW Productivity Strategy.
- (c) Continue discussions /negotiations with the Government and Government agencies to achieve direct intervention, support, funding and powers to the benefit of the HotSW and assist with the delivery of the Productivity Plan and the LIS, working with the LEP.
- (d) Continue discussions / negotiations with the Government / relevant agencies to secure delivery of the Government’s strategic infrastructure commitments, eg, strategic road and rail transport improvements.
- (e) Design and deliver the strategic HotSW response to ‘Government’ offers and respond to Government calls for evidence if appropriate.
- (f) Design and deliver public sector reform where this will deliver improved productivity to the HotSW, eg health, education.
- (g) Deliver at scale (beyond what individual councils can achieve).
- (h) Work with the LEP to identify and deliver adjustments to the LEP’s democratic accountability and to assist the organisation to comply with the revised (November 2016) LEP Assurance Framework. This includes endorsing the LEP’s assurance framework on behalf of the Constituent Authorities as and when required. However, this is subject to the Framework being formally approved by the LEP’s Administering Authority.

- (i) Ensure that adequate resources (including staff and funding) are allocated by the Constituent Authorities to enable the objectives in (a) to (e) above to be delivered.

APPENDIX B

HotSW Joint Committee Support Structure



Chief Executives' Executive Group Membership and Roles

Theme/Role	Lead	Body
HotSW Leaders SRO	Tracey Lee	JC (PCC)
Productivity Strategy SRO	Tracey Lee/David Ralph	JC (PCC)/LEP
LIS SRO	David Ralph/Tracey Lee	LEP/JC (PCC)
BROG	Phil Norrey	JC (DCC)
Governance lead	Pat Flaherty	JC (SCC)
Housing lead	Stephen Walford	JC (MDDC)
Transport lead	Pat Flaherty	JC (SCC)
Coastal Communities lead	Steve Parrock	JC (TC)
District Council Leads X 3	Stephen Walford (Devon - Rural) Karime Hassan (Devon - City/Urban) Stuart Brown (Somerset)	JC (MDDC/ECC/MDC)
Rural/Natural Capital lead	Kevin Bishop	JC (DNP)
Health theme	Via Phil Norrey and Pat Flaherty in the short term	JC (DCC/SCC)